

## GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(6 July 2020 – 10 July 2020)

Countries	Highlights
<p style="text-align: center;"><b>US</b></p> <p><b>What 1.1 million foreign students contribute to the US economy</b></p>	<p>The Trump administration said that foreign university students will have to leave the country if their classes are all taught online, clouding the future of tens of thousands of enrollees and potentially straining budgets at schools struggling to reopen during the coronavirus pandemic. About 1.1 million foreign students attended US higher education institutions in the 2018-19 school year and they made up 5.5% of the entire US higher education enrolment. Most US universities have not decided yet whether they will have all online classes, in-person teaching, or some sort of hybrid when classes start again in the fall. Foreign students contributed USD44.7 billion to the US economy during 2018, the IIE report said. They supported around 460,000 jobs in the US in the 2018-19 academic year mainly in higher education itself, but accommodation, retail, transportation, and health insurance.</p> <p style="text-align: right;"><i>(Source: Reuters, 9 July 2020)</i></p>
<p style="text-align: center;"><b>UK</b></p> <p><b>UK construction rebounds from lockdown in June - PMI</b></p>	<p>Growth returned to British construction companies in June for the first time since the coronavirus lockdown began, albeit from low levels. The IHS Markit/CIPS UK Construction Purchasing Managers' Index (PMI) rebounded to 55.3 from 28.9 in May, its highest since July 2018 and well above the 50 threshold for growth. IHS Markit said growth was driven mostly by housebuilders, but commercial and civil engineering construction companies also reported an increase in activity. Construction accounts for only about 7% of British economic output. As the first major part of the UK economy to begin a phased return to work, the strong rebound in construction activity provides hope to other sectors that have suffered through the lockdown period.</p> <p style="text-align: right;"><i>(Source: Reuters, 6 July 2020)</i></p>
<p style="text-align: center;"><b>JAPAN</b></p> <p><b>Japan's household spending slumps by record as curbs hit travel, dining out</b></p>	<p>Japan's household spending fell at the fastest pace on record in May, as consumers heeded authorities' calls to stay home to contain the coronavirus pandemic, pushing the world's third-largest economy deeper into decline. Wages and a gauge of economic activity also tanked in the month, keeping pressure on policymakers to revive business and consumer confidence. Household spending slumped 16.2% in May from a year earlier, falling at the quickest pace since comparable data became available in 2001. Analysts expect any recovery in spending to be slow and fragile as households remain reluctant to loosen the purse strings even after a state of emergency was lifted in May. Data showed large cuts in spending on hotels, transportation and eating out. On the other hand, stay-home policies boosted spending on pork and beef, alcohol and sanitary goods like face masks and paper towels.</p> <p style="text-align: right;"><i>(Source: Reuters, 7 July 2020)</i></p>
<p style="text-align: center;"><b>CHINA</b></p> <p><b>China's economy regains strength after strict virus-control measures: WSJ</b></p>	<p>The Caixin Services PMI, a non-official gauge of China's service-sector exercise released last Friday, surged in June to 58.4, its highest degree in a decade, as the easing of virus-control measures drove customers' demand. In February, the Caixin Services PMI plunged to a historic low of 26.5, a dramatic pullback in the country's service sector. The index remained deep in contractionary territory for two extra months and crawled again into enlargement in May. The readings have restored sufficient confidence and elevated hopes for a full recovery later this year.</p> <p style="text-align: right;"><i>(Source: Wall Street Journal, 7 July 2020)</i></p>