

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(20 January 2020 – 24 January 2020)

Countries	Highlights
<p>US</p> <p>Trump says GDP would be near 4% and the Dow could be 10,000 points higher if it weren't for the Fed</p>	<p>President Donald Trump told CNBC that US economic growth would have been closer to 4% if it weren't for the lingering effect of Federal Reserve rate hikes. "That was a big blip that should not have taken place. It should not have happened. But it's one of those things. But we had Boeing. We had the big strike with General Motors. We had things happen that are very unusual to happen," Trump told CNBC. The President also suggested that the stock market would be even higher than its already record-setting highs if the Fed hadn't raised rates so quickly before cutting them three times during 2019.</p> <p>(Source: CNBC, 22 January 2020)</p>
<p>EU</p> <p>ECB's Lagarde launches policy overhaul that will leave no stone unturned</p>	<p>The European Central Bank launched a broad review of its policy on Thursday that is likely to see new President Christine Lagarde redefine the ECB's main goal and how to achieve it. The euro zone's central bank has fallen short of its inflation target of just under 2% for years, even after launching increasingly aggressive stimulus measures under Lagarde's predecessor, Mario Draghi. Lagarde said that aim will now be reviewed, along with the ECB's toolkit, how it measures price growth and how it communicates with the public. How the ECB changes its formulation of price stability currently defined as an annual inflation rate below, but close to, 2% over the medium term will be crucial to anticipate future policy moves.</p> <p>(Source: Reuters, 23 January 2020)</p>
<p>JAPAN</p> <p>Japan exports shrink for 13th month in further blow to economy</p>	<p>Japan's exports fell for a 13th straight month in December, hurt by US bound shipments of cars, construction and mining machinery, suggesting weak external demand is likely to remain a drag on the trade-reliant economy for a while longer. The 6.3% year-on-year (y-o-y) fall in exports was worse than a 4.2% decrease expected by economists in a Reuters poll. It followed a revised 7.9% y-o-y decline in the previous month, the Ministry of Finance data showed. Analysts and policymakers say a preliminary trade deal agreed between the US and China last week and progress on Britain's exit from the European Union would help ease worries over global trade, a key driver of Japan's economy. By region, exports to China, Japan's largest trading partner, grew 0.8% in the year to December, led by demand for chip-making equipment, cars and plastic. Exports to Asia, which accounts for more than half of Japan's overall shipments, decreased 3.6% in the year to December.</p> <p>(Source: Reuters, 23 January 2020)</p>
<p>CHINA</p> <p>China revises up GDP growth for 2014-2018, on track to double economy</p>	<p>China has revised up its economic growth by 0.1 percentage points each year between 2014 and 2018, the National Bureau of Statistics said, making it easier for Beijing to fulfil its goal of doubling the size of the economy by 2020 from 2010. Annual GDP growth for 2014 - 2018 has been raised to 7.4%, 7.0%, 6.8%, 6.9% and 6.7% from 7.3%, 6.9%, 6.7%, 6.8% and 6.6% previously. Based on the revised figures, real GDP growth of at least 5.6% in 2020 would be enough for achieving Beijing's target to double GDP in the decade to 2020, according to Reuters calculations, in line with analysts' estimates. Beijing plans to set a lower growth target of around 6% this year from last year's 6-6.5%, relying on increased infrastructure spending to ward off a sharper slowdown. Key targets are due to be announced in March.</p> <p>(Source: Reuters, 20 January 2020)</p>