

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(31 May 2021 – 4 June 2021)

Countries	Highlights
<p>US</p> <p>Amid hiring troubles, rising prices, US growth gains speed - Fed</p>	<p>The US economic recovery accelerated in recent weeks even as a long list of supply chain troubles, hiring difficulties, and rising prices cascaded through the country. The economy grew at a "somewhat faster rate" from early to late May, the Fed reported in its Beige Book. But getting a USD20 trillion economy back to speed posed challenges of its own. Homebuilders could not keep up with demand, manufacturers faced delivery delays of the material needed to finish goods, and "it remained difficult for many firms to hire new workers, especially low-wage hourly workers, truck drivers, and skilled tradespeople. The Beige Book will help frame the Fed's upcoming June meeting as officials edge towards a debate about how and when to pull back on the USD120 billion in monthly bond purchases and raise the near-zero interest rates put in place to battle the economic fallout from the pandemic.</p> <p><i>(Source: Reuters, 3 June 2021)</i></p>
<p>UK</p> <p>UK says all state contract bidders must commit to 2050 net zero goal</p>	<p>Companies bidding for British government contracts must commit to net zero emissions by 2050 and publish their carbon reduction plans under new rules. The announcement, which comes on World Environment Day, is in line with the government's net zero commitment to balance carbon emissions with their removal from the atmosphere by the middle of the century. "The government spends more than 290 billion pounds (USD411.34 billion) on procurement every year, so it's important we use this purchasing power to help transform our economy to net-zero," said Minister for Efficiency and Transformation Theodore Agnew. The rules will be in place by September and apply to all prospective suppliers bidding for contracts above 5 million pounds per year. Anyone failing to comply will be excluded from the contest.</p> <p><i>(Source: Reuters, 4 June 2021)</i></p>
<p>JAPAN</p> <p>Japan's May factory activity growth slows as emergency weighs - PMI</p>	<p>Factory activity in Japan expanded at a slower pace in May as growth in output and new orders eased, and though external demand remains strong worries are growing that domestic coronavirus emergency curbs could derail the economic recovery. The economy shrank at a faster-than-expected pace in the first quarter, mainly due to drops in private consumption and capital expenditure. However, manufacturers have benefited from solid overseas demand, especially from key markets such as China and US, where progress in vaccine rollouts have improved the outlook. The final au Jibun Bank Japan Manufacturing Purchasing Managers' Index (PMI) dropped to a seasonally adjusted 53.0 in May from 53.6 in the previous month, but higher than a 52.5 flash reading.</p> <p><i>(Source: Reuters, 1 June 2021)</i></p>
<p>CHINA</p> <p>China upbeat on trade talks with US, says both 'seek common ground'</p>	<p>China hailed the resumption of "normal discussions" with the US on the trade and economic fronts, apparently keen to move beyond a trade war as it said both sides aimed to resolve issues pragmatically. China's Vice Premier Liu He, who has led trade negotiations with the US, has held two video calls with US Trade Representative Katherine Tai and Treasury Secretary Janet Yellen in a week, marking the first formal engagement between the two sides on trade and economic issues under the Biden administration. Both calls lasted about 50 minutes, adding that conversations started smoothly, and Sino-US trade, macro-economic situations and domestic policies were among the topics.</p> <p><i>(Source: Reuters, 3 June 2021)</i></p>