

REVISED  
to reflect the 2<sup>nd</sup>  
QE for the  
Jan-Mar Qtr  
of 2013

# FY2013 and FY2014 Economic Outlook

June 10, 2013

Key points of Mizuho Research Institute's (MHRI) outlook on the economy in FY2013 and FY2014 reflecting *The Second Preliminary Quarterly Estimates of GDP (1<sup>st</sup> QE)* of Japan for the Jan-Mar quarter of 2013

## <The US Economy >

- ◆ Even though the fall of government spending will serve as a drag, private-sector demand will hold up well due to the progress of household balance sheet adjustment along with the housing market recovery

2013: +1.6% (forecast in May +1.6%)

2014: +2.2% (forecast in May +2.2%)

## <The Eurozone Economy >

- ◆ Downward revision of 2013 growth forecast due to slow economic recovery. In 2014, downward pressures from fiscal conditions should ease slightly

2013: -0.6% (forecast in May -0.5%)

2014: +0.8% (forecast in May +0.8%)

## <The Asian Economy >

- ◆ Despite forecasts of a gradual export-led economic recovery, Chinese economic growth is forecast to remain at the 7%-level due to the impact of the government's measures to tighten control of the property market

2013: +6.1% (forecast in May +6.1%)

2014: +6.3% (forecast in May +6.3%)

## <The Japanese Economy >

- ◆ Both domestic and external demand should recover on the tailwinds of the economic stimulus measures and the weak yen. Growth to accelerate in the second half of the fiscal year due to a last-minute rush of demand

FY2013: +2.7% (forecast in May +2.7%)

- ◆ Despite a temporary dip due to the impact of the consumption tax hike, the economy will avoid falling into a recession

FY2014: +0.6% (forecast in May +0.6%)

This English-language translation is based upon the outlook in Japanese released on June 10, 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 (2<sup>nd</sup> QE)* of the Jan-Mar quarter of 2013

The 2<sup>nd</sup> QE revealed an upward revision of growth in the Jan-Mar quarter of 2013

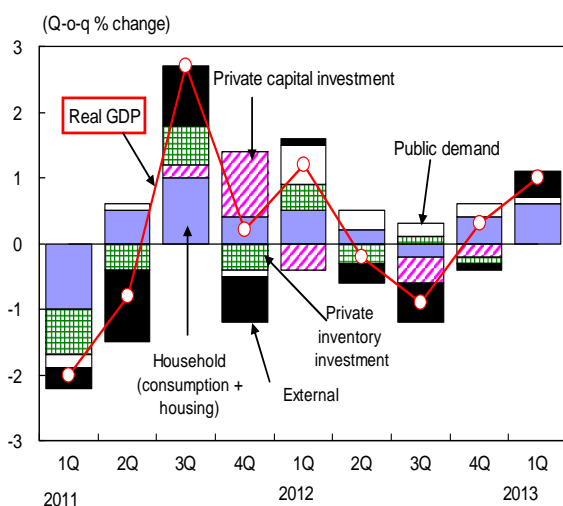
The *Second Preliminary Quarterly Estimates of GDP* (“2<sup>nd</sup> QE”) for the Jan-Mar quarter of 2013 released by the Cabinet Office on June 10, 2013 revealed that Japan’s real GDP grew at a faster pace of +1.0% q-o-q (+4.1% p.a.), in an upward revision from +0.9% q-o-q (+3.5% p.a.) in the *First Preliminary Quarterly Estimates of GDP* (“1<sup>st</sup> QE”) (Chart 1).

Looking closer at each of the components of demand, capital investment was revised upward from -0.7% q-o-q in the 1<sup>st</sup> QE to -0.3% q-o-q. Likewise, the contribution by private inventory investment was revised upward from -0.2% pt in the 1<sup>st</sup> QE to -0.0% pt. The growth of both personal consumption (+0.9% q-o-q) and housing investment (+1.9% q-o-q) remained unchanged from the 1<sup>st</sup> QE. As a whole, domestic private-sector demand was revised upward from +0.5% q-o-q (contribution +0.3% pt) to +0.7% q-o-q (contribution +0.5% pt).

Turning to public demand, both government consumption and public investment were subject to slight downward revisions to +0.4% q-o-q (1<sup>st</sup> QE: +0.6% q-o-q) and +0.4% q-o-q (1<sup>st</sup> QE: +0.8% q-o-q) respectively. As a result the contribution by public demand to quarterly real GDP growth fell to +0.1% pt from the 1<sup>st</sup> QE (+0.2% pt). The contribution by domestic demand – combining both private and public demand – stood at +0.6% pt (1<sup>st</sup> QE +0.5% pt).

Turning to external demand, exports (+3.8% q-o-q), imports (+1.0% q-o-q) and the contribution by external demand to quarterly real GDP growth (+0.4% pt) all remained unchanged from the 1<sup>st</sup> QE.

[ Chart 1: Jan-Mar quarter of 2013 (2<sup>nd</sup> QE) ]



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

	(Q-o-q % change)				2013 Jan-Mar	Jan-Mar 1 <sup>st</sup> QE
	2012 Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec		
Gross domestic expenditure	1.2	-0.2	-0.9	0.3	1.0	0.9
(Q-o-q change, p.a.)	4.8	-0.6	-3.6	1.2	4.1	3.5
(Y-o-y change)	3.4	3.9	0.2	0.4	0.4	0.2
Domestic demand	1.1	0.1	-0.3	0.4	0.6	0.5
	(1.1)	(0.1)	(-0.3)	(0.4)	(0.6)	(0.5)
Private demand	0.6	-0.2	-0.7	0.1	0.7	0.5
	(0.5)	(-0.2)	(-0.5)	(0.1)	(0.5)	(0.3)
Consumption	0.8	0.2	-0.4	0.4	0.9	0.9
Housing investment	-1.5	2.3	1.5	3.5	1.9	1.9
Capital investment	-2.5	-0.2	-3.3	-1.5	-0.3	-0.7
Inventory investment	(0.4)	(-0.3)	(0.1)	(-0.1)	(-0.0)	(-0.2)
Public demand	2.5	1.3	0.9	1.0	0.4	0.6
	(0.6)	(0.3)	(0.2)	(0.2)	(0.1)	(0.2)
Government final consumption expenditures	1.5	0.2	0.4	0.7	0.4	0.6
Public investment	7.0	6.3	3.2	2.7	0.4	0.8
Net exports of goods & services	(0.1)	(-0.3)	(-0.6)	(-0.1)	(0.4)	(0.4)
Exports	2.7	-0.0	-4.4	-2.9	3.8	3.8
Imports	2.0	1.8	-0.3	-2.2	1.0	1.0
Nominal GDP	1.1	-0.5	-1.1	0.2	0.6	0.4
GDP deflator (y-o-y change)	-1.0	-1.0	-0.8	-0.7	-1.1	-1.2

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

**Nominal GDP growth was also revised upward**

Note also that the GDP deflator in the Jan-Mar quarter of 2013 was subject to a slight upward revision from the 1<sup>st</sup> QE (-1.2% y-o-y) to -1.1% y-o-y and that nominal GDP was revised up to +0.6% q-o-q (+2.2% p.a.) from the 1<sup>st</sup> QE (+0.4% q-o-q, +1.5% p.a.)

As shown above, while the 2<sup>nd</sup> QE underscored that growth was strong and well-balanced between domestic and external demand in the Jan-Mar quarter of 2013, it also revealed that the contribution by private-sector demand was stronger than in the 1<sup>st</sup> QE. That said, the fact remains unchanged that personal consumption and exports served as the drivers of the strong growth.

## **II. Forecast on the Japanese economy in FY2013 and FY2014**

**FY2013 real GDP is forecast to grow a strong +2.7%. Growth will be driven by public demand in the first half and by a last-minute rush of demand in the second half.**

In the first half of FY2013 (the Apr-Jun and Jul-Sep quarters), the Japanese economy is forecast to keep growing at a rate of +2% to +3%-level. Over the summer months, public investment should gather momentum and push up the rate of economic growth 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*). Domestic private-sector demand is also forecast to grow at a gradual pace, judging from the improvement of the income environment as exemplified by the rise of bonus payments o-y-a for the first time in three years. Over the summer months, the last-minute rush of demand prior to the consumption tax hike from FY2014 should emerge in housing investment. Investment among manufacturers, which have thus far taken a cautious stance, should gradually pick up again, leading to a modest upturn of capital investment. Furthermore, the positive impact of the weak yen on export volumes should gradually emerge. Therefore, external demand is also expected to push up the pace of real GDP growth.

In the second half of FY2013 (the Oct-Dec quarter of 2013 and the Jan-Mar quarter of 2014), a rush of personal consumption in a run-up to the consumption tax hike should lead to the acceleration of growth. MHRI estimates that the last-minute rush of demand (combining personal consumption and housing investment) in FY2013 would be slightly less than JPY3 trillion (approximately 0.6% of GDP). The growth of exports should also gain momentum amid a slight pickup of the US and eurozone economies and the positive impact of the weak yen on export volumes in the second half of FY2013. Capital investment is also expected to pick up in the second half of the fiscal year along with the increase of exports, production and corporate earnings. On the other hand, public investment (albeit still high) should level off around the end of the fiscal year, given the fading impact of the economic stimulus measures.

As a result, the pace of real GDP growth in FY2013 is forecast to rise to

**FY2014: a recession will be avoided despite a slowdown of real GDP growth to +0.6%**

+2.7% (forecast in May: +2.7%).

In the Apr-Jun quarter of FY2014, Japan may not avoid a sharp contraction of growth into negative territory (forecast to be -6.5% q-o-q p.a.) due to a backlash to the last-minute rush of demand. Even so, a fall into recession is unlikely, given the rise of exports reflecting the weak yen and overseas economic recovery and the upturn of capital investment held up by the improvement of corporate earnings. The Japanese economy should return to a mild recovery track from the Jul-Sep quarter as personal consumption and housing investment pick up gradually from the downturn stemming from the backlash to the last-minute rush of demand. On the other hand, public investment is predicted to flatten out toward the end of FY2013 and gradually decline from then onward. Even though government consumption will continue to increase reflecting the expansion of social security expenditures accompanying the ageing of the population, the growth of overall public demand (combining both public investment and government consumption) is expected to slow sharply.

As a result, the rate of real GDP growth is forecast to fall to +0.6% in FY2014 (forecast in May: +0.6%).

**An exit out of deflation is unlikely during FY2014**

According to estimates by MHRI, the output gap (the gap between actual GDP and potential GDP) in negative territory (indicating an excess of supply) will be resolved temporarily at the end of FY2013. However, the breadth of the negative output gap is predicted to widen sharply again after the consumption tax hike, leaving Japan with an excess of supply even at the end of 2014. Thus, a definite rise of prices is unlikely, and the core CPI excluding the impact of the consumption tax hike should trend around zero. The core CPI (general, excluding fresh food) is forecast to stand at +0.1% y-o-y in FY2013, and +2.3% y-o-y (+0.2% y-o-y when excluding the impact of the consumption tax hike) in FY2014.

[ Chart 2: Outlook on the Japanese economy ]

		2011	2012	2013	2014	2012	2013				2014				2015
		FY				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	0.2	1.2	2.7	0.6	0.3	1.0	0.6	0.8	0.9	1.2	-1.7	0.5	0.5	0.4
	Q-o-q % ch p.a.	--	--	--	--	1.2	4.1	2.4	3.4	3.7	5.0	-6.5	1.9	1.9	1.8
Domestic demand	Q-o-q % ch	1.3	2.0	2.3	-0.2	0.4	0.6	0.5	0.7	0.8	1.1	-1.9	0.3	0.3	0.3
Private sector demand	Q-o-q % ch	1.4	1.2	2.0	-0.5	0.1	0.7	0.3	0.6	0.8	1.3	-2.6	0.4	0.5	0.4
Personal consumption	Q-o-q % ch	1.5	1.6	2.2	-1.2	0.4	0.9	0.3	0.3	0.7	1.9	-3.6	0.5	0.2	0.2
Housing investment	Q-o-q % ch	3.7	5.3	7.7	-8.6	3.5	1.9	1.2	4.6	1.3	-5.7	-8.1	1.7	1.2	1.2
Capital investment	Q-o-q % ch	4.1	-1.4	1.7	3.2	-1.5	-0.3	0.8	1.7	1.8	1.2	0.3	0.4	0.6	0.8
Inventory investment	Q-o-q contribution, % pt	-0.5	-0.0	-0.2	0.2	-0.1	-0.0	-0.1	-0.1	-0.1	-0.2	0.4	-0.1	0.1	0.0
Public sector demand	Q-o-q % ch	0.9	4.4	3.2	0.8	1.0	0.4	0.9	1.0	0.6	0.4	0.2	0.0	-0.2	-0.3
Government consumption	Q-o-q % ch	1.4	2.2	1.6	1.9	0.7	0.4	0.4	0.3	0.3	0.3	0.7	0.5	0.5	0.5
Public investment	Q-o-q % ch	-2.2	15.0	10.1	-4.3	2.7	0.4	3.4	3.8	1.8	0.8	-1.8	-2.2	-3.0	-3.5
External demand	Q-o-q contribution, % pt	-1.0	-0.8	0.4	0.9	-0.1	0.4	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Exports	Q-o-q % ch	-1.6	-1.3	3.7	5.4	-2.9	3.8	1.0	1.5	1.8	1.8	0.9	1.0	1.3	1.4
Imports	Q-o-q % ch	5.3	3.8	0.9	0.6	-2.2	1.0	0.3	0.5	0.8	0.9	-0.5	-0.3	0.2	0.3
GDP (nominal)	Q-o-q % ch	-1.4	0.3	2.0	1.5	0.2	0.6	0.8	0.0	1.2	1.4	0.2	-0.5	0.2	0.0
GDP deflator	Y-o-y % ch	-1.7	-0.9	-0.6	0.9	-0.7	-1.1	-0.6	-1.2	-0.8	0.0	1.5	1.3	0.8	0.1
Domestic demand deflator	Y-o-y % ch	-0.5	-0.8	-0.4	1.2	-0.8	-0.8	-0.3	-0.4	-0.4	-0.5	0.8	1.2	1.3	1.4

Note: Figures in the shaded areas are forecasts.

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

		2011	2012	2013	2014	2012	2013				2014				2015
		FY				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	-3.4	4.6	1.3	-1.9	2.2	2.2	1.7	1.9	2.0	-1.8	-0.5	0.7	1.1
Ordinary profits	Y-o-y % ch	-2.0	8.1	9.6	1.9	5.9	5.6	9.8	14.2	12.2	4.1	-5.2	0.6	7.7	4.0
Nominal labor compensation	Y-o-y % ch	0.6	-0.3	0.3	0.7	-0.7	0.0	0.3	0.0	0.4	0.4	0.7	0.7	0.7	0.8
Unemployment rate	%	4.5	4.3	3.8	3.6	4.2	4.2	4.0	3.9	3.8	3.7	3.7	3.8	3.7	3.6
New housing starts	P.a., 10,000 units	84.1	89.3	94.3	85.9	91.8	90.4	92.4	96.4	97.3	90.5	84.2	84.7	86.0	89.0
Current account balance	P.a., JPY tril	7.6	4.3	5.9	9.8	4.3	2.9	4.6	4.0	7.3	8.2	12.9	9.7	9.7	7.5
Domestic corporate goods prices	Y-o-y % ch	1.4	-1.1	1.3	3.6	-0.9	-0.3	0.7	1.6	1.8	1.0	2.8	3.3	3.9	4.4
Consumer prices	Y-o-y % ch	0.0	-0.2	0.1	2.3	-0.1	-0.3	-0.1	0.2	0.2	0.2	2.1	2.2	2.5	2.6
Uncollateralized overnight call rate	%	0.08	0.06	0~0.10	0~0.10	0.08	0.06	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	0.78	0.90	1.06	0.75	0.70	0.73	0.90	0.95	1.00	0.95	1.00	1.10	1.20
Nikkei average	JPY	9,181	9,650	15,000	16,000	9,234	11,444	13,800	14,800	15,500	15,800	15,400	15,800	16,200	16,500
Exchange rate	JPY/USD	79.0	83.0	102.0	107.0	81.0	92.0	99.0	101.0	103.0	104.0	105.0	106.0	107.0	108.0
Crude oil price (WTI nearest term contract)	USD/bbl	97.0	92.0	86.0	93.0	88.0	94.0	92.0	87.0	81.0	83.0	87.0	92.0	97.0	96.0

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 MHR 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)	
	2011 (Actual)	2012 (Actual)	2013 (Forecast)	2014 (Forecast)	2013 (Previous: May forecast)	2014
Total of forecast area	3.8	3.1	2.9	3.6	2.9	3.6
Japan, US, Eurozone	1.4	1.2	0.8	1.6	0.9	1.6
US	1.8	2.2	1.6	2.2	1.6	2.2
Eurozone	1.5	-0.5	-0.6	0.8	-0.5	0.8
Japan	-0.6	1.9	1.9	1.6	1.8	1.6
Asia	7.5	6.2	6.1	6.3	6.1	6.3
NIEs	4.1	1.7	2.1	3.4	2.1	3.4
ASEAN5	4.4	6.1	5.1	5.1	5.4	5.1
China	9.3	7.8	7.8	7.7	7.8	7.7
India	7.5	5.1	5.0	5.3	4.7	5.3
Australia	2.4	3.6	2.6	3.0	2.6	2.9
Brazil	2.7	0.9	2.5	3.3	2.7	3.4
Russia	4.3	3.4	2.9	3.7	2.9	3.7
Japan (FY)	0.2	1.2	2.7	0.6	2.7	0.6
Crude oil price (WTI, USD/bbl)	95	94	89	90	89	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 ]

	2013				2014 (Forecast)				2012 (Actual)	2013 (Forecast)	2014 (Forecast)
	Jan-Mar (Actual)	Apr-Jun (Forecast)	Jul-Sep (Forecast)	Oct-Dec (Forecast)	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec			
GDP (q-o-q % ch, p.a.)	2.4	0.8	1.5	1.8	2.7	2.8	2.3	2.9	2.2	1.6	2.2
Personal consumption (q-o-q % ch, p.a.)	3.4	2.0	1.5	1.9	2.6	2.7	2.8	3.0	1.9	2.2	2.4
Housing investment (q-o-q % ch, p.a.)	12.1	15.0	20.0	15.0	10.0	8.0	7.0	6.0	12.1	14.8	11.3
Capital investment (q-o-q % ch, p.a.)	2.2	4.0	3.5	3.5	5.8	5.8	5.8	5.8	8.0	4.3	5.0
Inventory investment (contribution, q-o-q % pt ch)	0.6	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.1
Government spending (q-o-q % ch, p.a.)	-4.9	-10.4	-3.7	-3.6	-3.4	-3.3	-3.2	-3.2	-1.7	-4.8	-3.9
Net exports (USD billion p.a.)	-391.5	-381.5	-380.1	-373.6	-357.9	-338.6	-337.3	-321.0	-400.7	-381.7	-338.7
Exports (q-o-q % ch, p.a.)	0.8	3.0	2.5	4.0	5.5	5.8	5.5	6.0	3.4	1.3	4.8
Imports (q-o-q % ch, p.a.)	1.9	0.7	1.8	2.1	1.7	1.4	4.4	2.2	2.4	0.2	2.0
Domestic final demand (q-o-q % ch, p.a.)	1.9	0.3	1.3	1.5	2.1	2.1	2.2	2.3	2.0	1.4	1.8
Unemployment rate (%)	7.7	7.5	7.4	7.4	7.3	7.2	7.1	7.0	8.1	7.5	7.2
Nonfarm payrolls (per month, 1,000)	215	168	169	169	181	182	183	183	186	177	177
Nominal disposable income (q-o-q % ch, p.a.)	-7.5	5.5	3.9	3.9	2.8	3.8	2.9	3.8	3.5	2.1	3.6
Personal saving rate (%)	2.3	2.9	3.2	3.4	3.4	3.4	3.1	2.9	4.1	2.9	3.2
PCE deflator (y-o-y % ch)	1.2	1.3	1.2	1.0	0.8	0.8	0.9	1.1	1.8	1.2	0.9
Core PCE deflator ex food and energy (y-o-y % ch)	1.3	1.2	1.4	1.7	1.6	1.5	1.3	1.0	1.7	1.4	1.3

Note: Readings from the Apr-Jun 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	2012		2013		2014	
	(Actual)	(Actual)	(Forecast)	(Forecast)	1H	2H	1H (Forecast)	2H (Forecast)	1H (Forecast)	2H (Forecast)
Real GDP	1.5	-0.5	-0.6	0.8	-0.6	-1.0	-1.0	0.8	0.8	1.0
Y-o-y % ch of 4th qtr of each year (% ch o-y-a for half year terms)	0.7	-1.0	0.3	1.0	-0.3	-0.8	-1.0	-0.1	0.8	0.9
Private-sector consumption	0.2	-1.3	-0.6	0.3	-1.6	-1.5	-0.4	0.1	0.3	0.6
Government consumption	-0.1	-0.4	-0.6	-0.3	-0.3	-0.7	-0.4	-0.8	-0.2	0.0
Fixed capital formation	1.5	-4.2	-3.5	1.4	-5.0	-4.9	-4.7	0.4	1.5	2.3
External demand (contribution)	0.9	1.6	0.5	0.3	1.8	1.2	0.3	0.4	0.2	0.2
Exports	6.5	2.9	0.3	3.3	3.2	2.3	-2.1	3.0	3.4	3.4
Imports	4.3	-0.7	-0.9	3.0	-1.0	-0.3	-2.9	2.4	3.1	3.2
Inventories, balancing items (contribution)	0.3	-0.5	-0.0	0.1	-0.5	-0.3	-0.1	0.5	0.1	0.0
Domestic demand	0.6	-2.2	-1.1	0.6	-2.5	-2.3	-1.3	0.4	0.6	0.8
Consumer prices	2.7	2.5	1.4	1.4	2.6	2.4	1.6	1.1	1.2	1.7
Core inflation rate	1.4	1.5	1.3	1.2	1.6	1.5	1.3	1.2	1.2	1.2

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, MHRl.

[ Chart 6: Outlook on the Asian economies ]

(%)

(%)

	2009	2010	2011	2012	2013	2014	2013		2014	
	(Actual)	(Actual)	(Actual)	(Actual)	(Forecast)	(Forecast)	Previous: May forecast			
Asia	6.0	9.5	7.5	6.2	6.1	6.3	6.1	6.3		
China	9.2	10.4	9.3	7.8	7.8	7.7	7.8	7.7		
NIEs	-0.7	8.4	4.1	1.7	2.1	3.4	2.1	3.4		
South Korea	0.3	6.3	3.7	2.0	1.9	3.3	1.9	3.3		
Taiwan	-1.8	10.8	4.1	1.3	2.5	3.5	2.5	3.5		
Hong Kong	-2.5	6.8	4.9	1.5	2.6	3.2	2.6	3.2		
Singapore	-0.8	14.8	5.2	1.3	1.5	3.6	1.0	3.6		
ASEAN5	1.6	7.0	4.4	6.1	5.1	5.1	5.4	5.1		
Indonesia	4.6	6.2	6.5	6.2	5.8	5.5	5.8	5.5		
Thailand	-2.3	7.8	0.1	6.5	3.0	4.0	5.0	4.0		
Malaysia	-1.5	7.4	5.1	5.6	4.7	4.6	4.7	4.6		
Philippines	1.1	7.6	3.6	6.8	6.3	5.8	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	5.1	5.0	5.3	4.7	5.3		
Australia	1.5	2.6	2.4	3.6	2.6	3.0	2.6	2.9		

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, MHRl.

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