

# GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(9 March 2020 – 13 March 2020)

Countries	Highlights
<p><b>US</b></p> <p><b>US import prices post biggest drop in six months</b></p>	<p>US import prices fell by the most in six months in February as the cost of petroleum products dropped, and economists said they could decline further because of the coronavirus pandemic and an oil price war between Saudi Arabia and Russia. The Labor Department said import prices slipped 0.5% last month after an upwardly revised 0.1% gain in January. The import price deflation and the coronavirus are expected to subdue inflation in the months ahead. The virus has disrupted supply chains as China, the main source of inputs used in many factories in the US, struggles to bring manufacturing production back to full capacity. While the resulting shortages are likely to push up prices of some goods, travel restrictions and social distancing are seen depressing demand for services such as travel, hotels, entertainment and eating out at restaurants.</p> <p>(Source: Reuters, 13 March 2020)</p>
<p><b>UK</b></p> <p><b>UK fires double stimulus salvo to soften coronavirus hit</b></p>	<p>Britain unveiled a 30 billion-pound stimulus plan to help the economy as it faces the risk of a coronavirus recession, hours after the Bank of England slashed interest rates in a double-barrelled response to the crisis. New finance minister, Rishi Sunak said he would ease a cash-flow crunch for companies with measures including a year-long suspension of a property tax for smaller firms and help in providing sick pay. Businesses and self-employed people could defer tax payments and he relaxed sick pay qualification rules. The cost of helping businesses and individuals was around 7 billion pounds while 5 billion pounds would go to the health service and other departments fighting the spread of the virus. A further 18 billion pounds would go toward additional stimulus.</p> <p>(Source: Reuters, 11 March 2020)</p>
<p><b>JAPAN</b></p> <p><b>Japan large manufacturers' mood sours to near 9-year low from coronavirus jolt</b></p>	<p>Large Japanese manufacturers' business sentiment fell to a near nine-year low in January-March 2020, suggesting widening fallout of the coronavirus outbreak on an economy already struggling to keep a recovery on track. Large manufacturers foresee conditions remaining depressed in the following quarter, the government survey compiled in February showed, adding pressure on policymakers to roll out more measures to navigate the coronavirus crisis. The business survey index (BSI) of sentiment at large manufacturers stood at minus 17.2 in January-March, the lowest reading since April - June 2011. It compared with negative 7.8 in the prior three months. The index, jointly compiled by the Ministry of Finance and a research arm of the Cabinet Office, is expected to jump to minus 5.5 in April - June, still hovering in contraction.</p> <p>(Source: Reuters, 12 March 2020)</p>
<p><b>CHINA</b></p> <p><b>China pumps US\$79b into economy with bank cash reserve cut</b></p>	<p>China's central bank cut the cash that banks must hold as reserves today for the second time this year, releasing 550 billion yuan (RM338.7 billion) to help its coronavirus-hit economy. The targeted reserve requirement cut is Beijing's latest step to cushion the economic blow of the coronavirus outbreak amid worries about job losses, with more stimulus expected. The reserve cut will help supplement liquidity at the end of the quarter, increase the space for boosting credit and promote the rapid recovery of the economy. China's central bank has been encouraging banks to lend more to small firms and other vulnerable sectors under its inclusive financing push, and has urged lenders to extend cheap loans and tolerate late payments from companies hit by the health crisis.</p> <p>(Source: Reuters, 13 March 2020)</p>