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US ECONOMY: NOT ENOUGH WORKERS DESPITE GROWTH

The U.S. economy is sparking confusion and whiplash almost as fast as it's adding jobs. Barely more than a year after the coronavirus caused the steepest economic fall and job losses on record, the speed of the rebound has been so unexpectedly swift that many companies can't fill jobs or acquire enough supplies to meet a pent-up burst of customer demand. Economic forecasters, with little historical precedent to guide them through the aftermath of a global pandemic, are pondering questions they can't answer with any confidence: Does robust consumer spending reflect economic strength and resiliency? Or has it been temporarily propped up by federal stimulus checks? Was an April run-up in consumer prices a temporary blip? Or an ominous sign of accelerating inflation? Are two months of middling job growth the result of too much of a good thing- employers want to hire more than they can? Or a hint that the labor market isn't as strong as economists think?

IMPACT OF CHINA'S THREE CHILD POLICY ON ECONOMY

Population planning is integral to a nation's economy. However advanced a country may be in terms of infrastructural development, the lack of people to labour and produce material growth, can be the nation's undoing. The People's Republic of China's recent change in population policy is in consonance with its worry about future national demography. Peel a layer off, and it is a decision that comes out of the worry about its future economy. China is the fourth-largest country in the world. Consequently, the country's largely ageing population is spread over large swathes of agrarian land. Discussions on the latest census report show that the population is unevenly distributed and is densest around urban centres. There are systemic issues surrounding migration and the flow of labouring populations across the country. For the Chinese State, internal migration is unable to offset the problems of under replacement-level fertility. In this scenario, nations usually turn to transnational migrant workers. Global migration will be one of the main ways governments respond to China's demographic shift.





TRUDEAU AID PLAN SAVES CANADIAN ECONOMY

One big takeaway from Canadian economic data released this week has been the extent to which housing is driving the nation's recovery from the pandemic. Another is how the economy remains heavily reliant on government help. A look at the national economic account shows that transfers by Prime Minister Justin Trudeau's government to households and companies remain elevated, even as they come off their peak pandemic levels. Direct spending by governments, too, continues to make a major contribution in an economy where business investment remains well below pre-crisis levels. Transfers to households from all levels of government actually increased in the first three months of 2021 to C\$84 billion (\$69 billion), from C\$76 billion in the final quarter last year. While below the quarterly peak of C\$120 billion in the immediate aftermath of the pandemic, that's still well above pre-pandemic levels. Over the first 12 months of the pandemic, households received C\$370 billion in transfers, versus C\$238 billion in the year before the crisis. Much of that is being hoarded, which to many economists represents a potential source of growth down the line even though it raises questions about whether assistance was too generous

NORTH KOREAN LEADER SEEKS TO REVIVE BATTERED ECONOMY

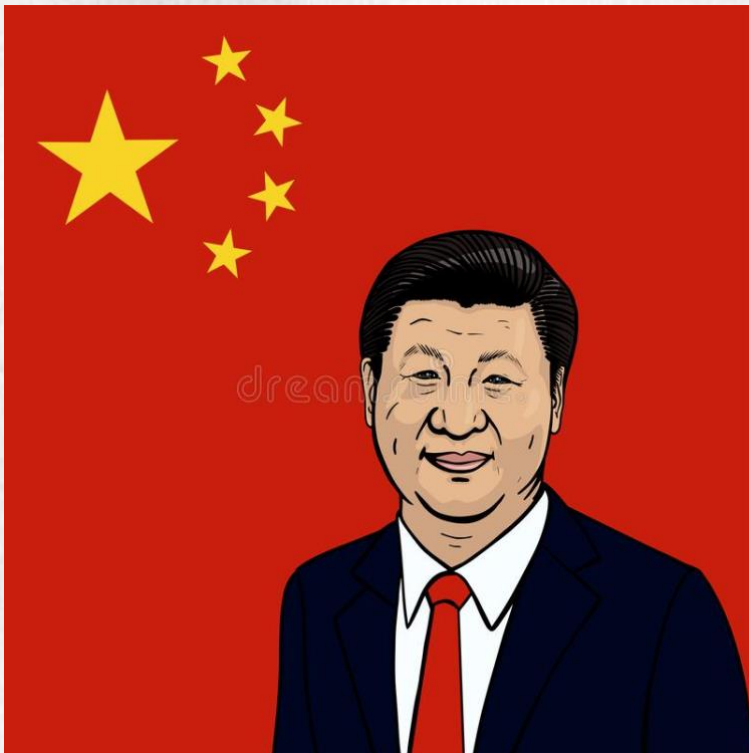
North Korean leader Kim Jong Un has presided over a meeting of his ruling party in his first public appearance in about a month, and called for a larger political conference to discuss efforts to salvage a decaying economy.

The North's official Korean Central News Agency said Saturday that Kim expressed appreciation that a lot of works were being sped up thanks to the ideological enthusiasm and fighting spirit of self-reliance demonstrated by the party and his people. But he also said there was a need to correct deflective matters and called for a plenary meeting of the Workers' Party's Central Committee to review overall state affairs for the first half of 2021. The party announced that the plenary meeting was set for early June. North Korea's battered economy has deteriorated further amid pandemic border closures, which significantly reduced trade with China, its major ally and economic lifeline.

The Workers' Party last held a plenary meeting of Central Committee members in February, when Kim ripped into state economic agencies for their passive and self-protecting tendencies in setting their annual goals.

While Kim said Friday that North Korea was continuing to face challenges brought by unfavourable subjective and objective conditions and environment, the KCNA report did not mention any comments he made toward the United States or South Korea.





CHINA'S IMAGE PROBLEM GROWS

China may be feeling underappreciated. At least that's the sentiment which seems to underlie President Xi Jinping's recent urging of his diplomatic corps to rebrand the country "trustworthy, lovable, and respectable."

This exhortation shouldn't come as a surprise. A Pew survey last year showed negative views of China had reached historic highs among advanced economies such as the U.S., U.K. and Australia amid widespread criticism of its handling of Covid-19. What's remarkable is the public concession that China has an image problem. It would be even more astonishing if Beijing agreed to a full and open inquiry into the origin of a novel coronavirus that's killed more 3.5 million people. Yet that may be what China has to do if it wants to quiet a growing clamor among virologist, biologists, and other scientists for an independent probe of the "lab-leak theory." It's fair to say that China is partially to blame for its dented image when it comes to the pandemic. IT did stonewall a World Health Organization team sent to Wuhan last year, prompting WHO chief to declare further investigation is needed.

TESLA: ANOTHER AMERICAN FAILURE IN CHINA?

Tesla shares dropped more than 5% Thursday after a report said the company's vehicle orders in China steeply declined last month.

The information, citing a single source familiar with the data, wrote that Tesla's "monthly net orders in China dropped to about 9,800 in May from more than 18,000 in April." CNBC has not corroborated that report.

Tesla's Shanghai factory is supposed to have the capacity to make around 500,000 electric cars a year for deliveries in China and exports to other parts of Asia and Europe. Elon Musk's electric vehicle company has been grappling with recalls and safety investigations in China. It is also dealing with a public relations backlash there, following some high profile crashes, price changes and quality complaints from Chinese customers. China represented last year the second-largest electric vehicle market in the world, according to IEA research. Tesla's near-term growth hinges largely on its ability to make and sell cars successfully in China. Tesla shares are down about 15% year-to-date, and down more than 35% from their intraday high on Jan. 29.



G7 NATIONS HISTORIC DEAL ON GLOBAL TAX REFORM

The finance ministers of the most advanced economies, known as the Group of Seven, have backed a U.S. proposal that calls for corporations around the world to pay at least a 15% tax on earnings. “G-7 finance ministers today, after years of discussions, have reached a historic agreement to reform the global tax system, to make it fit for the global digital age — and crucially to make sure that it’s fair so that the right companies pay the right tax in the right places,” U.K. Finance Minister Rishi Sunak announced in a video statement on Saturday. If finalized, it would represent a significant development in global taxation. Members of the G-7, which include Canada, France, Germany, Italy, Japan, the U.K. and the U.S., will convene for a summit in Cornwall, U.K., next week. President Joe Biden and his administration had initially suggested a minimum global tax rate of 21% in an attempt to end a race to the bottom among different countries in luring international businesses. However, after tough negotiations, a compromise was reached to set the bar at 15%.



CHINA GIVES US COMPETITION IN THE NAVIGATION MARKET

China is set to become a major player in the “highly lucrative” satellite navigation market, as it seeks to compete with the U.S. government-owned Global Positioning System (GPS). But China’s homegrown Beidou system is not likely to overtake the GPS system for now. More than 120 countries — including Pakistan and Thailand — are using China’s Beidou system for purposes such as monitoring traffic at ports or guiding rescue operations, the analyst said.

And Beijing is counting on its massive Belt and Road Initiative to “convince” more countries to use Beidou. Beidou’s completion has rekindled concerns among some in the West about the privacy and security of Chinese technology. He explained that some people fear Beijing could use its technology to track individuals, such as dissidents or democracy activists. Such concerns have come as U.S.-China competition heats up in the technology space. The U.S. under former President Donald Trump introduced export controls on several Chinese tech companies, including telecommunications equipment maker Huawei and top chipmaker SMIC, or Semiconductor Manufacturing International Corp. Joe Biden has kept many Trump-era restrictions on Chinese companies. Biden is seeking to boost investments in US research and development so that his country can build tech capabilities to compete with China.

