

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(15 July 2019 – 19 July 2019)

Countries	Highlights
<p style="text-align: center; color: #4a7ebb;">US</p> <p>US manufacturing sinks into recession amid trade wars</p>	<p>US manufacturing sunk into recession in June after two consecutive quarters of declines amid President Donald Trump's bitter trade wars and a slowdown in China and other trading partners. The decline comes as US enters its 11th year of economic recovery and occurs despite Trump's constant pledges to restore America to manufacturing greatness even though services now drive three quarters of the US economy. Despite jumping in June, manufacturing fell by a 2.2% annual rate in the April-June period and total industrial production lost 1.2%, in both cases the second consecutive quarterly decline, thus meeting the technical definition of a "recession", the Federal Reserve said.</p> <p style="text-align: right;"><i>(Source: Strait Times, 17 July 2019)</i></p>
<p style="text-align: center; color: #4a7ebb;">UK</p> <p>Impact of beauty industry on UK economy 'outstrips motor manufacturing'</p>	<p>The selfie culture has helped the growth of beauty product sales to such an extent that the industry is now worth £30 billion to the UK economy, outstripping more traditional sectors. A report published has found that the British beauty industry directly employs nearly 370,000 and supports another 220,000, more than those employed in the law and social work sectors. It cites figures from the Office for National Statistics showing that while motor manufacturing in the UK makes a direct contribution of £13.5 billion to the economy, the direct contribution of beauty retailers, manufacturers and advertisers was £14.2 billion last year. That rises to £28.4 billion when indirect contributions such as the wages spent by beauty workers in the wider economy are taken into account, the equivalent of 1.3% of the UK's total GDP. The explosion in online shopping and the phenomenon of sharing images on social media has contributed to the huge growth in the use of beauty products and treatments.</p> <p style="text-align: right;"><i>(Source: The Telegraph, 17 July 2019)</i></p>
<p style="text-align: center; color: #4a7ebb;">JAPAN</p> <p>Japan manufacturers' mood hits three-year low</p>	<p>Japanese manufacturers' business confidence hit a three-year low in July, highlighting the fragility of the export-led economy as external demand slackens in the face of cooling global growth and trade friction. In another worrisome sign, sentiment in the service sector improved this month but is forecast to tumble three months ahead. In the Reuters poll of 504 large- and mid-sized companies, the sentiment index for Japanese manufacturers worsened to 3 in July from 6 in June, dragged down by industries such as textiles/paper, steel/nonferrous metals and precision machinery. The services sector index grew to 25 in July from 22 in the previous month, led by real estate / construction and wholesalers. Given the broadening pressures on the economy, investors are watching out for any plans by Japan to postpone a scheduled sales tax hike to 10% in October 2019. The last tax rise to 8% from 5% dealt a blow to consumers and triggered a deep economic slump.</p> <p style="text-align: right;"><i>(Source: The Star, 18 July 2019)</i></p>
<p style="text-align: center; color: #4a7ebb;">CHINA</p> <p>China posts its lowest quarterly growth in 27 years as the trade war drags on</p>	<p>China released second-quarter figures showing that its economy slowed to 6.2% from a year ago, the weakest rate in at least 27 years, as the country's trade war with the U.S. took its toll. That was in line with the expectations of analysts polled by Reuters, and lower than the 6.4% year-on-year growth in the first quarter of 2019. China's statistics bureau said the economy faces a complex situation with increasing external uncertainties.</p> <p style="text-align: right;"><i>(Source: CNBC, 15 July 2019)</i></p>