

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(26 April 2021 – 30 April 2021)

Countries	Highlights
<p>US</p> <p>Fed holds interest rates near zero, sees faster growth and higher inflation</p>	<p>As expected, the US central bank decided to keep short-term interest rates anchored near zero as it buys at least USD120 billion of bonds each month. Despite noting the economic strength as well as inflation that is on the rise, if just temporarily, the policymaking Federal Open Market Committee unanimously decided to make no changes in its approach and gave no indications that things will change anytime soon. Fed Chairman Jerome Powell said the recovery is "uneven and far from complete". Powell added that it is still not time to talk about reducing policy accommodation, including the asset purchases. It will take some time before we see substantial further progress.</p> <p><i>(Source: CNBC, 28 April 2021)</i></p>
<p>UK</p> <p>UK economy set to grow faster than the U.S. this year - Goldman</p>	<p>Britain looks set to see faster economic growth than the US this year as the country races ahead with its vaccination programme after its slump in 2020, Goldman Sachs said. The bank said in a note to clients that it now expects British GDP to grow by a "striking" 7.8% this year, "above our expectations for the U.S". The April flash PMI was much stronger than expected in the UK, with the services PMI moving strongly further into expansionary territory.</p> <p><i>(Source: Reuters, 26 April 2021)</i></p>
<p>JAPAN</p> <p>Japan's retail sales rise at fastest pace in five months</p>	<p>Japanese retail sales rose at the fastest pace in five months in March as consumer demand recovered from the huge hit it took from the coronavirus pandemic last year. The world's third-largest economy has emerged from last year's slump on an export recovery, though a glacial vaccine rollout and a resurgence in infections are threatening household demand. Retail sales jumped 5.2% in March from a year earlier. That marked the fastest rise since a 6.4% advance in October and the first positive growth in four months. The broader rise in retail sales was driven by higher spending on fashion items such as clothing and accessories as well as general merchandise. Analysts now remain especially worried about a hit to spending on services, such as restaurants and leisure activities, after Japan last week declared a third state of emergency for Tokyo and other prefectures to contain the pandemic.</p> <p><i>(Source: Reuters, 29 April 2021)</i></p>
<p>CHINA</p> <p>China's factory activity growth slows on supply bottlenecks, soft demand</p>	<p>China's factory activity growth slowed and missed forecasts in April as supply bottlenecks and rising costs weighed on production and overseas demand lost momentum. The country's official manufacturing purchasing managers' index (PMI) fell to 51.1 in April from 51.9 in March. Some surveyed companies report that problems such as chip shortages, problems in international logistics, a shortage of containers, and rising freight rates are still severe. The official PMI, which largely focuses on big and state-owned firms, showed businesses again laid off workers in April after increasing hiring the month before for the first time in nearly a year. A sub-index for employment slipped to 49.6 from 50.1 in March.</p> <p><i>(Source: Reuters, 30 April 2021)</i></p>