

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(21 June 2021 – 25 June 2021)

Countries	Highlights
<p>US</p> <p>Supply chain pressures are still a problem due to workforce shortages, manufacturing group says</p>	<p>Supply chain disruptions and inflated prices are not abating yet, National Association of Manufacturers CEO Jay Timmons said. "We're seeing rising cost pressures due to workforce shortages and demand exceeding supply, he said". The nation's manufacturing skills gap, which is expected to result in 2.1 million unfilled jobs by 2030, could cost the US economy as much as USD1 trillion, according to a new study by Deloitte and The Manufacturing Institute. Though the manufacturing industry has regained 63% of jobs lost during the pandemic, most manufacturers surveyed in the study still expect a long-term challenge in attracting and retaining workers in 2021 and beyond. Finding the right talent is also 36% harder than it was in 2018.</p> <p><i>(Source: CNBC, 24 June 2021)</i></p>
<p>UK</p> <p>UK retailers report strongest summer sales in four years</p>	<p>British retailers have reported their strongest seasonal sales in more than four years in June, according to the CBI, with online sales slowing as consumers rush back to the high street. The easing of lockdown restrictions on shops and the hospitality industry across the UK, coupled with growing confidence in going out as the vaccination programme continues apace, fuelled the strongest sales since November 2016. However, retailers are struggling to keep up with demand. The CBI's monthly survey of 117 retail businesses found that companies operating in the retail, wholesale and motor trades all reported relative levels of stocks as "too low". A global shortage of raw materials and key components has hampered the economic recovery across much of the developed world and prompted fears that manufacturers will push up the price of goods and lead to higher shop prices.</p> <p><i>(Source: The Guardian, 25 June 2021)</i></p>
<p>JAPAN</p> <p>Japan to abolish two-decade-old fiscal, debt advisory panel</p>	<p>Japan's finance ministry will abolish a nearly two-decade-old panel consisting of academics and corporate executives that has offered long-term proposals on fixing the country's worsening finances. The move comes as huge stimulus packages to combat the COVID-19 add to Japan's already huge public debt which is the largest among major industrialised nations and twice the size of its economy. The panel, which met about twice a year to debate Japan's fiscal policy and long-term debt issuance plans, will hold its final meeting on Thursday. Given the changing environment surrounding Japan's fiscal state, Japan needs to reset discussions. Created in 2004, the panel served as a mouthpiece for the finance ministry by warning of Japan's worsening finances and calling for the need to prevent debt issuance from ballooning.</p> <p><i>(Source: CNBC, 24 June 2021)</i></p>
<p>CHINA</p> <p>China's PBOC leads the Fed in weaning economy off stimulus</p>	<p>China's central bank is a step ahead of its US counterpart in reining in its COVID-19 emergency stimulus, relieving potential market pressure from the Federal Reserve's looming shift in policy. The People's Bank of China has already started curbing credit growth to tackle debt risks, although it is doing so gradually to avoid stalling the economy's still uncertain recovery. It is a different backdrop to the US, where record fiscal stimulus is driving up growth projections and prices are rising faster than expected. Unlike in the US's previous tightening cycle, when interest rates in China also moved higher in part to ease capital outflow fears, this time around capital has been gushing into China.</p> <p><i>(Source: Business Times, 25 June 2021)</i></p>