

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(4 October 2021 – 8 October 2021)

| Countries | Highlights |
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| <p>US</p> <p>U.S. Job Growth Falls to Slowest Pace of Year</p> | <p>U.S. job growth fell to the slowest pace of the year in September, a sign the Delta variant of the coronavirus and a persistent shortage of workers weighed on the economic recovery. The economy created 194,000 jobs in September, the smallest gain since December 2020 and down from 366,000 jobs added in August. While the September payroll gains fell well short of economists' expectations, job growth in August was bigger than previously estimated. Many workers gave up the job search and exited from the labour force last month. The smaller pool of labour meant that despite the slowdown in hiring, the unemployment rate fell to 4.8% last month from 5.2% in August.</p> <p><i>(Source: WSJ, 8 October 2021)</i></p> |
| <p>UK</p> <p>Rising inflation could trigger global sell-off that would harm UK, says Bank</p> | <p>The Bank of England has warned that rising inflation could trigger a sell-off in global financial markets, with damaging consequences for the UK economy. In its regular financial health check, the Bank's financial policy committee said risky asset prices in several markets had risen to historically high levels and could be primed for a sharp fall amid rapid growth in inflation. The warning shot comes as supply problems caused by Covid-19 and Brexit drive up business costs at the fastest rate since at least the 1990s, while soaring wholesale gas and electricity prices heap additional pressure on households. The Bank expects inflation will rise above 4% this winter, the highest level in a decade, and will remain elevated until at least the summer of 2022 before gradually falling back towards its target rate of 2%. However, some analysts have warned inflation could increase at a higher level within months.</p> <p><i>(Source: The Guardian, 8 October 2021)</i></p> |
| <p>JAPAN</p> <p>Japan household spending falls as COVID-19 curbs sap economic recovery</p> | <p>Japan's household spending fell more sharply than expected in August, as state of emergency curbs to combat the coronavirus pandemic weighed on consumption during the summer holiday season and risked undercutting the economy's recovery. Friday's government data bodes ill for new Prime Minister Fumio Kishida's efforts to revitalise the pandemic-hit economy and distribute more wealth to households through higher wages. The 3.0% year-on-year decrease in spending was worse than a median market forecast for a 1.5% drop and followed a 0.7% increase in July. The month-on-month figures showed a 3.9% contraction in August, the fourth straight month of decline, and compared with expectations for a 2.0% drop.</p> <p><i>(Source: Reuters, 8 October 2021)</i></p> |
| <p>CHINA</p> <p>China GDP to slow to 5% in Q3 amid property woes: Nikkei survey</p> | <p>China's year-on-year economic growth is expected to slow to 5% in the July-September period, according to a survey of 29 economists conducted by Nikkei and Nikkei Quick News. Strict COVID-19 measures and power shortages were seen as crimping the expansion in the world's second-biggest economy. Economists says that China's real estate troubles are the main risk for the remainder of the year, especially the impact of Evergrande's debt crisis on the industry and its fallout for the banking and insurance sectors. Yearly growth estimates for the third quarter range from 2.5% to 6%, lower than the 7.9% growth in the April-June quarter. On average, economists predict 0.2% growth on a seasonally adjusted, quarter-on-quarter basis -- a significant drop from 1.3% in the second quarter.</p> <p><i>(Source: Nikkei Asia, 7 October 2021)</i></p> |