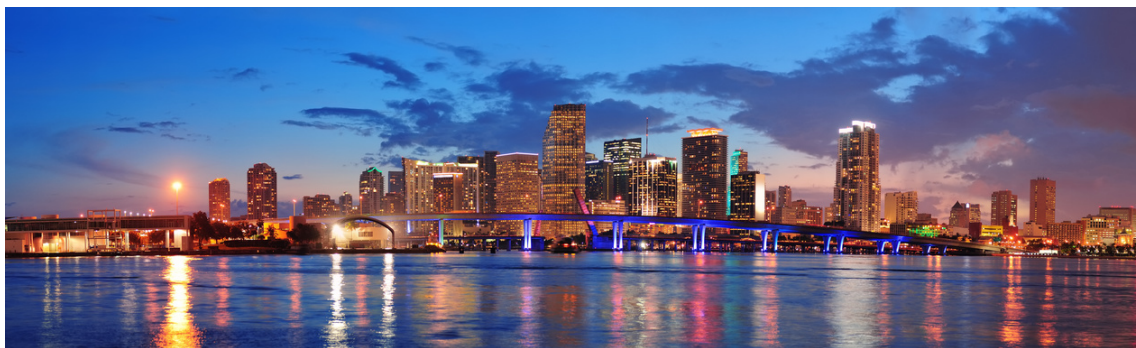




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Newsletter US June 2017



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Newsletter US June 2017

Withdrawal from the Paris climate agreement

As reported by CNN, President Donald Trump announced his decision to withdraw the US from the Paris climate accord on June 1st: a major step that fulfills a campaign promise while seriously dampening global efforts to curb global warming.¹

According to Reuters, an American withdrawal would deepen a rift with U.S. allies and align the United States with Syria and Nicaragua as the world's only non-participants in the 195-nation accord agreed upon in Paris in 2015.²

The United States, under former President Barack Obama, had committed to reduce its emissions by 26% to 28% from 2005 levels by 2025. The United States, exceeded only by China in greenhouse gas emissions, accounts for more than 15% of the worldwide total.³

Fed raises its benchmark interest rate; boosts its outlook for the US economy

According to Business Insider, on June 14th the Federal Open Markets Committee voted to raise its benchmark interest rate 25 basis points to a range of 1%-to-1,25%.

It also released its latest Summary of Economic Projections. The Fed now expects real GDP to grow 2,1% to 2,2% in 2017, compared to its previous outlook of 2,0% to 2,2%. Moreover, it expects the unemployment rate to fall to 4,2 to 4,3% this year, down from its previous projection of 4,5% to 4,6%.⁴

Unemployment rate at 4,3% in May; employment increased by 138.000

As stated by the U.S. Bureau of Labor Statistics, total nonfarm payroll employment increased by 138.000 in May, and the unemployment rate was little changed at 4,3% (compared to 4,4% in April).⁵ Job gains occurred in health care and mining.

According to the New York Times, unemployment is its lowest level in 16 years, but halfhearted wage growth and a shrinking labor force revealed the economy's stubborn weak spots.⁶

¹ <http://www.cnn.com/2017/06/01/politics/trump-paris-climate-decision/index.html>

“Trump on Paris accord: we are getting out” – CNN – June 1, 2017

² <http://www.reuters.com/article/us-usa-climatechange-trump-idUSKBN18R1J4>

“Trump will announce U.S. withdrawal from Paris climate accord” – Reuters – June 1, 2017

³ <http://www.reuters.com/article/us-usa-climatechange-trump-idUSKBN18R1J4>

“Trump will announce U.S. withdrawal from Paris climate accord” – Reuters – June 1, 2017

⁴ <http://www.businessinsider.com/fed-summary-of-economic-projections-june-2017-2017-6>

⁵ <http://www.bls.gov/news.release/pdf/empst.pdf>

⁶ <https://www.nytimes.com/2017/06/02/business/economy/jobs-report.html>

“US unemployment at 16-year low, but economy's weak spots remain” – The New York Times – June 2, 2017

Consumer Price Index decreased slightly in May

As stated by the U.S. Bureau of Labor Statistics, the Consumer Price Index for All Urban Consumers (CPI-U) decreased 0,1% in May. Over the last 12 months the all items index increased 1,9% before seasonal adjustment.⁷

U.S. manufacturing growth expanded again in May

According to the Institute for Supply Management (ISM), economic activity in the manufacturing sector expanded in May while the overall economy grew for the 96th consecutive month.⁸

The May PMI[®] registered 54,9%, a slight increase of 0,1 percentage points from the April reading of 54,8%.

Industrial production unchanged in May

As stated by the Federal Reserve, industrial production remained unchanged in May following increases in February, March and April.⁹

Building permits declined in May

Privately-owned housing units authorized by building permits in May were at a seasonally adjusted annual rate of 1.168.000. This is 4,9% below the revised April estimate of 1.228.000.¹⁰¹¹



Housing starts declined in May

Privately-owned housing starts in May were at a seasonally adjusted annual rate of 1.092.000. This is 5,5% below the revised April estimate of 1.156.000.^{12 13}

⁷ <http://www.bls.gov/news.release/pdf/cpi.pdf>

⁸ <https://www.instituteforsupplymanagement.org/ismreport/mfgrob.cfm>

⁹ <http://www.federalreserve.gov/releases/g17/current/default.htm>

¹⁰ <http://www.census.gov/construction/nrc/pdf/newresconst.pdf>

¹¹ <http://www.tradingeconomics.com/united-states/building-permits>

¹² <http://www.census.gov/construction/nrc/pdf/newresconst.pdf>

¹³ <http://www.tradingeconomics.com/united-states/housing-starts>



Small Business Optimism Index remains high in May

Citing NFIB, the Small Business Optimism Index remained unchanged at 104,5 in May. That means the Index has been at a historically high level for six straight months.¹⁴

Consumer Confidence Index declined in May (but still remains at strong levels)

The Conference Board Consumer Confidence Index, which decreased in April, declined slightly in May. The Index now stands at 117,9 (1985=100), down from 119,4 in April.¹⁵

Consumer Sentiment Index declined in June

Consumer sentiment declined from 97,1 in May to 94,5 in June.^{16 17}

The modest early June drop of 2,6 points in the Sentiment Index masks a much larger decline since June 8th. Prior to that date the Sentiment Index had averaged 97,7, but since June 8th, the Index fell to 86,7, a decline of 11 points.



Retail sales decreased in May

As reported by the U.S. Census Bureau, retail sales for May were \$473,8 billion, an decrease of 0,3% from the previous month.¹⁸

¹⁴ <http://www.nfib.com/surveys/small-business-economic-trends/>

¹⁵ <https://www.conference-board.org/data/consumerconfidence.cfm>

¹⁶ <http://www.sca.isr.umich.edu/>

¹⁷ <http://www.tradingeconomics.com/united-states/consumer-confidence>

¹⁸ http://www.census.gov/retail/marts/www/marts_current.pdf

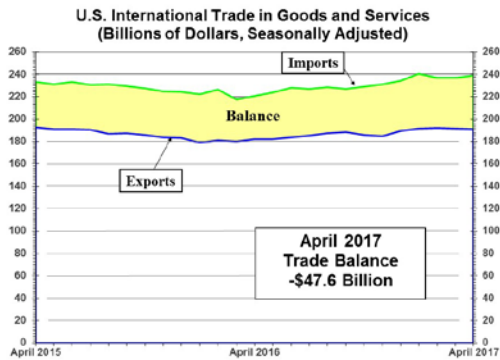
Producer Price Index unchanged in May

As reported by the U.S. Bureau of Labor Statistics, the Producer Price Index remained unchanged in May.¹⁹



U.S. trade deficit increased in April

The trade deficit in the U.S. in goods and services increased to \$47,6 billion in April from \$45,3 billion in March, as exports decreased and imports increased.²⁰



¹⁹ <http://www.bls.gov/news.release/ppi.nr0.htm>

<http://www.tradingeconomics.com/united-states/producer-prices>

²⁰ <http://www.census.gov/foreign-trade/data/>