

## Japan recession may hurt global economy

19<sup>th</sup> November, 2014



Japan has slipped back into recession, leaving financial analysts to ponder over the implications for the global economy. Japan's economy unexpectedly shrank

for the second consecutive quarter. Two successive negative quarters officially puts a country in recession. The slide in the last quarter has taken economists by surprise. Figures indicated that Japan's economy would grow by 2.1 per cent in the last quarter. Instead, gross domestic product (GDP) fell by 1.6 per cent between July and September. Many economists attribute the fall to April's increase in sales tax from five to eight per cent. Many Japanese consumers have tightened their purse strings and are simply not spending.

World leaders are worried that Japan's slide back into recession could be ominous for the global economy. British leader David Cameron said the world was on the brink of a second economic disaster. He told reporters he saw "red warning lights" for the global economy because of international "instability and uncertainty" and a slowing of growth in emerging markets, especially Brazil and China. Mr Cameron said the problems were "plain to see". He added: "The Eurozone is teetering on the brink of a possible third recession, with high unemployment, falling growth and the real risk of falling prices. Emerging markets, which were the driver of growth in the early stages of the recovery, are now slowing down."

Sources: *Independent.co.uk / bbc.co.uk / Yomiuri Shimbun*

## Writing

Everyone should save more and spend less. Discuss.

## Chat

Talk about these words from the article.

*recession / analysts / implications / negative quarters / GDP / consumers / spending / world leaders / ominous / global economy / economic disaster / growth / recovery*

## True / False

- Financial analysts are pondering over the effects of Japan's recession. T / F
- Japan's economy has shrunk for two quarters in a row. T / F
- Economists are not particularly surprised that Japan is in recession. T / F
- Japanese consumers are putting strings around their purses. T / F
- World leaders are not particularly concerned about news from Japan. T / F
- Britain's leader said the world's second economic disaster had arrived. T / F
- Britain's leader said the Eurozone was close to recession. T / F
- Emerging markets are not growing as fast as they used to be. T / F

## Synonym Match

- |                    |                        |
|--------------------|------------------------|
| 1. ponder          | a. financial resources |
| 2. consecutive     | b. phases              |
| 3. indicated       | c. credit              |
| 4. attribute       | d. showed              |
| 5. purse strings   | e. close to            |
| 6. ominous         | f. think about         |
| 7. on the brink of | g. up-and-coming       |
| 8. emerging        | h. see-sawing          |
| 9. teetering       | i. successive          |
| 10. stages         | j. unpromising         |

## Discussion – Student A

- Why or how does a country enter recession?
- Are you worried about the global economy?
- What are economic conditions like in your country?
- Why can't economists keep the global economy stable?
- What has your government done for its economy?
- How does a country come out of recession?
- What do you think of sales tax?
- Are there times when you have stopped spending?

# Breaking News English - The Mini Lesson

## Phrase Match

- |   |                           |
|---|---------------------------|
| 1. Japan has slipped                    | a. shrank                 |
| 2. ponder over                          | b. the brink              |
| 3. Japan's economy unexpectedly         | c. strings                |
| 4. gross domestic                       | d. in the early stages    |
| 5. tightened their purse                | e. back into recession    |
| 6. could be ominous                     | f. and uncertainty        |
| 7. the world was on                     | g. to see                 |
| 8. because of international instability | h. the implications       |
| 9. the problems were plain              | i. product                |
| 10. the driver of growth                | j. for the global economy |

## Discussion – Student B

- How did the last global recession affect you?
- What "warning lights" are there for a global recession?
- Why do you think emerging markets are slowing down?
- What's the best way to protect yourself against recession?
- Who wins and who loses in a recession?
- What would you do to create growth?
- How do you feel about economics?
- What questions would you like to ask Japan's leader?

## Spelling

- financial nalsasyt
- the itpscinaiolm for the global economy
- for the second eevtnsccuio quarter
- taken omtecinssso by surprise
- urtitebat the fall to April's increase
- tightened their espru strings
- ounimos for the global economy
- on the brink of a second economic eidtsrsa
- instability and rtuneynatci
- growth in regnemgi markets
- girtetnee on the brink
- the early stages of the oeevyrrc

### Answers – Synonym Match

1. f	2. i	3. d	4. c	5. a
6. j	7. e	8. g	9. h	10. b

## Role Play

### Role A – Investment

You think investment would be best to bring a country out of recession. Tell the others three reasons why. Tell them why their things might not work. Also, tell the others which is the least effective of these (and why): lower taxes, lower interest rates or more jobs.

### Role B – Lower taxes

You think lower taxes would be best to bring a country out of recession. Tell the others three reasons why. Tell them why their things might not work. Also, tell the others which is the least effective of these (and why): investment, lower interest rates or more jobs.

### Role C – Lower interest rates

You think lower interest rates would be best to bring a country out of recession. Tell the others three reasons why. Tell them why their things might not work. Also, tell the others which is the least effective of these (and why): lower taxes, investment or more jobs.

### Role D – More jobs

You think more jobs would be best to bring a country out of recession. Tell the others three reasons why. Tell them why their things might not work. Also, tell the others which is the least effective of these (and why): lower taxes, lower interest rates or investment.

## Speaking – Cutting back

Rank these with your partner. Put the things you would cut back on most at the top. Change partners often and share your rankings.

- |                  |                  |
|------------------|------------------|
| • mobile phone   | • shopping       |
| • eating out     | • hobbies        |
| • buying clothes | • going to cafes |
| • electricity    | • haircuts       |

### Answers – True False

a	T	b	T	c	F	d	F	e	F	f	F	g	T	h	T
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Answers to Phrase Match and Spelling are in the text.