

# GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(20 September 2021 – 24 September 2021)

Countries	Highlights
<p><b>US</b></p> <p><b>Oil rises as US storm aftermath squeezes supply</b></p>	<p>Oil prices rose on Tuesday, after sharp losses the previous session, amid tighter US supplies, ending days of losses as global markets remain haunted by the potential impact on China's economy of a crisis at heavily indebted property group China Evergrande. Brent crude gained 44 cents, or 0.6%, to settle at USD74.36 per barrel, having fallen by almost 2% on Monday. The October West Texas Intermediate (WTI) contract, which expires on Tuesday, gained 27 cents, or 0.38%, to settle at USD70.56 per barrel, after dropping 2.3% in the previous session.</p> <p><i>(Source: CNBC, 21 September 2021)</i></p>
<p><b>UK</b></p> <p><b>Government borrowing higher than expected in August</b></p>	<p>Borrowing, which is the difference between tax income and spending, was GBP20.5 billion, official figures show GBP5.5 billion lower than in August last year. However, it was still the second-highest figure for August since records began. Economists had expected government borrowing to be about GBP15 billion. Borrowing has been at record levels, with billions being spent by the government on measures such as the furlough scheme to support the economy. This high spending, combined with less money coming into the exchequer due to the pandemic and a fall in economic output, has pushed government debt up to more than GBP2.2 trillion, or about 97.6% of GDP, a level not seen since the early 1960s. The interest payments on government debt were GBP6.3 billion in August.</p> <p><i>(Source: BBC, 21 September 2021)</i></p>
<p><b>JAPAN</b></p> <p><b>BOJ more downbeat on exports, output even as recovery seen on track</b></p>	<p>The Bank of Japan on Wednesday offered a bleaker view on exports and output as Asian factory shutdowns caused supply bottlenecks but maintained its optimism that robust global growth will keep the economic recovery on track. Bank of Japan Governor Haruhiko Kuroda also brushed aside fears that the debt problems of China Evergrande Group could disrupt the global financial system, saying it was still "an individual company's problem and that of China's real estate sector. As widely expected, the BOJ maintained its short-term interest rate target at -0.1% and that for 10-year bond yields around 0% at its two-day rate review that ended on Wednesday. The BOJ also decided on the details of its green finance scheme, which will begin disbursing loans in December.</p> <p><i>(Source: Reuters, 22 September 2021)</i></p>
<p><b>CHINA</b></p> <p><b>Chinese property giant Evergrande in trouble</b></p>	<p>The Chinese realtor, Evergrande, the biggest firm, is on the brink of default. It has failed to make interest payments of USD85.3 million on Thursday, especially to the company's overseas bondholders. And it might not pay another round of interest, USD47 million next week. Evergrande's debt totals USD305 billion, of which USD20 billion is owed to offshore shareholders. If Evergrande falls, then it might shake the Chinese economy and it would affect the domestic investors much more sharply than it will to the foreign investors. But the impact on American and South-Asian markets would be one of market sentiment, which is a crucial factor in the markets. It is reckoned that 40% of Chinese domestic economy is in construction. That is why, the sustainability of Evergrande becomes such a crucial issue</p> <p><i>(Source: Gulf Today, 24 September 2021)</i></p>