

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(13 December 2021 – 17 December 2021)

| Countries | Highlights |
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| <p>US</p> <p>U.S. Economy Plows Through Covid Obstacles Toward a Solid 2022</p> | <p>The U.S. economy is on track for a strong finish to 2021 and a solid start to 2022 as consumers and businesses keep spending despite high inflation, staffing challenges, persistent Covid-19 infections and lingering supply constraints. According to Bloomberg's latest monthly survey of economists, the economy will expand an annualized 6% in the fourth quarter before down-shifting to a still-solid 3.7% average pace in the first half of 2022. During the last expansion quarterly growth averaged around 2.3%. Most-recent data showed further strength in manufacturing output, a rebound in home construction, robust household spending and improving labor market conditions. Against this backdrop of steady demand and investment, inflationary pressures are set to persist through much of next year.</p> <p><i>(Source: Bloomberg, 17 December 2021)</i></p> |
| <p>UK</p> <p>Inflation at highest level since 2011 as cost of living soars</p> | <p>The Office for National Statistics (ONS) said the rate of Consumer Prices Index (CPI) inflation rose from 4.2% in October to 5.1% in November, the highest since September 2011 and a bigger leap than feared. The data also revealed that the Retail Prices Index (RPI) measure of inflation soared to its highest level for more than 30 years, hitting 7.1% last month, up from 6% in October. Laying bare the mounting cost-of-living crisis facing Britons, the ONS reported surging prices across a raft of goods and services, including for fuel, energy, cars, clothing and food. It is the first time that CPI has breached 5% for more than a decade and sees inflation remain more than double the Bank of England's 2% target.</p> <p><i>(Source: The Scotsman, 15 December 2021)</i></p> |
| <p>JAPAN</p> <p>Japan's economy contracts 3.6% in 3Q on weaker spending, trade</p> | <p>Japan's economy will likely grow sharply in the current quarter and the first three months of next year, as consumer and corporate activity are expected to rebound from a heavy pandemic-induced toll, a Reuters' poll of economists showed. But the world's third-largest economy faces uncertainty from rises in raw material and energy prices globally, with nearly all analysts warning that such price changes will have a damaging impact. Japan's gross domestic product (GDP) growth is set to pick up an annualised 6.1% this quarter, far stronger than the 5.1% gain projected in last month's poll, according to the median forecast of nearly 40 economists. That rebound follows the third quarter's 3.6% slump and would be welcomed by policymakers hoping to see the economy steadily shake off the drag from the health crisis after the lifting of pandemic curbs following a summer spike in COVID-19 cases.</p> <p><i>(Source: Reuters, 16 December 2021)</i></p> |
| <p>CHINA</p> <p>China's economy slows on worsening property market</p> | <p>China's economy slowed further in November, dragged down by a worsening property market slump and disruptions from repeated Covid-19 outbreaks. Growth in fixed-asset investment eased to 5.2% in the first 11 months of the year. Property investment grew 6% in the same period, slowing from 7.2% during the January-October period, as financing rules remained strict and home sales plunged. Retail sales growth weakened to 3.9%, missing economists' forecasts of a 4.7% gain. Sales in the restaurant and catering sector dropped 2.7%, as people stayed home amid renewed virus outbreaks. The data highlights the downward pressure on the economy from the real-estate sector and the scale of the challenge facing the Chinese government in stabilizing the world's second-largest economy.</p> <p><i>(Source: The Star, 16 December 2021)</i></p> |