

Economic Outlook for FY2011 and FY2012

(revised to reflect the *Second Preliminary Quarterly Estimates of GDP* for the Jul-Sep quarter of 2011)

December 2011

Key points of Mizuho Research Institute's (MHRI) outlook on the economy in FY2011 and FY2012
reflecting *The Second Preliminary Quarterly Estimates of GDP (2nd QE)* of Japan
for the Jul-Sep quarter of 2011

<The Japanese Economy>

FY2011 -0.4% (previous forecast +0.4%)

Growth revised downward, reflecting GDP data revisions. Reconstruction demand will gradually emerge in the second half of the fiscal year

FY2012 +1.9% (previous forecast +1.7%)

Japan will remain on recovery track due to reconstruction demand. Even so, public demand will slowdown toward the end of the fiscal year and dampen the economic recovery

<The US Economy>

Weak growth due to fiscal tightening amid balance sheet adjustment

2011 +1.7% (previous forecast +1.8%)

2012 +1.3% (previous forecast +1.4%)

<The Eurozone Economy>

Eurozone recession from around the turn of the calendar year

2011 +1.6% (previous forecast +1.6%)

2012 +0.1% (previous forecast +0.1%)

<The Asian Economies>

Growth will moderate due to sluggish exports to the US and Europe

2011 +7.5% (previous forecast +7.6%)

2012 +6.9% (previous forecast +7.0%)

This English-language translation is based upon the outlook in Japanese released on December 12, 2011. This publication is compiled solely for the purpose of providing readers with information and is in no way meant to encourage readers to buy or sell financial instruments. Although this publication is compiled on the basis of sources which MHRI believes to be reliable and correct, MHRI does not warrant its accuracy and certainty. Readers are requested to exercise their own judgment in the use of this publication. Please also note that the contents of this publication may be subject to change without prior notice.

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I. The current state of the Japanese economy

The 2nd QE for the Jul-Sep quarter revealed a slight downward revision

The *Second Preliminary Quarterly Estimates of GDP* (“2nd QE”) for the Jul-Sep quarter of 2011 released by the Cabinet Office on December 9, 2011 revealed a downward revision of Japan’s real GDP growth in the Jul-Sep quarter to +1.4% q-o-q (+5.6% p.a.) from +1.5% q-o-q (+6.0 % p.a.) in the *First Preliminary Quarterly Estimates of GDP* (“1st QE”) (Chart 1).

Looking closer at each of the components of demand, capital investment was revised down from +1.1% q-o-q in the 1st QE to -0.4% q-o-q, reflecting data releases such as the *Financial Statements Statistics of Corporations by Industry*. On the other hand, the contribution by private-sector inventory investment to quarterly real GDP growth was revised upward from +0.2% pt to +0.3 % pt. Revisions to other components of demand also widened due to the benchmark year revision of Japan’s GDP data (from 2000 to 2005) and the revision of FY2010 GDP from “preliminary” to “revised” data. Personal consumption was revised downward (+1.0% q-o-q → +0.7% q-o-q) while housing investment was subject to a slight upward revision (+5.0% q-o-q → +5.2% q-o-q), resulting in a downward revision of overall domestic private demand from +1.4 q-o-q to +1.1% q-o-q (its contribution to growth was revised from +1.1% pt to +0.8% pt). As for public demand, government consumption was revised downward (+0.4% q-o-q → +0.2% q-o-q) while public investment was revised upward (-2.8% q-o-q → -1.0% q-o-q). The contribution by public demand was revised up slightly to +0.0% pt (1st QE: -0.0% pt). The contribution by domestic demand – combining both private and public demand – was revised down to +0.8% pt from +1.0% pt. Turning to external demand, its

[Chart 1: The 2nd QE of the Jul-Sep quarter of 2011]

	(Q-o-q % change)						1st QE Jul-Sep
	2010			2011			
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
Domestic gross expenditure	1.1	0.5	0.0	-1.7	-0.5	1.4	1.5
(Q-o-q change, p.a.)	4.6	2.0	0.1	-6.6	-2.0	5.6	6.0
(Y-o-y change)	4.4	5.4	3.1	-0.2	-1.7	-0.7	0.0
Domestic demand	1.1	0.7	0.1	-1.5	0.5	0.8	1.0
	(1.1)	(0.6)	(0.1)	(-1.5)	(0.5)	(0.8)	(1.0)
Private demand	1.5	0.8	0.2	-2.1	0.0	1.1	1.4
	(1.1)	(0.6)	(0.2)	(-1.5)	(0.0)	(0.8)	(1.1)
Consumption	0.2	0.4	0.4	-1.2	0.3	0.7	1.0
Housing investment	1.5	0.6	2.9	1.8	-2.0	5.2	5.0
Capital investment	4.7	0.5	-0.7	-0.9	-0.5	-0.4	1.1
Inventory	(0.4)	(0.3)	(-0.0)	(-0.7)	(-0.0)	(0.3)	(0.2)
Public demand	-0.3	0.3	-0.4	0.1	1.9	0.0	-0.1
	(-0.1)	(0.1)	(-0.1)	(0.0)	(0.5)	(0.0)	(-0.0)
Government final consumption expenditures	1.5	0.3	0.3	0.5	0.7	0.2	0.4
Public investment	-6.9	0.4	-4.2	-1.9	6.7	-1.0	-2.8
Net exports of goods & services	(0.1)	(-0.1)	(-0.0)	(-0.2)	(-1.0)	(0.6)	(0.4)
Exports	5.9	0.7	-0.1	-0.0	-5.9	7.3	6.2
Imports	6.1	1.7	0.2	1.1	0.4	3.5	3.4
Nominal GDP	0.5	0.1	-0.8	-1.7	-1.6	1.2	1.4
GDP deflator (y-o-y change)	-2.1	-2.0	-1.9	-1.9	-2.4	-2.2	-1.9

Note: The figures in parentheses indicate the contributions to gross domestic expenditures.

Source: Cabinet Office, *Preliminary Quarterly Estimates of GDP*.

contribution to growth was revised upward to +0.6% pt from +0.4% pt in the 1st QE due to a sharp upward revision of exports (+6.2% q-o-q → +7.3% q-o-q) in contrast to a minor upward revision of imports (+3.4% q-o-q → +3.5% q-o-q).

The release of the revised real GDP growth rate for FY2010 revealed a sharp upward revision (+3.1%) from the preliminary rate of growth (+2.4%). This was due primarily to the revision of personal consumption from +1.0% y-o-y to +1.6% y-o-y (**Chart 2**). Furthermore, given the benchmark revision, the rates of real GDP growth for FY2008 and FY2009 were revised as follows: FY2008 (-4.1% → -3.7%), FY2009 (-2.4% → -2.1%). However, given the sharp decline of the carry-over of growth (-0.5% → -1.1%) to FY2011, the odds are high that growth in FY2011 will dip into negative territory.

In the Oct-Dec quarter, a slowdown of Japan's growth looks inevitable as exports are predicted to stagnate due to the eurozone and US economic slowdown and impact of the Thai flooding, as the Japanese economy takes a breather from its rapid economic recovery from the Great East Japan Earthquake (the "Earthquake"). Even so, Japan's economic growth should remain in positive territory due to prospects that reconstruction-related demand will prop up the economy.

Rate of growth will remain in positive territory in the Oct-Dec quarter

[Chart 2: Revision of fiscal year-based GDP data]

	2005 Benchmark		2000 Benchmark	
	FY2009	FY2010	FY2009	FY2010
	(Y-o-y % change)			
Domestic gross expenditure	-2.1	3.1	-2.4	2.4
Domestic demand	-2.2 (-2.2)	2.4 (2.4)	-2.7 (-2.7)	1.6 (1.5)
Private demand	-4.2 (-3.2)	3.0 (2.3)	-5.0 (-3.9)	2.0 (1.4)
Consumption	1.2	1.6	-0.0	1.0
Housing investment	-21.0	2.3	-18.2	-0.2
Capital investment	-12.0	3.5	-13.6	4.2
Inventory	(-1.5)	(0.8)	(-1.1)	(0.5)
Public demand	4.2 (1.0)	0.5 (0.1)	5.2 (1.2)	0.1 (0.0)
Government final consumption expenditures	2.7	2.3	3.5	2.3
Public investment	11.5	-6.8	14.3	-9.8
Net exports of goods & services	(0.2)	(0.8)	(0.3)	(0.9)
Exports	-9.8	17.2	-9.6	17.1
Imports	-10.7	12.0	-11.0	10.9
Nominal GDP	-3.2	1.1	-3.7	0.4
GDP deflator (y-o-y change)	-1.2	-2.0	-1.3	-2.0

Note: The figures in parentheses indicate the contributions to gross domestic expenditures.
Source: Cabinet Office, *Preliminary Quarterly Estimates of GDP*.

II. Forecast of the Japanese economy in FY2011 and FY2012

The economy will remain in recovery mode, given the materialization of reconstruction demand

From the second half of FY2011 to FY2012, the Japanese economy should remain in recovery mode as demand related to reconstruction starts to materialize. A look at public investment after the Earthquake reveals a surge of investment related to construction of temporary housing in May and June, followed by a dip in the Jul-Sep quarter due to delays in Japan's reconstruction plan and supplementary budgets. Looking forward, reconstruction demand should gradually materialize, reflecting the passage of the third supplementary budget on November 21st. In the first half of FY2012, the growth of public demand should rise and push up the rate of Japan's economic growth.

Meanwhile, the environment surrounding exports is turning increasingly severe with the eurozone economy slipping into recession and the yen still trading at the JPY70-level with the US dollar. Even though the impact of the Thai floods upon Japan's domestic production is deemed temporary, it will serve as a drag upon exports and production in November. Exports, for the time being, should remain stagnant. Even so, automobiles still have some room for a rise in output and exports, given the low level of inventories at overseas sites due to output cuts after the Earthquake. As soon as the alternate production of parts starts to roll, an upturn of automobile production is expected in the Jan-Mar quarter of 2012. Furthermore, in view of prospects toward the rise of demand for materials along with the emergence of reconstruction demand, industrial production should continue to follow an upward - albeit gradual - trend.

However, reconstruction demand may lose steam by the end of FY2012

However, demand related to reconstruction should start to slow down in the second half of FY2012. On a fiscal year basis, reconstruction-related demand is expected to reach its highest level in FY2012, and peak out in mid-FY2012 depending upon the pace of progress of the reconstruction works. By the end of FY2012 (the end of March 2013), public demand is expected to slow down amid the stagnation of exports, leading to a loss of steam of Japan's economic recovery.

Even though the pace of real GDP growth is forecast to rise to +1.9% (previous forecast: +1.7%) in FY2012 after it contracts (-0.4%, previous forecast: +0.4%) in FY2011, the Japanese economy should start to show signs of slowdown toward the end of FY2012. We have revised down our forecast on growth in FY2011 into negative territory due mainly to a sharp downward revision of the carryover of growth to FY2011 because of the revision of GDP data. Our fundamental scenario on the economy remains unchanged from our view set forth in our previous forecast (as of November 16, 2011).

Overseas economic downturn and electrical power shortage pose downside risks

There are various risk factors surrounding our main scenario outlook set forth above. The greatest risk factor is the overseas economic downturn and appreciation of the yen. Our latest *Economic Outlook* is based upon the view that a global financial crisis will be avoided through the adoption of (albeit somewhat

belated) measures to stem the crisis. However, the possibility of a spillover into a global financial crisis and credit crunch may not be ruled out altogether. In such event, the Japanese economy would fall into a recession and the yen would gain further ground to other currencies. Even if events do not unravel as such, there are risks that corporate behavior will turn cautious amid the rise of uncertainties in the financial markets, leading to a temporary stagnation of production and investment (a so-called “soft patch”) after the turn of the calendar year.

In terms of the domestic economy, the greatest risk is the electrical power shortage. In the event the nuclear power plants in Japan remain suspended after their regular inspections, many areas will face electrical power shortages by at least 10% of maximum electrical power supply in the summer of 2012. Even if measures are taken to reduce commercial electrical power usage at offices buildings and commercial facilities and household electrical power usage, its impact upon production activity may not be avoided. In such case, the downside risks to the economy will rise over the summer months.

[Chart 3: Outlook on the Japanese economy]

		FY2009	FY2010	FY2011	FY2012	2011				2012				2013
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
GDP (real)	Q-o-q % ch	-2.1	3.1	-0.4	1.9	-1.7	-0.5	1.4	0.3	0.4	0.5	0.5	0.5	0.2
	Q-o-q % ch p.a.	--	--	--	--	-6.6	-2.0	5.6	1.0	1.6	1.9	2.1	1.9	0.8
Domestic demand	Q-o-q % ch	-2.2	2.4	0.5	1.9	-1.5	0.5	0.8	0.4	0.5	0.5	0.5	0.4	0.2
Private sector demand	Q-o-q % ch	-4.2	3.0	-0.1	1.9	-2.1	0.0	1.1	0.4	0.4	0.3	0.6	0.6	0.4
Personal consumption	Q-o-q % ch	1.2	1.6	0.3	1.1	-1.2	0.3	0.7	0.1	0.3	0.1	0.3	0.3	0.2
Housing investment	Q-o-q % ch	-21.0	2.3	4.3	3.4	1.8	-2.0	5.2	0.2	-2.0	-1.2	3.7	3.7	0.8
Capital investment	Q-o-q % ch	-12.0	3.5	-0.8	3.6	-0.9	-0.5	-0.4	1.2	0.7	1.1	1.2	0.7	0.5
Inventory investment	Q-o-q contribution, % pt	-1.5	0.8	-0.2	0.2	-0.7	-0.0	0.3	0.1	0.1	0.1	-0.0	0.0	0.1
Public sector demand	Q-o-q % ch	4.2	0.5	2.3	1.9	0.1	1.9	0.0	0.4	0.9	0.8	0.5	-0.1	-0.4
Government consumption	Q-o-q % ch	2.7	2.3	1.8	0.8	0.5	0.7	0.2	0.4	0.3	0.2	0.3	0.1	-0.3
Public investment	Q-o-q % ch	11.5	-6.8	4.4	6.7	-1.9	6.7	-1.0	0.5	3.6	3.8	1.3	-0.7	-1.0
External demand	Q-o-q contribution, % pt	0.2	0.8	-0.9	0.0	-0.2	-1.0	0.6	-0.2	-0.1	-0.0	-0.0	0.1	0.0
Exports	Q-o-q % ch	-9.8	17.2	-0.4	3.7	-0.0	-5.9	7.3	0.4	0.2	0.7	0.6	0.7	0.4
Imports	Q-o-q % ch	-10.7	12.0	5.6	3.7	1.1	0.4	3.5	1.5	0.9	0.7	0.7	0.3	0.2
GDP (nominal)	Q-o-q % ch	-3.2	1.1	-2.2	2.0	-1.7	-1.6	1.2	-0.3	1.1	0.5	0.5	0.0	0.7
GDP deflator	Y-o-y % ch	-1.2	-2.0	-1.8	0.1	-1.9	-2.4	-2.2	-1.7	-0.9	-0.1	0.1	0.2	0.2
Domestic demand deflator	Y-o-y % ch	-2.2	-1.2	-0.8	-0.6	-1.0	-1.1	-0.7	-0.6	-0.7	-0.9	-0.7	-0.6	-0.4

Source: Made by MHRI based upon Cabinet Office, *Preliminary Quarterly Estimates of GDP*.

		FY2009	FY2010	FY2011	FY2012	2011				2012				2013
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Industrial production	Q-o-q % ch	-8.8	8.9	-2.3	4.1	-2.0	-4.0	4.3	0.3	0.7	0.7	1.2	0.9	0.8
Ordinary profits	Y-o-y % ch	-0.0	39.0	-2.4	9.4	11.0	-13.2	-3.1	3.0	3.9	14.5	14.0	8.4	2.5
Nominal labor compensation	Y-o-y % ch	-4.4	0.5	0.2	0.8	0.6	0.3	-0.2	0.1	0.5	0.7	0.7	1.0	0.6
Unemployment rate	%	5.2	5.0	4.4	4.1	4.7	4.6	4.4	4.4	4.3	4.2	4.1	4.1	4.0
New housing starts	P.a., 10,000 units	77.5	81.9	83.4	85.1	84.2	81.0	87.8	81.6	81.9	82.2	85.1	89.4	83.3
Current account balance	P.a., JPY tril	15.8	16.1	9.9	14.6	13.0	7.6	10.4	11.2	10.1	13.6	15.8	15.4	14.2
Domestic corporate goods prices	Y-o-y % ch	-5.2	0.7	1.9	-0.9	1.8	2.5	2.7	1.9	0.4	-1.4	-1.2	-0.9	-0.3
Consumer prices	Y-o-y % ch	-1.6	-0.8	-0.1	-0.4	-0.8	-0.2	0.2	-0.1	-0.3	-0.7	-0.5	-0.3	-0.1
Uncollateralized overnight call rate	%	0.08	0.06	0 ~ 0.10	0 ~ 0.10	0.06	0.07	0.08	0 ~ 0.10	0 ~ 0.10	0 ~ 0.10	0 ~ 0.10	0 ~ 0.10	0 ~ 0.10
Yield on newly-issued 10-yr JGBs	%	1.35	1.13	1.06	1.06	1.24	1.16	1.04	1.00	1.00	1.00	1.05	1.10	1.10
Nikkei average	JPY	9,974	9,961	9,050	9,000	10,308	9,612	9,255	8,600	8,500	8,400	8,900	9,300	9,300
Exchange rate	JPY/USD	93.0	86.0	78.0	76.0	82.3	82.0	78.0	77.0	76.0	74.0	76.0	77.0	77.0
Crude oil price (WTI nearest term contract)	USD/bbl	71.0	84.0	93.0	84.0	94.6	102.3	89.5	95.0	85.0	79.0	83.0	86.0	87.0

Notes: 1. The readings above may differ from public releases because the rates of change are calculated based upon actual results.

2. Ordinary profits are based upon the *Financial Statements Statistics of Corporations by Industry* (all industries) (ex finance & insurance, and production, transmission and distribution of electricity services).

3. Consumer prices exclude fresh food (2010 base).

4. Quarterly data on the unemployment rate, new housing starts and current account balance are seasonally-adjusted.

5. Of the finance-relate indices, the uncollateralized overnight call rate refers to the rate at the end of term and all others are averages during the relevant terms.

Sources: Made by MHRI based upon Cabinet Office, *Preliminary Quarterly Estimates of GDP*, Ministry of Economy, Trade and Industry, *Indices of Industrial Production*, Ministry of Finance, *Financial Statements, Statistics of Corporations by Industry, Quarterly*, Ministry of Internal Affairs and Communications, *Labor Force Survey*, *Consumer Price Index*, Ministry of Land, Infrastructure, Transport and Tourism, *Current Survey on Construction Statistics*, Bank of Japan, *Balance of Payments*, *Corporate Goods Price Index*, *Financial and Economic Statistics Monthly*, *Foreign Exchange Rates*, Japan Bond Trading Co., Ltd., *Latest Daily JGB Rates*, Nikkei Inc. and Bloomberg.

[Chart 4: Outlook on the US economy]

	2011				2012				2010 (Actual)	2011 (Forecast)	2012 (Forecast)
	Jan-Mar (Actual)	Apr-Jun (Actual)	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec			
GDP (q-o-q % ch, p.a.)	0.4	1.3	2.0	1.9	0.4	1.1	1.5	2.0	3.0	1.7	1.3
Personal consumption (q-o-q % ch, p.a.)	2.1	0.7	2.3	1.5	0.2	1.0	1.6	2.0	2.0	2.2	1.2
Housing investment (q-o-q % ch, p.a.)	-2.4	4.2	1.6	2.5	1.0	1.0	1.0	1.0	-4.3	-1.8	1.5
Capital investment (q-o-q % ch, p.a.)	2.1	10.3	14.8	8.1	-0.4	7.5	7.3	7.0	4.4	8.9	6.5
Inventory investment (USD billion p.a.)	49.1	39.1	-8.5	-3.0	25.0	30.0	35.0	40.0	58.8	19.2	32.5
Government spending (q-o-q % ch, p.a.)	-5.9	-0.9	-0.1	-2.0	-4.0	-4.0	-4.0	-3.0	0.7	-2.0	-2.9
Net exports (USD billion p.a.)	-424.3	-416.4	-400.7	-400.5	-391.0	-384.6	-378.0	-371.4	-421.8	-410.5	-381.2
Exports (q-o-q % ch, p.a.)	7.9	3.6	4.3	2.5	4.0	4.5	4.5	4.5	11.3	6.6	3.9
Imports (q-o-q % ch, p.a.)	8.3	1.4	0.5	2.0	1.5	2.5	2.5	2.5	12.5	4.7	1.8
Domestic final demand (q-o-q % ch, p.a.)	0.4	1.3	3.0	1.5	-0.7	0.7	1.1	1.6	1.8	1.9	0.9
Unemployment rate (%)	8.9	9.1	9.1	8.9	8.8	8.8	8.8	8.7	9.6	9.0	8.8
Nonfarm payrolls (per month, 1,000)	141	156	99	132	115	115	115	116	-81	110	119
Disposable income (q-o-q % ch, p.a.)	5.2	2.8	0.2	2.9	1.5	4.1	3.7	4.4	3.6	3.4	2.6
Personal saving rate (%)	5.0	4.8	3.8	3.7	3.6	4.0	4.1	4.3	5.3	4.3	4.0
PCE deflator (y-o-y % ch)	1.8	2.5	2.9	2.8	2.3	1.8	1.6	1.5	1.8	2.5	1.8
Core PCE deflator ex food and energy (y-o-y % ch)	1.1	1.3	1.6	1.8	1.7	1.5	1.4	1.5	1.4	1.4	1.5

Note: Readings from the Oct-Dec quarter of 2011 are forecasts as of December 9, 2011.
Sources: US Department of Commerce, US Department of Labor, MHRI.

[Chart 5: Outlook on the Eurozone economy]

	2010	2011	2012	2010		2011		2012	
	(Actual)	(Forecast)	(Forecast)	1H	2H	1H	2H	1H	2H
						(Forecast)	(Forecast)	(Forecast)	(Forecast)
Real GDP	1.8	1.6	0.1	2.0	2.1	2.0	0.3	-0.4	1.1
Y-o-y % ch of 4th qtr of each year (% ch o-y-a for half year terms)	2.0	0.9	0.6	1.6	2.1	2.0	1.1	-0.1	0.3
Private-sector consumption	0.9	0.4	0.3	1.0	1.1	0.1	0.1	-0.1	1.1
Government spending	0.4	0.0	-0.6	-0.3	0.4	0.0	-0.3	-0.8	-0.6
Fixed capital formation	-0.9	2.2	0.1	0.0	1.9	3.4	-0.0	-0.5	1.4
External demand (contribution)	0.8	0.8	0.4	0.5	0.7	0.9	0.8	0.3	0.1
Exports	10.9	6.5	2.2	13.1	10.3	5.7	4.4	0.4	3.6
Imports	9.1	4.6	1.4	12.3	8.9	3.6	2.7	-0.3	3.6
Inventories, balancing items (contribution)	0.6	0.1	-0.3	1.0	0.3	0.3	-0.5	-0.4	0.2
Domestic demand	1.1	0.8	-0.3	1.6	1.4	1.1	-0.5	-0.7	1.0
Consumer prices	1.6	2.7	1.8	1.4	1.9	2.6	2.7	2.0	1.6
Core inflation rate	1.0	1.4	1.6	0.9	1.1	1.4	1.5	1.6	1.6

Notes: 1. Calendar-year data refer to the y-o-y % ch. Half-year term figures refer to the % change from the previous term (p.a.) for GDP, and the % change from the previous year for consumer prices. The shaded columns are forecasts.

2. Growth rate adjusted for operating days.

Sources: Eurostat, MHRI.

[Chart 6: Outlook on the Asian economies]

(%)

	2009	2010	2011		2012	
				Previous		Previous
Asia	6.1	9.3	7.5	7.6	6.9	7.0
China	9.2	10.4	9.3	9.3	8.8	8.8
NIEs	-0.7	8.3	4.2	4.2	2.6	2.7
South Korea	0.3	6.2	3.8	3.7	3.1	3.3
Taiwan	-1.8	10.7	4.2	4.2	2.2	2.4
Hong Kong	-2.7	7.0	5.0	5.1	1.7	1.9
Singapore	-0.8	14.5	5.4	5.3	1.8	1.8
ASEAN5	1.6	6.9	4.6	4.9	4.5	4.6
Indonesia	4.6	6.1	6.3	6.3	6.1	6.1
Thailand	-2.3	7.8	1.6	2.7	3.1	2.7
Malaysia	-1.6	7.2	4.8	4.6	3.0	3.2
Philippines	1.1	7.6	3.6	4.0	3.3	4.1
Vietnam	5.3	6.8	6.0	6.0	5.5	5.5
India	7.0	8.7	7.4	7.7	6.7	7.0

Notes: 1. Real GDP growth rate (y-o-y ch). The shaded columns are forecasts.

2. Averages are calculated by the 2010 GDP share (PPP basis) by the IMF.

3. Data in the "Previous" column are forecasts in MHRl's *Economic Outlook* dated November 16, 2011.

Sources: Statistical data of relevant countries, MHRl.

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