

## GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(30 November 2020 – 4 December 2020)

Countries	Highlights
<p><b>US</b></p> <p><b>US factory orders increase more than expected in October</b></p>	<p>New orders for US-made goods increased more than expected in October and business investment on capital was a bit stronger than initially thought as the manufacturing sector continues its steady recovery from the pandemic. The Commerce Department said that factory orders rose 1.0% after increasing 1.3% in October. Manufacturing, which accounts for 11.3% of the US economy, is being supported by a shift in demand towards goods from services because of the COVID-19 pandemic. The orders for non-defense capital goods excluding aircraft, which are seen as a measure of business spending plans on equipment, increased 0.8% in October instead of 0.7% as reported last month. Shipments of core capital goods, which are used to calculate business equipment spending in the GDP report, accelerated 2.4%.</p> <p><i>(Source: Reuters, 4 December 2020)</i></p>
<p><b>UK</b></p> <p><b>EU will launch Recovery Fund regardless of vetoes if necessary: Gentiloni</b></p>	<p>The European Union will push on with its 1.8 trillion euro (\$2.14 trillion) financial package to revive the bloc's COVID-hit economy even if Hungary and Poland continue to try to veto the project, Economics Commissioner Paolo Gentiloni said. Budapest and Warsaw have vetoed the adoption of the 1.1 trillion-euro 2021-2027 EU budget and the 750-billion-euro Recovery Fund because the budget law included a clause which makes access to money conditional on respecting the rule of law. He said he was worried about the continued stand-off with the two Eastern European nations but was also confident that it would be overcome through an agreement thanks to "the roads of diplomacy."</p> <p><i>(Source: Reuters, 4 December 2020)</i></p>
<p><b>JAPAN</b></p> <p><b>Japan's Suga defends boost for domestic tourism amid COVID-19</b></p>	<p>Japanese Prime Minister Yoshihide Suga defended a travel subsidy campaign that some medical groups and experts say has fuelled a third wave of coronavirus cases and said he would finalise the size of an economic stimulus package next week. Suga said the "Go to Travel" campaign to revive domestic tourism was designed to help small businesses in the hospitality sector get through tough times. But he added that the government's "biggest responsibility is to protect people's "lives and livelihoods", which is why the campaign had been halted in two cities, and elderly people had been discouraged from travelling to and from Tokyo, where cases have risen sharply.</p> <p><i>(Source: Reuters, 4 December 2020)</i></p>
<p><b>CHINA</b></p> <p><b>China's factory activity expands at fastest pace in over three years</b></p>	<p>China's factory activity expanded at the fastest pace in more than three years in November, while growth in the services sector also hit a multi-year high, as the country's economic recovery from the coronavirus pandemic stepped up. China's official manufacturing Purchasing Manager's Index (PMI) rose to 52.1 in November from 51.4 in October, data from the National Bureau of Statistics showed. It was the highest PMI reading since September 2017 and remained above the 50-point mark that separates growth from contraction on a monthly basis. The official PMI, which largely focuses on big and state-owned firms, showed the sub-index for new export orders stood at 51.5 in November, improving from 51.0 a month earlier. That bodes well for the export sector, which has benefited from strong foreign demand for medical supplies and electronics products.</p> <p><i>(Source: Reuters, 30 November 2020)</i></p>