

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(8 November 2021 – 12 November 2021)

Countries	Highlights
<p>US</p> <p>America's prices are surging more than they have in 30 years</p>	<p>US consumer price inflation surged higher again in October, the Bureau of Labor Statistics reported. Over the past 12 months, prices climbed 6.2%, the biggest increase since November 1990. The overall price index rose 0.9% in October alone, adjusted for seasonal swings, significantly more than the 0.6% economists had predicted. Energy costs have been going through the roof, jumping 4.8% in October and 30% over the past 12 months. Rising inflation has been a hallmark of the pandemic recovery thanks to a potent mix of rampant demand, raw material shortages and choke points along the global supply chains. And the jump in energy costs is only making it worse. America's inflation problem is likely made worse by the huge stimulus boost Washington provided to get the nation through the worst of the pandemic.</p> <p><i>(Source: CNN, 10 November 2021)</i></p>
<p>UK</p> <p>UK economic recovery slows sharply as GDP grows by 1.3%</p>	<p>Britain's recovery from its third Covid-19 lockdown slowed sharply as the economy's growth was hit by rising infection rates, the pandemic and global supply shortages. Figures from the Office for National Statistics show that national output expanded by 1.3% in the three months to September, leaving it still more 2.1% below its pre-crisis level in the fourth quarter of 2019. The third-quarter performance followed expansion of 5.5% in the three months to June. Staff shortages and supply constraints blunted the impact of the ending of remaining lockdown restrictions in July, with a poorer trade performance influenced by more expensive imports of oil. A 30% jump in business for hotels and restaurants meant the services sector rose by 1.6% over the quarter.</p> <p><i>(Source: The Guardian, 11 November 2021)</i></p>
<p>JAPAN</p> <p>Japan plans stimulus of \$350 bln to ease pain of COVID-19, oil costs</p>	<p>Japan's economic stimulus package will require fiscal spending worth 40 trillion yen (\$350 billion) and a draft of the spending plan reviewed by Reuters features steps to ease the pain of rising oil prices. The spending is likely to be financed by some new debt, adding to the industrial world's heaviest public debt at more than twice the size of Japan's economy. Analysts said despite higher spending, the impact would be limited on markets as the Bank of Japan would keep borrowing costs low under its yield curve control policy. Surging global crude oil prices, as well as a chip shortage and supply-chain constraints, undermined a trade-reliant economy seen to have shrunk in the third quarter as pandemic curbs and supply bottlenecks hurt consumption and output.</p> <p><i>(Source: Reuters, 12 November 2021)</i></p>
<p>CHINA</p> <p>China's economic data expected to show further signs of weakness</p>	<p>China's economy likely continued to weaken across the board in October with little signs of bottoming out. The weakness in the economy is coming from both the supply and demand sides, similar to when the economy was initially hit by the virus in early 2020. But the causes of supply shocks have shifted to electricity shortages, Beijing's environmental curbs and a crackdown on financial risk which has hit the property market, while domestic demand continues to be hit by the Covid-zero strategy. Although policy makers have started fine-tuning some property policies and state media reports are fanning speculation of an easing in curbs, the downturn in the sector could still become the biggest drag on growth, given that it and related industries accounts for up to 25% of China's gross domestic product.</p> <p><i>(Source: The Star, 11 November 2021)</i></p>