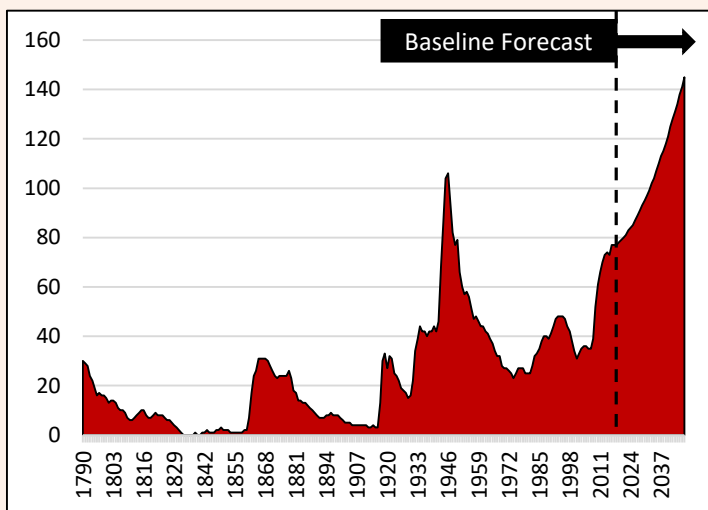


Here are the five economic stories which have caught our eye this week:



1

**Soaring US Public Debt (% of GDP):**



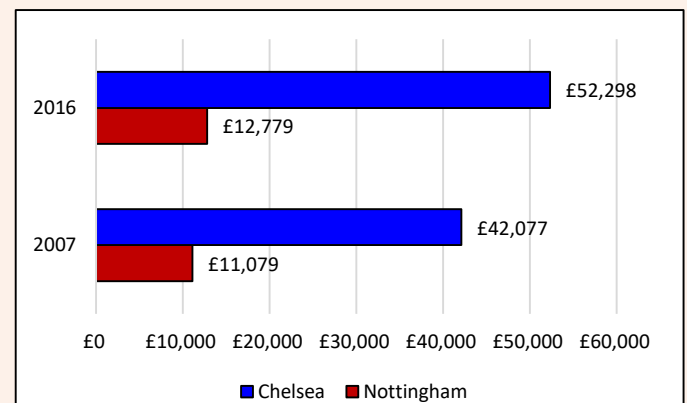
Amidst expected tax cuts and spending plans by the Trump administration, the Congressional Budget Office released data to paint the path of trajectory for US national debt, which currently stands at \$20tn. However, the most significant part of this report was the CBO's baseline projection that Federal Debt (% of GDP) is set to soar from 77% to 89% in 2027!

What impact will higher public spending have on private investment?

Evaluate the impact of expected US tax cuts on US debt.

2

**A Divided Britain?**



Real Gross Disposable Income per Head:			
Chelsea	24%	Nottingham	15%

The divide between the poorest and richest areas of the UK has continued to grow in the last decade according to data from the ONS.

Evaluate the impact of growing income inequality within the UK upon the other main macroeconomic objectives.

8<sup>th</sup> December 2017

# 4

## Zimbabwe's New Economic Order:



Zimbabwe \$5bn Budget Reforms:	
	Privatisation of Loss-Making State Owned Firms.
	Civil Service Agents (65+) to Retire.
	Spending Cuts to Reduce Deficit to 4% of GDP.
	Export Taxes to be Cut on Platinum Producers.

The Finance Minister of Zimbabwe announced a series of economic reforms and packages to help boost economic growth to 4.5%. The headline policy was the announcement that all civil servants would be forced to retire at the age of 65 to cut government expenditure by up to 90%.

Explain the factors which may hold back the effectiveness of these policies in Zimbabwe.

# 3

## Future Chinese Slowdown?



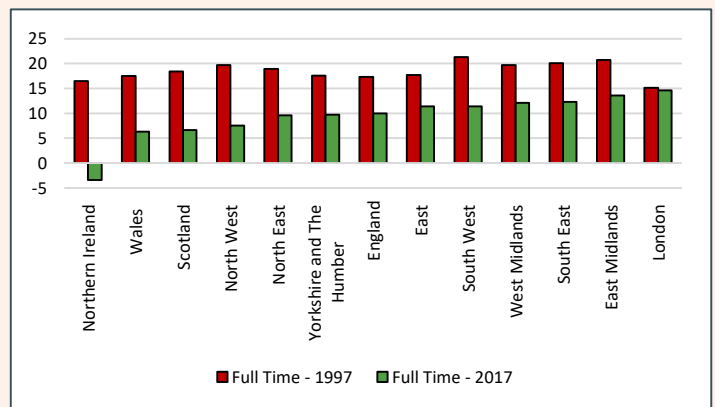
IMF Health Check Report on China:	
	27 out of 33 Chinese Banks Failed Stress Tests.
	Chinese Debt Risen to 234% of GDP.
	Credit-to-GDP Ratio is 25% above the Long-Term Trend

The IMF produced a comprehensive assessment of the future economic picture of China and how well prepared its financial system is for an economic slowdown.

What are the systemic risks to the UK economy of a slowdown in the Chinese economy?

# 5

## Mind the Gap – UK Gender Pay Gap:



The gender pay gap between men and women continues to exist across a range of industries and regions. The interesting part of this chart is that in 1997 London had the smallest gender pay gap and in 2017 it has the largest for full-time workers!

Identify some of the persistent reasons for wage differentials between men and women in the UK.