

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(28 June 2021 – 2 July 2021)

Countries	Highlights
<p>US</p> <p>US adds 850,000 jobs in June, better than expected</p>	<p>Job growth leaped higher in June as businesses looked to keep up with a rapidly recovering US economy, the Labor Department reported. Nonfarm payrolls increased 850,000 for the month, compared with the Dow Jones estimate of 706,000 and better than the upwardly revised 583,000 in May. The unemployment rate, however, rose to 5.9% against the 5.6% expectation. The jobless rate increase came even though the labour force participation rate was unchanged at 61.6%. A separate figure that accounts for discouraged workers and those holding part-time jobs for economic reasons fell sharply to 9.8%, with the 0.4 percentage point decline putting the so-called real unemployment rate below 10% for the first time since March 2020.</p> <p>(Source: CNBC, 2 July 2021)</p>
<p>UK</p> <p>UK furloughed jobs plunge by 1.2 million as economy reopens</p>	<p>The number of British jobs supported by government wage subsidies plunged by almost 1.2 million in May, and a key survey suggests the decline continued apace last month. The drop is a boost for PM Boris Johnson on the day the government begins to wind down its flagship furlough programme, which has propped up almost 12 million jobs at various times at a cost to the public purse of about 66 billion pounds (USD90 billion). Employers are now required to make a contribution to the wages of furloughed employees ahead of the programme ending altogether on Sept 30. The number of jobs covered by the Coronavirus Job Retention Scheme stood at 2.36 million on May 31, compared with 3.54 million at the end of April. For the first time, fewer women than men were furloughed, reflecting the reopening of stores, restaurants, bars and hotels since April.</p> <p>(Source: The Edge Markets, 1 July 2021)</p>
<p>JAPAN</p> <p>Japan's business mood improves hits 2½-year high as COVID hit eases, survey finds</p>	<p>Japanese big manufacturers' business confidence improved in the second quarter to hit a two-and-a-half-year high, a sign solid global demand was helping the economy emerge from the COVID-19. Service-sector sentiment also turned positive for the first time in five quarters, the Bank of Japan "Tankan" survey showed, indicating that the economic recovery was broadening even as Japan struggles to contain a fresh wave of coronavirus infections. The headline index for big manufacturers' sentiment jumped to plus 14 in June from plus 5 in March, improving for the fourth consecutive quarter and hitting the highest level since December 2018. Non-manufacturers' mood also improved to plus 1 from minus 1 in the previous survey as goods distribution and leisure industries saw activity gradually resume after disruption caused by COVID-19.</p> <p>(Source: CNBC, 30 June 2021)</p>
<p>CHINA</p> <p>China's factory activity growth slows slightly in June</p>	<p>Growth in China's factory activity dipped to a four-month low in June, weighed by higher raw material costs, a global shortage of semiconductors and a resurgence of COVID-19 cases in the major export province of Guangdong. The official manufacturing Purchasing Manager's Index (PMI) eased slightly to 50.9 in June versus 51.0 in May. Chinese manufacturers are grappling with new challenges from higher raw material costs to global supply chain bottlenecks. An outbreak of coronavirus infections in China's major export province of Guangdong has also disrupted shipments. Factory output in South Korea and Japan on Wednesday showed unexpected signs of slowdown, in part due to production disruptions in the auto sector from chip shortages.</p> <p>(Source: CNBC, 29 June 2021)</p>