
THE LATYMER ECONOMICS BULLETIN

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Revolut

Thomas Cook to track tourists for travel insurance

 **Thomas Cook**



Stronger than expected growth for the UK set to support further reductions in unemployment



China reports 6.9% GDP growth in 2017

Thomas Cook to track tourists for travel insurance

What's going on here?

The British travel giant 'Thomas Cook' has partnered with the fintech (financial technology) firm Revolut to launch a new, 'pay-per-day' travel insurance. It is set to work by tracking a user's mobile to track their location and in doing so provide users with medical cover when required.

Revolut



Why is this important?

Although some may feel somewhat insecure about the holidaymaker tracking their location when on holiday, it could help customers by reducing travel insurance costs by only covering them when they would need it. If you were to consider the bigger picture here, this shows that more firms are embracing fintech and feeding into its economy-wide growth and increase in popularity. This will only benefit consumers more in the future as fintech firms continue to produce innovations which make activities such as holidays cost less.

Stronger than expected growth for the UK set to support further reductions in unemployment

What's going on here?

Although unemployment was starting to rise in the second half of 2017, stronger than expected GDP growth figures suggesting growth of 1.8% for 2017 have defied fears of an economic slowdown. Unemployment is already at a 42 year low, but could be expected to fall even further thanks to signals of strong economic performance from the growth figures.

Why is this important?

Higher than expected GDP growth is likely to filter into other areas of the economy and encourage firms to hire more workers as they expand their operations, which would in turn reduce unemployment. This will come as good news to many, considering that a lower unemployment rate will be beneficial to the UK proceeds through 'Brexit negotiations'. It may be looking as if 2018 will not be remembered as a year of despair for the UK economy.



China reports 6.9% GDP growth in 2017

What's going on here?

According to official data, China's economy grew 6.9% in 2017. This is the first time in seven years that the pace of growth has picked up. Analysts question whether this growth will continue as Beijing are now trying to reduce risky debt as well as improve air quality, two factors which could have an impact on future growth.

Why is this important?

As part of their general shift to a more consumption led economy, China has introduced strict anti-pollution measures across 28 cities and this is likely to hurt short term economic growth, as many factories have been shut down whilst others are producing less. This suggests that this increase in the pace of growth will not continue due to reduced output from the manufacturing sector. Given China's prominence in the global economy, slowing growth in China is likely to have an impact on the economic performance of many other nations across the world.

