

# GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(22 March 2021 – 26 March 2021)

Countries	Highlights
<p><b>US</b></p> <p><b>US Congress approves extension of small business Paycheck Protection Program</b></p>	<p>The US Senate on Thursday voted to extend the COVID-19 pandemic Paycheck Protection Program (PPP) until the end of May, giving small businesses more time to apply and the government more time to process requests. The PPP provides loans to small businesses struggling to survive during the pandemic, which has led to millions of businesses curtailing operations or shutting down for periods. The PPP loans convert into grants if the recipients meet certain conditions. The PPP was designed to stanch the loss of millions of businesses, such as restaurants that were particularly hard-hit. Critics complained that large companies and well-to-do law firms won millions of dollars in funding, especially in the early days of the program nearly a year ago.</p> <p><i>(Source: Reuters, 26 March 2021)</i></p>
<p><b>UK</b></p> <p><b>UK house price inflation slows from 4-1/2 year high</b></p>	<p>British house price inflation slowed in January to an annual rate of 7.5% in January, down from 8.0% in December which was the biggest rise since June 2016, official figures showed. The biggest rise in prices over the past 12 months occurred in northwest England while the smallest increase was in the West Midlands, the Office for National Statistics said. Other measures of the housing market have also shown a jump in property prices after the onset of the pandemic last year, helped by a surge in demand for bigger homes and a tax cut for buyers offered by finance minister Rishi Sunak.</p> <p><i>(Source: Reuters, 24 March 2021)</i></p>
<p><b>JAPAN</b></p> <p><b>Consumer price falls slow in Tokyo, signal fading deflation fear</b></p>	<p>Core consumer prices in Japan's capital city Tokyo continued to fall in March but slowed their annual pace of decline for a third consecutive month, indicating that rising fuel costs and a rebound in domestic demand will help Japan avert deflation. The data may offer relief for the Bank of Japan as it seeks to fire up inflation to its 2% target, though the rising cost of living could weigh on consumption as wage growth stays weak. But many analysts expect any pick-up in consumer inflation to be moderate as planned cuts in cell phone charges from April will likely weigh on prices. The core consumer price index for Tokyo, a leading indicator of nationwide inflation, fell 0.1% in March from the same month a year earlier. That followed a 0.3% fall in February and compared with the steepest recent decline of 0.9% in December, with the data signalling a rebound in oil and commodities costs underpinning prices.</p> <p><i>(Source: Reuters, 26 March 2021)</i></p>
<p><b>CHINA</b></p> <p><b>China proposes global rules for central bank digital currencies</b></p>	<p>China proposed a set of global rules for central bank digital currencies on Thursday, from how they can be used around the world to highly sensitive issues such as monitoring and information sharing. Global central banks are looking at developing digital currencies to modernise their financial systems, ward off the threat from cryptocurrencies like bitcoin and speed up domestic and international payments. As digital currencies such as bitcoin gain more traction with mainstream companies and investors, and as private efforts like the Facebook-backed Diem seek approval, the onus is on central banks to accelerate plans to issue digital cash to fend off threats to their control over money. The PBOC is aiming to become the first major central bank to issue a CBDC, part of its push to internationalise the yuan and reduce dependence on the dollar-dominated global banking system.</p> <p><i>(Source: Reuters, 25 March 2021)</i></p>