

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(8 March 2021 – 12 March 2021)

Countries	Highlights
<p>US</p> <p>US producer prices rise; consumers' inflation expectations ease</p>	<p>US producer prices increased strongly in February, leading to the largest annual gain in nearly 2-1/2 years, but considerable slack in the labour market could make it harder for businesses to pass on the higher costs to consumers. That was supported by a survey on Friday showing an easing in consumers' near-term inflation expectations early this month, even as their confidence in the economy rose to a one-year high. Receding new COVID-19 cases, an acceleration in the pace of vaccinations and more pandemic relief money from the government are seen allowing wider economic re-engagement in the spring. Inflation is expected to accelerate in the coming months and exceed the Federal Reserve's 2% target, a flexible average, by April.</p> <p><i>(Source: Reuters, 12 March 2021)</i></p>
<p>UK</p> <p>Lockdown hits UK GDP less than feared, but Brexit pummels trade</p>	<p>Britain's economy shrank by less than feared in January when the country went back into a coronavirus lockdown, but trade with the European Union was hammered as new post-Brexit rules kicked in. GDP was 2.9% lower than in December, the Office for National Statistics said. Britain suffered its worst economic slump in three centuries last year when it shrank by 10%. It has also been hit with Europe's biggest COVID-19 death toll of over 125,000 people. But the country is racing ahead with vaccinations and, after Friday's figures, economists said they expected the economy would shrink by 2% in the first quarter of 2021, half the hit forecast by the BoE only last month. Many businesses are learning to cope with lockdowns, including retailers who have ramped up their online shopping operations and services firms that have tried to help workers to do their jobs from home.</p> <p><i>(Source: Reuters, 12 March 2021)</i></p>
<p>JAPAN</p> <p>Japan's economy expanded slower than expected in December quarter</p>	<p>Japan's economy expanded at a slower-than-initially-reported pace in the last three months of 2020, with firms tightening spending on plants and equipment and sharply cutting inventories as the coronavirus pandemic hit demand. The economy grew an annualised 11.7% in the fourth quarter of last year, weaker than the preliminary reading of 12.7% annualised growth. The slower growth was mainly due to a sharper contraction in private inventories and capital expenditure expanding less than previously thought in the fourth quarter, even as exports remained solid.</p> <p><i>(Source: Reuters, 9 March 2021)</i></p>
<p>CHINA</p> <p>China's smartphone shipments build on post-pandemic rebound in February</p>	<p>China's smartphone shipments increased more than threefold in February 2021 from a year ago, signalling an encouraging rebound from last year's nadir as the pandemic peaked in China. Shipments of smartphones within China jumped 236.6% annually to 21.3 million handsets in February, according to the China Academy of Information and Communications (CAICT). That was up from 6.3 million in February 2020 and higher than the 14.9 million in February 2019, suggesting China's smartphone sector has returned to its pre-pandemic levels. Manufacturing glitches and a lagging consumer economy marred China's smartphone sector as COVID-19 spread in early 2020, but the industry has largely recovered along with the broader economy. Despite the pandemic's retreat in China, handset brands now face production issues due to a global computer chip shortage.</p> <p><i>(Source: Reuters, 11 March 2021)</i></p>