

# GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(6 September 2021 – 10 September 2021)

Countries	Highlights
<p><b>US</b></p> <p><b>U.S. economy "downshifted slightly" to moderate pace amid Delta variant surge: Fed survey</b></p>	<p>US economic growth "downshifted slightly" to a moderate pace in early July through August amid a Delta variant-fuelled COVID-19 surge, according to a Federal Reserve survey. "The deceleration in economic activity was largely attributable to a pullback in dining out, travel, and tourism in most Districts, reflecting safety concerns due to the rise of the Delta variant," the Fed said in its latest survey on economic conditions, known as the Beige Book, based on information collected from its 12 regional reserve banks. The other sectors of the economy where growth slowed or activity declined were those constrained by supply disruptions and labour shortages, as opposed to softening demand. In particular, weakness in auto sales was widely ascribed to low inventories amidst the ongoing microchip shortage, and restrained home sales activity was attributed to low supply.</p> <p><i>(Source: Reuters, 9 September 2021)</i></p>
<p><b>UK</b></p> <p><b>UK seeing a 'massive adjustment' in labor market, LSE director says</b></p>	<p>The UK is undergoing a structural overhaul in its labour market due to Covid-19 and Brexit, and policymakers should "let the labour market do its job," according to Minouche Shafik, director of the London School of Economics. British businesses have been blighted by a combination of worker shortages and supply chain disruptions that have sent wages and prices skywards across a range of sectors, including haulage and logistics, care and agriculture. The recent surge in manufacturing costs and energy prices is expected to trigger a spike in inflation over the coming months. British supermarkets have been promising truck drivers substantial wage increases in order to address a critical shortage, while evidence is mounting of labour cost increases across multiple key sectors of the economy.</p> <p><i>(Source: CNBC, 6 September 2021)</i></p>
<p><b>JAPAN</b></p> <p><b>Japan GDP growth in April-June upgraded to annualised 1.9%</b></p>	<p>Japan's economy grew faster than the initially estimated in the April-June quarter, helped by solid capital expenditure, although a resurgence in COVID-19 is undermining service-sector consumption and clouding the outlook. Revised GDP data by the Cabinet Office showed the economy grew an annualised 1.9% in April-June, beating economists' median forecast for a 1.6% gain and the initial estimate of a 1.3% expansion. The upward revision was caused by better-than-initially-estimated business spending, as a brisk global economic recovery powered capital expenditure and factory output, which more than offset weak service-sector activity. However, global chip shortages may put a drag on Japanese car production and shipments while signs of China's economic slowdown emerge as sources of concern.</p> <p><i>(Source: Nikkei Asia, 8 September 2021)</i></p>
<p><b>CHINA</b></p> <p><b>China Trade Surges to New Records on Strong US, EU Demand</b></p>	<p>China's export growth unexpectedly surged in August as suppliers likely boosted orders ahead of the year-end shopping season, offsetting any port disruptions due to fresh outbreaks of the delta virus. Exports rose 25.6% in dollar terms from a year earlier to a record USD294.3 billion, more than USD10 billion above any previous month. The pickup came despite disruptions at China's second-largest port last month due to fresh virus outbreaks, which caused congestion and pushed up shipping costs. Global demand remained resilient, especially from the US and Europe, as retailers probably brought forward their Christmas shopping orders.</p> <p><i>(Source: Bloomberg, 7 September 2021)</i></p>