

# GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(23 March 2020 – 27 March 2020)

Countries	Highlights
<p><b>US</b></p> <p><b>US consumer spending rises moderately in February</b></p>	<p>US consumer spending rose moderately in February and momentum is set to fade rapidly in the coming months, with the coronavirus pandemic upending life for Americans. The Commerce Department said consumer spending, which accounts for more than two-thirds of US economic activity, increased 0.2% last month after rising by the same margin in January. Economists polled by Reuters had forecast consumer spending gaining 0.2% in February.</p> <p>(Source: Reuters, 27 March 2020)</p>
<p><b>UK</b></p> <p><b>Coronavirus: UK economy 'hurtling towards recession' – Worse than 2008 financial crash</b></p>	<p>Economists have warned the UK economy is heading into a deeper recession than the 2008-09 financial crisis as the coronavirus pandemic is set to savage GDP, public finances and employment. The Purchasing Managers' Index (PMI) for March, showed the UK economy is suffering a steeper drop in activity than during the 2008 financial crisis. The measure, which combines services and manufacturing readings, was at its weakest since the series began in 1998. The survey gave a reading of 37.1, plunging from 53 the previous month and lower than the 38.1 registered during the 2008 financial crash. The services industry, the largest proportion of the British economy, led the decline with a record-breaking plunge as shoppers, diners and drinkers stayed at home. But, the most alarming finding was the data was based on economic activity between March 12-20, before Boris Johnson mandated the closure of pubs, restaurants and all non-essential shops.</p> <p>(Source: Express.co, 26 March 2020)</p>
<p><b>JAPAN</b></p> <p><b>Japan's March services, factory activity slumps as coronavirus damage widens - flash PMI</b></p>	<p>Japan's services sector shrank at the fastest pace on record in March and the country's factory activity at its quickest in about a decade as the coronavirus outbreak hit demand at home and abroad. The slowdown in manufacturing and services raises the risk of a sharp downturn in the world's third-largest economy as the epidemic paralyses corporate and consumer activity. The au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) fell to a seasonally adjusted 44.8 from a final 47.8 in February, its lowest since April 2009. The au Jibun Bank Flash Japan Services PMI index slumped to a seasonally adjusted 32.7 from the previous month's 46.8, its lowest since the start of the services sector survey in September 2007. The data showed the Japanese economy slipped into an "aggressive downturn" in March that was primarily led by the services sector.</p> <p>(Source: Reuters, 24 March 2020)</p>
<p><b>CHINA</b></p> <p><b>Chinese governments and firms are trying to boost consumer spending with vouchers and coupons</b></p>	<p>China's central government is pushing local governments to find ways to encourage consumer spending in the wake of the coronavirus pandemic as the country starts to lessen its lockdown. Local governments are using tactics like prepaid vouchers and coupons that can be put toward purchases from certain product categories, while the central government does not currently plan to directly send funds to citizens. And Chinese firms including Alipay and JD.com are introducing their own discounts and coupons as well to boost spending on their platforms. Revitalizing consumer spending is an important task for China and markets around the world, but it remains to be seen what tactics will be the most effective at doing so.</p> <p>(Source: Business Insider, 27 March 2020)</p>