

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(30 August 2021 – 3 September 2021)

Countries	Highlights
<p>US</p> <p>95% of CFOs consider it harder to hire new workers, even as unemployment benefits drop</p>	<p>As the US economy continues along a steady road to recovery, executives are worried that they will not be able to hire enough workers to make the most of it, even as unemployment benefits have ended in some states. These concerns were captured in a new CNBC Global CFO Council survey that was conducted 13 - 26 August 2021 among 39 members who are worth a combined USD5 trillion. The labour shortage predates the pandemic but was dramatically exasperated by the COVID-19 pandemic. Like other segments of the economy during the recovery, imbalances in supply and demand have been slow to return to normal. New data show that hiring has gone up, but this may have been among workers who were eager to enter the job market. A sense of greater bargaining power could also be contributing to workers opting to be more discerning in choosing which firms to join.</p> <p><i>(Source: CNBC, 1 September 2021)</i></p>
<p>UK</p> <p>UK employers keep up the hunt for staff after lockdowns and Brexit</p>	<p>Employers in Britain are still hunting for more recruits than they were just before the pandemic, according to a survey which added to signs of a tight labour market following the COVID-19 lockdowns and Brexit. The Recruitment & Employment Confederation said that 1.66 million job advertisements were active during the week to Aug. 29, higher than the 1.55 million average in January and February 2020 and little changed from levels earlier in August. New job ads posted during the week stood at 193,000, also above the January-February 2020 average of 171,000. Britain's unemployment rate of 4.7% in the three months to June is higher than before the crisis when it stood at just under 4% but it has defied forecasts that it would hit 10% or higher during the pandemic crisis thanks in large part to the government's wage subsidy scheme.</p> <p><i>(Source: Reuters, 3 September 2021)</i></p>
<p>JAPAN</p> <p>Japan seen upgrading Q2 GDP on stronger business spending</p>	<p>Japan's economy likely grew more than initially reported in the second quarter thanks to stronger business spending, a Reuters poll showed, though a resurgence of coronavirus infections is seen weighing on growth going forward. Separate data due next week will likely show household spending rebounded in July from a year earlier, in a sign consumer sentiment recovered somewhat before the highly infectious Delta variant spread rapidly in Japan. Revised GDP data is expected to show Japan's economy grew an annualised 1.6% in April-June, more than a preliminary reading of 1.3% growth. The stronger figure was in part due to an expected 2.0% rise in capital spending, a larger increase than a preliminary 1.7% gain. Japan economy contracted 1.0% in the first quarter.</p> <p><i>(Source: Reuters, 3 September 2021)</i></p>
<p>CHINA</p> <p>China likely to quicken fiscal spending, but policy rate cuts not on the cards</p>	<p>China is likely to accelerate fiscal spending and credit growth as its economic recovery slows, but investors are expecting any easing measures from Beijing to be finely targeted as the US Federal Reserve prepares to taper its own stimulus. Market participants are increasing their bets that the People's Bank of China (PBOC) will once again reduce banks' reserve requirement ratio (RRR) to make up for liquidity shortfalls towards the year-end. At the same time, market yields are low enough that few expect a policy rate cut which would widen the Sino-US monetary stance gap, risking a surge in capital outflows. Investors increasingly expect local governments to boost the pace of bond financing to support credit growth and revive activity.</p> <p><i>(Source: Reuters, 2 September 2021)</i></p>