

FY2012, FY2013 and FY2014 Economic Outlook

REVISED
to reflect the 2nd
QE for the
Oct-Dec Qtr
of 2012

March 8, 2013

Key points of Mizuho Research Institute's (MHRI) outlook on the economy in FY2012, FY2013 and FY2014 revised to reflect the *Second Preliminary Quarterly Estimates of GDP (2nd QE)* of Japan for the Oct-Dec quarter of 2012

<The US Economy >

- ◆ **The impact of fiscal austerity will drag down growth in 2013. A mild recovery in 2014 reflecting the progress of balance sheet adjustment**

2013: +1.4% (forecast in February +1.4%)
2014: +2.0% (forecast in February +2.0%)

<The Eurozone Economy >

- ◆ **Uncertainties regarding the debt crisis will linger. Fiscal austerity will serve as a drag upon growth. In 2014, downward pressures stemming from fiscal conditions will ease slightly**

2013: -0.3% (forecast in February -0.3%)
2014: +0.8% (forecast in February +0.8%)

<The Asian Economy >

- ◆ **Upturn of exports will lead to a gradual recovery. Although the Chinese economy should recover due to the impact of the economic stimulus measures, movements to cool excessive investment are expected to intensify in the second half of 2014**

2013: +6.4% (forecast in February +6.3%)
2014: +6.6% (forecast in February +6.6%)

<The Japanese Economy >

- ◆ **The economy climbed out of the recession stemming from the fall of exports and the expiration of the Eco-car subsidy program by the end of 2012**

FY2012: +0.9% (forecast in February +0.8%)

- ◆ **Public demand will serve as the driver of growth in the first half and a last-minute rush of demand will speed up growth in the second half**

FY2013: +2.2% (forecast in February +2.1%)

- ◆ **Despite a temporary slump due to the consumption tax hike, the economy will avoid falling into a recession**

FY2014: +0.4% (forecast in February +0.4%)

This English-language translation is based upon the outlook in Japanese released on March 8, 2013. 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.

I. Overview of the *Second Preliminary Quarterly Estimates of GDP (2nd QE)* of the Oct-Dec quarter of 2012

The 2nd QE revealed a slight upward revision of Japan's real GDP growth in the Oct-Dec quarter of 2012 from the 1st QE

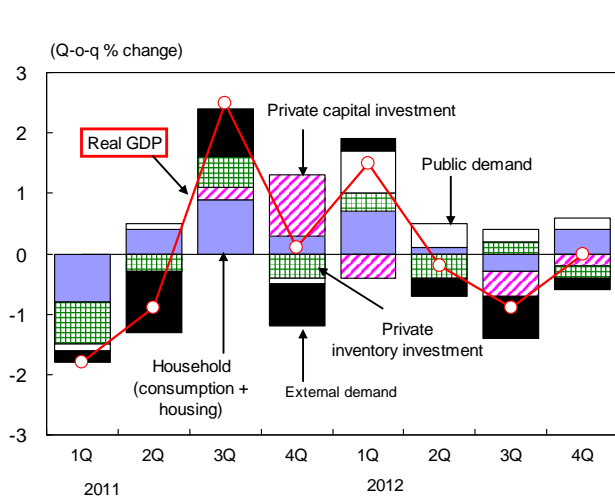
The *Second Preliminary Quarterly Estimates of GDP* ("2nd QE") for the Oct-Dec quarter of 2012 released by the Cabinet Office on March 8, 2013 revealed that Japan's real GDP grew +0.0% q-o-q (+0.2% p.a.) in the Oct-Dec quarter of 2012, in a slight upward revision from -0.1% q-o-q (-0.4% p.a.) in the *First Preliminary Quarterly Estimates of GDP* ("1st QE") (**Chart 1**).

Looking closer at each of the components of demand, capital investment was revised upward from -2.6% q-o-q in the 1st QE to -1.5% q-o-q, while the contribution by private inventory investment remained unchanged from the 1st QE at -0.2% pt, reflecting data releases such as the *Financial Statements Statistics of Corporations by Industry*. As for other components of domestic private sector demand, personal consumption was revised upward (1st QE: +0.4% q-o-q → 2nd QE: +0.5% q-o-q), and housing investment (+3.5% q-o-q) remained unchanged from the 1st QE. As a whole, domestic private-sector demand was revised upward from -0.2% q-o-q (contribution -0.1% pt) to -0.0% q-o-q (contribution -0.0% pt)

Turning to public demand, both government consumption and public investment were subject to slight upward revisions to +0.7% q-o-q (1st QE: +0.6% q-o-q) and +1.8% q-o-q (1st QE: +1.5% q-o-q) respectively. However, the contribution by public demand to quarterly real GDP growth remained unchanged from the 1st QE (+0.2% pt). The contribution by domestic demand – combining both private and public demand – stood at +0.2% pt (1st QE +0.1% pt).

Turning to external demand, exports (-3.7% q-o-q), imports (-2.3 % q-o-q) and the contribution by external demand to quarterly real GDP growth (-0.2% pt) all remained unchanged from the 1st QE.

[Chart 1: Oct-Dec quarter of 2012 (2nd QE)]



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

	(Q-o-q % change)				1st QE Oct-Dec
	2012 Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	
Gross domestic expenditure	1.5	-0.2	-0.9	0.0	-0.1
(Q-o-q change, p.a.)	6.1	-0.9	-3.7	0.2	-0.4
(Y-o-y change)	3.4	3.9	0.4	0.5	0.3
Domestic demand	1.3	0.0	-0.2	0.2	0.1
(1.3)	(0.0)	(-0.2)	(0.2)	(0.1)	
Private demand	0.9	-0.4	-0.6	0.0	-0.2
(0.7)	(-0.3)	(-0.4)	(0.0)	(-0.1)	
Consumption	1.2	-0.0	-0.5	0.5	0.4
Housing investment	-1.7	2.2	1.7	3.5	3.5
Capital investment	-2.5	-0.1	-3.3	-1.5	-2.6
Inventory investment	(0.3)	(-0.4)	(0.2)	(-0.2)	(-0.2)
Public demand	2.7	1.5	0.8	0.8	0.7
(0.7)	(0.4)	(0.2)	(0.2)	(0.2)	
Government final consumption expenditures	1.5	0.4	0.4	0.7	0.6
Public investment	8.5	6.2	2.6	1.8	1.5
Net exports of goods & services	(0.2)	(-0.3)	(-0.7)	(-0.2)	(-0.2)
Exports	3.4	0.0	-5.1	-3.7	-3.7
Imports	2.1	1.7	-0.5	-2.3	-2.3
Nominal GDP	1.4	-0.5	-1.0	-0.3	-0.4
GDP deflator (y-o-y change)	-1.0	-1.0	-0.8	-0.7	-0.6

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

**FY2012 real GDP growth:
+0.9%**

An upturn of exports is predicted in the Jan-Mar quarter of 2013 backed by the recovery of overseas economies. In addition to the ongoing growth of public demand accompanying the implementation of public works related to recovery from the earthquake, personal consumption is also expected to rise amid the q-o-q recovery of automobile sales which is picking up from the slump stemming from the expiration of the Eco-car subsidy program. Japan's real GDP growth is predicted to rise to the +1% p.a.-level in the Jan-Mar quarter. As a result, the rate of real GDP growth in FY2012 is forecast to reach +0.9% (forecast in February: +0.8% (**Chart 2**)).

II. Forecast on the Japanese economy in FY2013 and FY2014

**FY2013 real GDP growth:
+2.2%. Growth will be
driven by public demand in
the first half and accelerate
in the second half by a
last-minute rush of
demand**

In the first half of FY2013 (the Apr-Jun and Jul-Sep quarters), public investment should gather momentum along with the full-scale implementation of the additional public works projects under the economic stimulus measures (*Emergency Economic Measures for the Revitalization of the Japanese Economy*, Cabinet Decision of January 11, 2013). The addition of public works projects worth JPY5 trillion under the economic stimulus measures are estimated to push up real GDP by +1.1% pt according to estimations by MHRI. Having said so, the net increase of public investment in FY2013 is estimated to be around JPY3 trillion (0.6% of GDP), given a larger-than-usual carry-over of public works projects earmarked in the FY2013 initial budget to FY2014. Even though domestic private demand should continue to follow a recovery track from the Jan-Mar quarter, personal consumption growth should remain mild reflecting the slim prospects of an upturn of summer bonus payments due to the stagnation of corporate earnings in FY2012. In contrast, although manufacturers have taken a cautious stance toward spending, this should gradually ease amid the recovery of production activity, leading to the upturn of capital investment. Furthermore, exports should gather momentum over the summer months reflecting the ongoing recovery of overseas economies such as China and the depreciation of the yen (which should gradually have an impact upon the quantity of exports).

While the government faces a final decision on the consumption tax hike from FY2014 (5% → 8%) in the autumn of 2013, the consumption tax hike should be implemented as scheduled amid the expansion of economic growth in the first half of the fiscal year.

In the second half of FY2013 (the Oct-Dec quarter of 2013 and the Jan-Mar quarter of 2014), a last-minute rush of demand prior to the consumption tax hike should serve to push up domestic demand. MHRI estimates that the amount of last-minute demand would run up to approximately JPY3 trillion (approximately 0.6% of GDP) including both personal consumption and housing investment. Moreover, in the second half of FY2013, a gradual acceleration of the eurozone

and US economic recovery and the full-scale impact of the yen depreciation upon export volume should push up the pace of export growth and serve to push up the contribution to growth by external demand. Capital investment should also grow at faster pace in the second half of the fiscal year reflecting the recovery of corporate earnings. On the other hand, public investment is predicted to flatten out – albeit at a high level – in the second half of the fiscal year as the impact of the economic stimulus measures runs its course.

As a result, FY2013 real GDP is forecast to rise to +2.2% (forecast in February: +2.1%).

A temporary dip into negative territory may not be avoided in the Apr-Jun quarter of FY2014 due to a backlash to the last-minute rush of demand. Even so, the Japanese economy should return to a gradual recovery track from the Jul-Sep quarter and avoid falling into a recession. On the other hand, if Japan strives to achieve the fiscal rehabilitation goal (to halve the primary deficit in FY2015 from FY2010), it would be difficult to keep increasing its public works expenditures from FY2014 onward and lead to a gradual decline of public investment throughout the year. Even though growth will remain in positive territory on the back of external demand, the rate of real GDP growth is forecast to fall sharply to +0.4% in FY2014 (forecast in February: +0.4%).

FY2014: a recession will be avoided despite a slowdown of real GDP growth to +0.4%

[Chart 2: Outlook on the Japanese economy]

		2011	2012	2013	2014	2012		2013				2014				2015
		FY				Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
GDP (real)	Q-o-q % ch	0.3	0.9	2.2	0.4	-0.9	0.0	0.3	0.7	0.9	0.8	1.2	-1.7	0.5	0.4	0.6
	Q-o-q % ch p.a.	--	--	--	--	-3.7	0.2	1.4	3.0	3.6	3.4	4.7	-6.8	1.9	1.7	2.3
Domestic demand	Q-o-q % ch	1.3	1.9	2.0	-0.3	-0.2	0.2	0.2	0.6	0.7	0.7	1.0	-2.0	0.3	0.3	0.4
Private sector demand	Q-o-q % ch	1.4	1.0	1.5	-0.6	-0.6	-0.0	0.2	0.4	0.5	0.9	1.3	-2.7	0.4	0.4	0.5
Personal consumption	Q-o-q % ch	1.5	1.4	1.4	-1.3	-0.5	0.5	0.1	0.2	0.2	0.7	1.9	-3.6	0.5	0.2	0.2
Housing investment	Q-o-q % ch	3.7	4.3	6.3	-8.0	1.7	3.5	-1.9	2.0	4.6	2.0	-4.0	-9.6	1.0	1.7	4.7
Capital investment	Q-o-q % ch	4.1	-1.1	1.9	2.6	-3.3	-1.5	0.2	0.9	1.6	1.6	1.0	0.3	0.2	0.3	0.6
Inventory investment	Q-o-q contribution, % pt	-0.5	-0.1	-0.1	0.2	0.2	-0.2	0.1	-0.0	-0.1	-0.1	-0.2	0.4	-0.1	0.1	0.0
Public sector demand	Q-o-q % ch	0.9	4.6	3.5	0.8	0.8	0.8	0.4	1.3	1.5	0.1	0.1	0.1	0.1	0.0	0.2
Government consumption	Q-o-q % ch	1.5	2.5	1.6	1.9	0.4	0.7	0.4	0.3	0.3	0.3	0.4	0.5	0.5	0.5	0.5
Public investment	Q-o-q % ch	-2.2	14.3	11.6	-4.1	2.6	1.8	0.0	5.6	6.2	-0.6	-0.7	-1.4	-1.7	-2.4	-1.4
External demand	Q-o-q contribution, % pt	-1.0	-0.9	0.1	0.9	-0.7	-0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Exports	Q-o-q % ch	-1.6	-2.5	1.7	5.4	-5.1	-3.7	1.0	1.3	1.8	2.0	2.0	0.8	0.9	1.1	1.2
Imports	Q-o-q % ch	5.3	3.4	0.7	0.9	-0.5	-2.3	0.2	0.5	0.7	1.0	1.1	-0.5	-0.3	0.1	0.2
GDP (nominal)	Q-o-q % ch	-1.4	0.1	1.7	0.9	-1.0	-0.3	0.1	0.9	0.5	0.8	1.3	-0.2	-0.5	-0.2	0.4
GDP deflator	Y-o-y % ch	-1.7	-0.8	-0.5	0.4	-0.8	-0.7	-1.0	-0.5	-0.9	-0.5	0.1	1.2	0.7	0.1	-0.2
Domestic demand deflator	Y-o-y % ch	-0.5	-0.7	-0.4	0.7	-0.9	-0.7	-0.5	-0.1	-0.2	-0.6	-0.5	0.2	0.6	1.0	1.0

Note: Figures in the shaded areas are forecasts.

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

		2011	2012	2013	2014	2012		2013				2014				2015
						Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Industrial production	Q-o-q % ch	-1.0	-2.5	5.0	-0.4	-4.2	-1.9	3.9	1.6	1.8	1.9	1.0	-2.2	-1.0	0.5	0.9
Ordinary profits	Y-o-y % ch	-2.0	7.7	9.3	1.0	6.4	5.9	4.3	9.2	13.0	11.3	5.0	-7.0	2.7	7.3	1.0
Nominal labor compensation	Y-o-y % ch	0.6	-0.3	0.2	0.7	0.1	-0.7	0.1	0.0	0.2	0.3	0.1	0.7	0.6	0.6	0.6
Unemployment rate	%	4.5	4.3	3.9	3.8	4.3	4.2	4.2	4.0	4.0	3.9	3.8	3.8	3.8	3.8	3.7
New housing starts	P.a., 10,000 units	84.1	88.8	93.7	85.7	87.6	91.8	88.1	90.6	95.8	97.2	90.3	84.1	84.5	85.8	88.9
Current account balance	P.a., JPY tril	7.6	3.5	4.6	6.9	3.5	2.5	2.0	1.5	2.3	7.4	7.8	9.2	6.2	6.7	6.1
Domestic corporate goods prices	Y-o-y % ch	1.4	-0.9	0.7	3.3	-1.9	-0.8	0.0	1.2	0.7	1.0	0.1	2.2	3.2	3.7	4.1
Consumer prices	Y-o-y % ch	0.0	-0.1	-0.0	2.0	-0.2	-0.1	-0.2	-0.0	0.1	0.0	-0.1	1.7	1.9	2.2	2.3
Uncollateralized overnight call rate	%	0.08	0~0.10	0~0.10	0~0.10	0.08	0.08	0~0.10	0~0.10	0~0.10	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	%	1.05	0.79	0.86	1.03	0.78	0.76	0.75	0.83	0.85	0.85	0.90	0.90	0.95	1.10	1.15
Nikkei average	JPY	9,181	9,700	12,000	12,300	8,886	9,234	11,400	12,200	11,800	11,800	12,100	11,900	12,200	12,400	12,600
Exchange rate	JPY/USD	79.0	83.0	93.0	94.0	79.0	81.0	92.0	94.0	92.0	92.0	93.0	93.0	94.0	94.0	95.0
Crude oil price (WTI nearest term contract)	USD/bbl	97.0	92.0	85.0	93.0	92.0	88.0	93.0	91.0	85.0	80.0	83.0	87.0	93.0	96.0	95.0

Notes: 1. Figures in the shaded areas are forecasts. 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-related 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 3: Outlook on the global economy]

Calendar year	(Y-o-y % change)					(Y-o-y % change)	
	2010 (Actual)	2011 (Actual)	2012 (Forecast)	2013 (Forecast)	2014 (Forecast)	2013 (Previous: Feb forecast)	2014
Total of forecast area	5.4	3.8	3.1	3.0	3.6	3.0	3.6
Japan , US , Eurozone	2.6	1.3	1.2	0.7	1.5	0.7	1.5
US	2.4	1.8	2.2	1.4	2.0	1.4	2.0
Eurozone	2.0	1.5	-0.5	-0.3	0.8	-0.3	0.8
Japan	4.7	-0.6	2.0	1.1	1.4	1.0	1.4
Asia	9.5	7.5	6.1	6.4	6.6	6.3	6.6
NIEs	8.4	4.0	1.7	2.3	3.4	2.1	3.5
ASEAN5	7.0	4.5	6.1	5.5	5.3	5.1	5.3
China	10.4	9.3	7.8	8.2	7.9	8.2	7.9
India	9.7	7.5	5.0	4.8	5.9	5.0	6.2
Australia	2.6	2.4	3.6	2.7	3.0	2.7	3.0
Brazil	7.5	2.7	0.9	2.9	3.5	2.9	3.5
Russia	4.3	4.3	3.4	3.0	4.0	3.0	4.0
Japan (FY)	3.4	0.3	0.9	2.2	0.4	2.1	0.4
Crude oil price (WTI , USD/bbl)	80	95	94	87	90	88	90

Note: The total of the forecast area is calculated upon the 2011 GDP share (PPP) by the IMF.
Sources: International Monetary Fund (IMF), MHRI.

[Chart 4: Outlook on the US economy]

	2012		2013 (Forecast)				2014 (Forecast)				2012 (Actual)	2013 (Forecast)	2014 (Forecast)
	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec			
GDP (q-o-q % ch, p.a.)	3.1	0.1	1.5	1.7	1.4	1.7	2.2	2.2	2.3	2.4	2.2	1.4	2.0
Personal consumption (q-o-q % ch, p.a.)	1.6	2.1	1.7	1.9	1.5	1.8	1.8	2.0	2.0	2.1	1.9	1.8	1.9
Housing investment (q-o-q % ch, p.a.)	13.5	17.5	5.0	8.0	5.0	5.0	6.3	6.3	6.3	6.3	12.1	9.0	6.0
Capital investment (q-o-q % ch, p.a.)	-1.8	9.7	0.0	4.0	3.5	3.5	5.8	5.8	5.8	5.8	7.7	3.2	5.0
Inventory investment (contribution, q-o-q % pt ch)	0.7	-1.6	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.1	-0.2	0.1
Government spending (q-o-q % ch, p.a.)	3.9	-6.9	0.0	-2.3	-2.3	-1.4	-1.4	-1.4	-1.4	-0.8	-1.7	-1.7	-1.5
Net exports (USD billion p.a.)	-395.2	-387.9	-379.2	-377.8	-376.3	-374.9	-364.0	-352.8	-341.4	-329.7	-401.5	-377.0	-347.0
Exports (q-o-q % ch, p.a.)	1.9	-3.9	4.5	2.0	2.0	2.0	6.0	6.0	6.0	6.0	3.3	1.7	4.5
Imports (q-o-q % ch, p.a.)	-0.6	-4.5	2.1	1.4	1.4	1.4	3.0	3.0	3.0	3.0	2.4	0.3	2.4
Domestic final demand (q-o-q % ch, p.a.)	1.9	1.4	1.3	1.5	1.1	1.5	1.7	1.9	1.9	2.0	1.9	1.4	1.7
Unemployment rate (%)	8.0	7.8	7.7	7.8	7.8	7.8	7.8	7.7	7.6	7.6	8.1	7.8	7.7
Nonfarm payrolls (per month, 1,000)	136	179	145	168	135	135	158	159	159	160	186	153	152
Nominal disposable income (q-o-q % ch, p.a.)	2.3	7.8	-4.5	4.1	3.1	3.1	4.2	4.2	3.3	4.2	3.3	2.1	3.7
Personal saving rate (%)	3.6	4.6	2.8	3.0	3.1	3.2	3.4	3.5	3.2	3.2	3.9	3.0	3.3
PCE deflator (y-o-y % ch)	1.5	1.6	1.3	1.5	1.3	1.2	1.2	1.3	1.7	2.0	1.8	1.3	1.5
Core PCE deflator ex food and energy (y-o-y % ch)	1.6	1.5	1.2	1.2	1.3	1.5	1.6	1.7	1.7	1.8	1.7	1.3	1.7

Note: Readings from the Jan-Mar qtr of 2013 are forecasts by MHRI.
Sources: US Department of Commerce, US Department of Labor, MHRI.

[Chart 5: Outlook on the Eurozone economy]

(%)

	2011	2012	2013	2014	2011	2012		2013	
	(Actual)	(Actual)	(Forecast)	(Forecast)	2H	1H	2H	1H (Forecast)	2H (Forecast)
Real GDP	1.5	-0.5	-0.3	0.8	0.1	-0.6	-0.9	-0.5	0.8
Y-o-y % ch of 4th qtr of each year (% ch o-y-a for half year terms)	0.6	-0.9	0.5	1.0	1.0	-0.3	-0.7	-0.7	0.1
Private-sector consumption	0.1	-1.2	-0.5	0.4	-0.6	-1.6	-1.0	-0.6	0.3
Government consumption	-0.1	-0.1	-0.6	-0.3	-0.2	0.2	-0.4	-0.7	-0.8
Fixed capital formation	1.6	-3.9	-1.7	1.5	-1.4	-5.0	-4.3	-1.7	1.0
External demand (contribution)	0.9	1.6	0.5	0.3	1.6	1.8	1.3	0.2	0.1
Exports	6.5	2.9	1.8	3.2	3.3	2.7	2.7	0.8	2.9
Imports	4.3	-0.9	0.9	2.9	-0.3	-1.5	-0.1	0.3	2.9
Inventories, balancing items (contribution)	0.2	-0.7	-0.1	0.1	-0.9	-0.6	-0.7	0.0	0.5
Domestic demand	0.6	-2.2	-0.8	0.7	-1.5	-2.5	-2.2	-0.8	0.7
Consumer prices	2.7	2.5	1.7	1.6	2.8	2.6	2.4	1.9	1.5
Core inflation rate	1.4	1.5	1.4	1.4	1.5	1.6	1.5	1.4	1.4

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	2013	2014	2013	2014
	(Actual)	(Actual)	(Actual)	(Actual)	(Forecast)	(Forecast)	(Previous: Feb forecast)	
Asia	6.0	9.5	7.5	6.1	6.4	6.6	6.3	6.6
China	9.2	10.4	9.3	7.8	8.2	7.9	8.2	7.9
NIEs	-0.7	8.4	4.0	1.7	2.3	3.4	2.1	3.5
South Korea	0.3	6.3	3.6	2.0	1.9	3.4	1.9	3.4
Taiwan	-1.8	10.8	4.1	1.3	3.1	3.7	2.8	3.7
Hong Kong	-2.5	6.8	4.9	1.4	2.6	2.9	1.8	3.7
Singapore	-0.8	14.8	5.2	1.3	1.5	3.6	1.0	3.6
ASEAN5	1.6	7.0	4.5	6.1	5.5	5.3	5.1	5.3
Indonesia	4.6	6.2	6.5	6.2	6.0	5.7	6.0	6.1
Thailand	-2.3	7.8	0.1	6.4	5.1	4.2	3.5	3.8
Malaysia	-1.5	7.2	5.1	5.6	4.6	4.5	4.1	4.3
Philippines	1.1	7.6	3.9	6.6	5.7	6.0	5.7	6.0
Vietnam	5.3	6.8	6.0	5.0	5.6	5.8	5.6	5.8
India	6.5	9.7	7.5	5.0	4.8	5.9	5.0	6.2
Australia	1.5	2.6	2.4	3.6	2.7	3.0	2.7	3.0

Notes: 1. Real GDP growth rate (y-o-y ch).

2. Averages are calculated by the 2011 GDP share (PPP basis) by the IMF.

Sources: Statistical data of relevant countries, MHRI.

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