

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(3 August 2020 – 7 August 2020)

Countries	Highlights
<p>US</p> <p>US job growth slows sharply in July amid coronavirus resurgence</p>	<p>US employment growth slowed considerably in July, though not as badly as feared, amid a resurgence in new Covid-19 infections, offering the clearest evidence yet that the economy's recovery from the recession caused by the coronavirus pandemic was faltering. Nonfarm payrolls increased by 1.763 million jobs last month after a record 4.791 million in June, the Labor Department said. The unemployment rate fell to 10.2% from 11.1% in June, but it has been biased downward by people misclassifying themselves as being "employed but absent from work." At least 31.3 million people were receiving unemployment checks in mid-July. A USD600 weekly unemployment benefit supplement expired last Friday, while thousands of businesses have burned through loans offered by the government to help with wages.</p> <p><i>(Source: The Straits Times, 7 August 2020)</i></p>
<p>UK</p> <p>Bank of England cautiously upbeat on UK economy</p>	<p>The Bank of England (BoE) has predicted that the economic downturn in the UK economy might be less severe than it thought at the start of the COVID-19 pandemic. British banks also have enough capital to keep lending to businesses and absorb the huge losses likely to result from the pandemic. There is also confidence regarding the impact of Brexit on the UK's financial services once the transition period expires at the end of the year. The BoE estimates that the economy probably shrank by 23% in the second quarter but is already recovering. Its prediction of a 9.5% overall contraction in the economy for 2020 was more optimistic than its forecast in May for a 14% drop.</p> <p><i>(Source: Euronews, 6 August 2020)</i></p>
<p>JAPAN</p> <p>Japan's spending slump eases as economy reopens, COVID-19 clouds outlook</p>	<p>Japan's household spending fell at a much slower pace in June than in the previous month as the economy re-opened from lockdown measures to contain the coronavirus pandemic, offering some hope of a moderate recovery later this year. But the recovery was driven largely by the government's blanket cash payouts to households, which were spent on big ticket items like television sets, personal computers and sofas. Household spending in June declined 1.2% from a year earlier, government data showed on Friday, less than a median market forecast for a 7.5% drop. It followed a record 16.2% drop in May, when consumers were still heeding authorities' calls to stay home to contain the pandemic. Those emergency steps were lifted in late May. Compared with the previous month, household spending jumped 13.0% in June to mark the biggest increase on record as the government's cash pay-outs offset a steady drop in regular wages.</p> <p><i>(Source: Reuters, 7 August 2020)</i></p>
<p>CHINA</p> <p>China's July iron ore imports hit record high on robust demand</p>	<p>China's iron ore imports in July surged to a record, up 24% from a year earlier, customs data showed on Friday, driven by shipments from miners and resilient demand as the economy bounced back after disruptions from the coronavirus pandemic. Arrivals of the key steelmaking ingredient were 112.65 million tonnes last month, according to data from the General Administration of Customs. That is increased by 10.8% from 101.68 million tonnes in June and above the 91.2 million imported in July 2019. Over the first seven months of the year, China brought in 659.6 million tonnes of iron ore, rising 11.8% from the same period last year. The jump in imports mainly came from non-mainstream suppliers as shipments from Brazil are still hurt by the pandemic.</p> <p><i>(Source: Reuters, 7 August 2020)</i></p>