

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(9 August 2021 – 13 August 2021)

Countries	Highlights
<p>US</p> <p>US consumer price increases slow in July, signs inflation peaked</p>	<p>US consumer prices increases slowed in July even as they remained at a 13-year high on an annual basis, but there were tentative signs inflation has peaked as supply-chain disruptions work their way through the economy. The consumer price index increased 0.5% last month after climbing 0.9% in June, the Labor Department said. Annual inflation rates have been lifted by the fading out of last spring's weak readings from the CPI calculation, but those so-called base effects are levelling off. Prices for shelter, food, energy, and new vehicles all increased in July. The index for used cars also increased but was much smaller than the surge in prior months.</p> <p style="text-align: right;"><i>(Source: Economic Times, 11 August 2021)</i></p>
<p>UK</p> <p>UK economy grew by stronger-than-expected 1.0% in June</p>	<p>Britain's economy grew by a faster-than expected 1.0% in June, boosted by the huge services sector as people resumed going to see their doctors following the pandemic and after many hospitality firms were allowed to resume indoor service in mid-May. A Reuters poll of economists had pointed to month-on-month growth of 0.8% in GDP. The huge services sector grew by 1.5% in June from May, with health activities contributing the most to services output and food and beverage services up by more than 10%. Industrial output shrank by 0.7%, as maintenance of oil field production sites dragged on the sector, but manufacturing grew by 0.2%. Construction output fell by 1.3%. GDP was 2.2% smaller at the end of June than it was in February 2020, before the pandemic struck the country.</p> <p style="text-align: right;"><i>(Source: Reuters, 12 August 2021)</i></p>
<p>JAPAN</p> <p>Japan's Q3 growth forecast slashed on Covid-19 surge: poll</p>	<p>Japan's economy will grow this quarter at a much slower pace than previously expected as a resurgence in coronavirus infections is hurting the momentum for a recovery, a Reuters poll found. But analysts forecast growth to speed up toward the year-end as hopes of a spending pickup amid a widening vaccine rollout will allow the economy to shake off the pandemic drag. The economy was expected to grow an annualised 2.7% in the July-September quarter, according to the Aug 2-11 poll of around 40 economists. That was much lower than a 4.2% expansion projected last month and 4.8% growth forecast in June. The government will release a preliminary GDP growth estimate for April-June on Monday, which analysts expected to come in at an annualised 0.5%.</p> <p style="text-align: right;"><i>(Source: Business Times, 13 August 2021)</i></p>
<p>CHINA</p> <p>China's COVID-19 outbreak hitting services sector, travel, hospitality</p>	<p>China's tighter social restrictions to fight its latest COVID-19 outbreak, now in its fourth week and involving more than a dozen cities, are hitting the services sector especially travel and hospitality in the world's second largest economy. China has refrained from full lockdowns of major cities such as those seen during the early days of the COVID-19 outbreak in Hubei province, to avoid totally paralysing the economy. The current wave has led to the reimposition of much tighter social distancing measures, which would significantly hurt the transport, tourism, and other service sectors.</p> <p style="text-align: right;"><i>(Source: Reuters, 11 August 2021)</i></p>