

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(13 September 2021 – 17 September 2021)

Countries	Highlights
<p>US</p> <p>US manufacturing output slows sharply in August</p>	<p>Production at US factories slowed more than expected in August amid disruptions from Hurricane Ida and lingering shortages of raw materials and labour as the COVID-19 pandemic drags on. Manufacturing output increased 0.2% last month, the Federal Reserve said. The raw materials crunch has been worsened by the latest wave of infections driven by the Delta variant of the coronavirus, primarily in Southeast Asia, as well as by congestion at ports in China. General Motors Co said it would cut production at its plants in Indiana, Missouri and Tennessee this month because of an ongoing microchip shortage. Ford Motor Co is also reducing truck production. Manufacturing, which accounts for 11.9% of the US economy, remains underpinned by businesses desperate to replenish stocks after inventories were drawn down sharply in the first half of the year.</p> <p>(Source: Reuters, 15 September 2021)</p>
<p>UK</p> <p>UK economic growth to smash official forecasts this year</p>	<p>Ratings agency Fitch says the British economy will grow 6.6% this year, higher than the Office for Budget Responsibility's 4% forecast. The successful vaccination programme in the UK enabled policymakers to lift economic restrictions quicker than other rich nations, providing a boost to the economy throughout the second quarter. The OBR does think the UK economy will grow faster in 2022. However, its 1.7% growth forecast for 2023 is significantly lower than Fitch's prediction of a 2.2% expansion in output. The UK economy is anticipated to grow faster than both the US (6.2%) and Eurozone (5.2%) this year. According to the Office for National Statistics, the UK economy grew just 0.1% in July.</p> <p>(Source: Daily Advent, 16 September 2021)</p>
<p>JAPAN</p> <p>Japan cuts economic view on weaker production, spending due to COVID revival</p>	<p>Japan cut its economic view for the first time in four months as a surge in COVID-19 cases disrupted manufacturers' global supply chains and dampened consumer confidence. Among key economic elements, authorities downgraded their view of production for the first time in 17 months, and private consumption for the first time in four months. Together with chip shortages and slowing recoveries in major economies such as China, the government report raised the possibility of production cuts spreading to other sectors beyond carmakers. Domestically, declining sales of new cars and household electronics showed that consumers are turning more cautious and keeping their purse strings tight not just for services but also for goods.</p> <p>(Source: The Star, 16 September 2021)</p>
<p>CHINA</p> <p>China's factories, retailers stumble on Covid disruptions</p>	<p>China's factory and retail sectors faltered in August with output and sales growth hitting one-year lows as fresh coronavirus outbreaks and supply disruptions threatened the country's impressive economic recovery. Industrial production rose 5.3% in August from a year earlier, narrowing from an increase of 6.4% in July and marking the weakest pace since July 2020, data from the National Bureau of Statistics showed. Consumer spending also took a big hit from rising local COVID-19 cases and floods with sales rising only 2.5% in August from a year ago. China has made a remarkably strong revival from last year's coronavirus-led slump, but momentum has slowed over the past few months due to supply chain bottlenecks, semiconductor shortages, curbs on high-polluting industries and a crackdown on property investment.</p> <p>(Source: The Daily Star, 16 September 2021)</p>