

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(21 December 2020 – 24 December 2020)

Countries	Highlights
<p>US</p> <p>US Q3 GDP estimate gets a slight upgrade to 33.4% growth</p>	<p>The July-September growth spurt upgraded slightly from Commerce's previous estimate of 33.1%, announced last month, marked a sharp recovery from the second quarter's 31.4% drop, the worst in records dating back to 1947. The US economy expanded at a record 33.4% annual pace from July through September, delivering the last of three estimates on the economy's third-quarter performance. But it's likely that a resurgence in coronavirus cases slowed growth sharply during the last three months of 2020. Consumer spending surged at an annual rate of 41% and private investment shot up by 86.3% to lead the third quarter rebound. Employers slashed 22 million jobs in March and April, then began to steadily recall furloughed workers. But the US is still 9.8 million short of the jobs it had February, and hiring has slowed every month since June.</p> <p><i>(Source: Business Today, 23 December 2020)</i></p>
<p>UK</p> <p>UK deficit hits USD323bil with economy facing recession</p>	<p>UK government borrowing climbed to a record £240.9 billion (USD323 billion) in the first eight months of the fiscal year, reflecting the damage inflicted on an economy now at risk of falling back into recession. In November, spending exceeded tax revenue by £31.6 billion amid the escalating cost of supporting firms and households through the pandemic. It leaves Britain facing its largest ever peacetime budget deficit. Separate figures confirmed the economy rebounded strongly in the third quarter. But a contraction is expected this quarter and hopes of recovery early next year are fading after the government tightened restrictions to combat a mutated coronavirus and several European countries banned entry from Britain.</p> <p><i>(Source: The Star, 23 December 2020)</i></p>
<p>JAPAN</p> <p>Japan's economy won't recover if pandemic lingers</p>	<p>Prime Minister Yoshihide Suga wants to enact the fiscal year 2021 budget, the largest ever, by the end of March in the hopes it will help to revive a sluggish economy pulled down by the novel coronavirus pandemic. This government, however, grossly miscalculated how much infections would surge this winter. The Go To Travel campaign, which Suga is spearheading, had to be temporarily suspended for the year-end and New Year holidays. The government's plan to support local economies through a series of Go To campaigns and to achieve a V-shaped economic recovery at the same time through a large budget is now completely ruined. The government's handling of COVID-19 is like chasing two rabbits at once, trying to prevent infections from spreading while trying to revitalize the economy. Criticism of the government shows no signs of abating.</p> <p><i>(Source: The Japan News, 22 December 2020)</i></p>
<p>CHINA</p> <p>China issues rules on social credit system amid public concerns</p>	<p>China has issued guidelines on developing its social credit system, which is aimed at promoting trust in companies and individuals, amid public concerns over data management and invasion of privacy. The country has been developing a complex social credit system using data and other information to help assess the trustworthiness of individuals, companies and government entities, to help deter commercial fraud, tax and debt evasions. But the programme has led to public concern over intrusive data collection, data protection and invasion of privacy due to the country's weak regulations and law enforcement. According to the guidelines, data and information on any dishonest behaviour among firms or individuals and related punishments will be handled according to law.</p> <p><i>(Source: Reuters, 24 December 2020)</i></p>