

REVISED
to reflect the 2nd
QE for the
Jul-Sep Qtr
of 2013

FY2013 and FY2014 Economic Outlook

December 10, 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. Payrolls will also grow steadily

2013: +1.7% (forecast in November +1.7%)

2014: +2.4% (forecast in November +2.3%)

<The Eurozone Economy >

- ◆ Downward pressures from fiscal conditions should ease slightly. However, eurozone growth is forecast to remain under 1% in 2014, given the ongoing slump among southern European countries

2013: -0.4% (forecast in November -0.4%)

2014: +0.9% (forecast in November +0.9%)

<The Asian Economy >

- ◆ Despite forecasts of a gradual economic recovery, the rate of China's economic growth is forecast to slow down due to constraints upon excessive investment

2013: +6.0% (forecast in November +5.9%)

2014: +5.9% (forecast in November +5.9%)

<The Japanese Economy >

- ◆ In the second half of FY2013, a rush of demand prior to the consumption tax hike will serve as the driver of the economy

FY2013: +2.5% (forecast in November +2.6%)

- ◆ Despite a temporary dip due to the impact of the consumption tax hike, external demand will prop up the economy

FY2014: +0.8% (forecast in November +0.8%)

This English-language translation is based upon the outlook in Japanese released on December 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 (2nd QE) of the Jul-Sep quarter of 2013

The 2nd QE revealed a downward revision of growth in the Jul-Sep quarter of 2013, dragged down mainly by private inventory investment

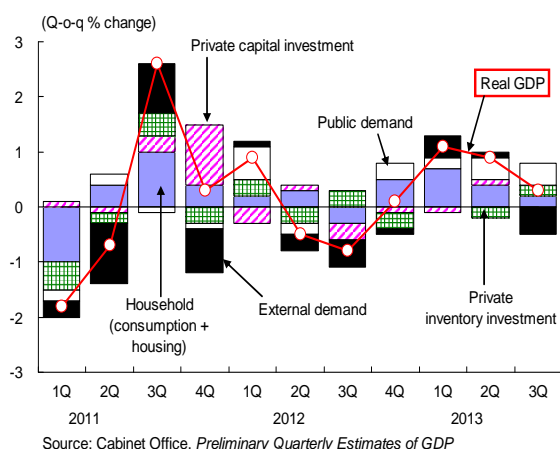
The Second Preliminary Quarterly Estimates of GDP (“2nd QE”) for the Jul-Sep quarter of 2013 released by the Cabinet Office on December 9, 2013 revealed that Japan’s real GDP grew at a slower-than-initially-reported pace of +0.3% q-o-q (+1.1% p.a.), in a downward revision from +0.5% q-o-q (+1.9% p.a.) 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 downward from +0.2% q-o-q in the 1st QE to +0.0% q-o-q. Likewise, the contribution by private inventory investment was revised downward from +0.4% pt in the 1st QE to +0.2% pt. While personal consumption was revised upward (1st QE: +0.1% q-o-q → 2nd QE: +0.2% q-o-q), housing investment was subject to a slight downward revision (1st QE: +2.7% q-o-q → 2nd QE: +2.6% q-o-q) were revised down from the 1st QE. As a whole, domestic private-sector demand was revised down from +0.7% q-o-q (contribution +0.5% pt) to +0.5% q-o-q (contribution +0.4% pt).

Turning to public demand, government consumption was revised down to +0.2% q-o-q (1st QE: +0.3% q-o-q) while public investment remained unchanged from the 1st QE at +6.5% q-o-q. Public demand as a whole was revised down slightly from +1.6% q-o-q (contribution +0.4% pt) to 1.4% q-o-q (contribution +0.4% pt). The contribution to domestic demand – combining both private and public demand stood at +0.7% pt (1st QE +0.9% pt).

External demand remained unchanged from the 1st QE (contribution -0.5% pt) as both exports (-0.6% q-o-q) and imports (+2.2% q-o-q) were unchanged from the 1st QE.

[Chart 1: Jul-Sep quarter of 2013 (2nd QE)]



	(Q-o-q % change)					1st QE Jul-Sep
	2012 Jul-Sep	2012 Oct-Dec	2013 Jan-Mar	2013 Apr-Jun	2013 Jul-Sep	
Gross domestic expenditure	-0.8	0.1	1.1	0.9	0.3	0.5
(Q-o-q change, p.a.)	-3.2	0.6	4.5	3.6	1.1	1.9
(Y-o-y change)	-0.2	-0.3	0.1	1.2	2.4	2.7
Domestic demand	-0.3	0.3	0.7	0.7	0.7	0.9
(-0.3)	(0.3)	(0.7)	(0.7)	(0.7)	(0.9)	(0.9)
Private demand	-0.4	0.0	0.7	0.4	0.5	0.7
(-0.3)	(0.0)	(0.5)	(0.3)	(0.4)	(0.5)	(0.5)
Personal consumption	-0.5	0.6	1.0	0.7	0.2	0.1
Housing investment	1.1	3.1	2.2	0.3	2.6	2.7
Capital investment	-2.1	-0.6	-1.0	0.9	0.0	0.2
Inventory investment	(0.3)	(-0.3)	(0.0)	(-0.2)	(0.2)	(0.4)
Public demand	0.0	1.0	0.7	1.7	1.4	1.6
(0.0)	(0.3)	(0.2)	(0.4)	(0.4)	(0.4)	(0.4)
Government consumption	0.4	0.7	0.7	0.6	0.2	0.3
Public investment	-2.4	2.9	1.1	6.3	6.5	6.5
External demand	(-0.5)	(-0.1)	(0.4)	(0.1)	(-0.5)	(-0.5)
Exports	-3.8	-3.0	3.9	2.9	-0.6	-0.6
Imports	-0.4	-1.7	1.0	1.7	2.2	2.2
Nominal GDP	-1.0	0.2	0.7	0.9	0.3	0.4
GDP deflator (y-o-y change)	-0.8	-0.7	-1.1	-0.5	-0.3	-0.3

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

FY2012 growth was revised down, dragged down mainly by public investment

Furthermore, FY2012 real GDP growth was revised down from +1.2% to +0.7% due to the annual revision of GDP. This stems primarily from the sharp downward revision of public investment from the preliminary estimate of +14.9% y-o-y to +1.3% y-o-y. It appears that the downward revision is due to (1) delays in some of the reconstruction projects after the Great East Japan Earthquake, and (2) the fact that the growth of public investment was sluggish in FY2012 in areas other than the disaster-struck areas due to the prioritization of reconstruction works.

II. Forecast on the Japanese economy in FY2013 and FY2014

Growth in FY2013 2H will accelerate due to a last-minute rush of demand. FY2013 real GDP growth: +2.5%

Even though the Japanese economy slowed down in the Jul-Sep quarter due to weak exports, the pace of economic growth should pick up again from the Oct-Dec quarter. This is due primarily to the fact that the last-minute rush of demand prior to the consumption tax hike will push up Japan's domestic demand. According to estimates by MHRI, the last-minute rush of demand in FY2013 (personal consumption and housing investment combined) is slightly less than JPY3 trillion (approximately 0.6% of GDP). While the housing investment over the summer months appears to have included, to a certain extent, the accelerated demand prior to the consumption tax hike, the last-minute demand in personal consumption should start to materialize in the form of durable goods purchases from now on.

Furthermore, the weakness of the yen thus far should start to serve as a driver of exports (in terms of quantity), and exports should gradually gather momentum in the second half of the fiscal year reflecting the mild recovery of the overseas economies. Machinery orders (external demand), a leading indicator, grew a strong +10.9% q-o-q in the Jul-Sep quarter, and exports of machinery should grow at a faster pace from the Oct-Dec quarter. In addition, capital investment should maintain its momentum in the second half of the fiscal year amid the growth of sales accompanying the recovery of demand and the rise of profitability of exports due to the weak yen.

Turning to public investment, the implementation of the public works projects related to the emergency economic stimulus measures formulated in January 2013 are about to run its course. "The value of public works contracted", a leading indicator of public works, has already peaked out, providing reasons to believe that public investment will take a downturn in the second half of the fiscal year. Even though government consumption will continue to grow due mainly to the rise of social security payments along with the ageing of the population, the strength of public demand as a driver of real GDP growth is expected to fade in the second half of FY2013.

Despite a slower pace of growth of public demand in the second half of FY2013, the pace of economic growth is forecast to rise to the +3% to +4%-level in annualized terms, driven by private-sector demand pushed up by the last-minute rush of demand prior to the consumption tax hike. This leads to our forecast that the pace of real GDP

FY2014 real GDP growth will slow down to +0.8%

growth in FY2013 will grow +2.5% (forecast in November: +2.6%) (**Chart 2**).

In October 2013, Prime Minister Shinzo Abe publicly announced his final decision to raise the consumption tax to 8% from April 2014 and to compile a package of economic stimulus measures. On the basis of this decision, the government set forth the *Economic Measures for Realization of Positive Cycles* (central government expenditure: JPY5.5 trillion, total size: JPY18.6 trillion) on December 5, 2013. In addition to benefits toward households such as cash benefits for low-income earners (simple benefits, approximately JPY0.3 trillion), cash benefits toward home purchasers (housing benefits, approximately JPY0.2 trillion), the package includes expenses for recovery/reconstruction of areas damaged by the Great East Japan Earthquake (approximately JPY1.9 trillion), expenses for disaster prevention/mitigation and addressing aging infrastructure (approximately JPY3.1 trillion). According to estimates by MHRI, the stimulus package would push up FY2014 real GDP by approximately 0.5% pt.

The execution of the public works in the stimulus package from around early spring should temporarily lift public investment. Even so, a sharp decline of real GDP growth into negative territory (forecast: -5.0% q-o-q p.a.) appears inevitable immediately after the consumption tax hike in the Apr-Jun quarter of 2014 because of a backlash to the last-minute demand before the tax hike and erosion of household real income.

From the Jul-Sep quarter of 2014, the Japanese economy should return to a gradual recovery track, driven by the growth of exports reflecting the weakness of the yen and recovery of the overseas economies, and the ongoing upturn of capital investment supported by the improvement of corporate earnings. Personal consumption (real) will likely fall below previous-year levels throughout the year because of the erosion of real income due to the consumption tax hike. However, on a quarterly basis, personal consumption should gradually pick up from the slump in the Apr-Jun quarter due to the backlash to the last-minute demand. The pace of real GDP growth in FY2014 is forecast to grow +0.8% (forecast in November: 0.8%).

Y-o-y change of FY2014 core CPI (ex impact of consumption tax hike) should remain around the same level as FY2013

The core CPI (general, excluding fresh food) rose to +0.9% y-o-y as of October 2013. However, this stems largely from the rise of energy prices such as the upturn of gasoline prices reflecting the weak yen and higher crude oil prices and rise of electrical power charges. Although the core CPI should trend around +1% y-o-y during the period from November 2013 to January 2014, the rise should subside as the contribution by energy prices declines. During the full year FY2013, the year-on-year change of the core CPI is expected to reach +0.7% y-o-y, rising for the first time since FY2008 (**Chart 3**).

When the negative output gap widens in FY2014 as domestic demand falls due to the impact of the consumption tax hike, companies will tend to cut prices in order to maintain their market shares, hence serving as a drag upon the rise of prices. The year-on-year change of the core CPI should stand at +0.6% in FY2014 (+2.8% when including the impact of the consumption tax hike) standing around the same level as FY2013 due to the fall of the contribution of energy prices reflecting the stabilization of crude oil prices and the fading impact of the higher electrical utility fees.

[Chart 2: Outlook on the Japanese economy (GDP)]

		2011	2012	2013	2014	2013				2014				2015
		FY				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	0.7	2.5	0.8	1.1	0.9	0.3	0.9	0.9	-1.3	0.7	0.4	0.4
	Q-o-q % ch p.a.	--	--	--	--	4.5	3.6	1.1	3.6	3.7	-5.0	2.7	1.8	1.7
Domestic demand	Q-o-q % ch	1.3	1.5	2.5	0.1	0.7	0.7	0.7	0.8	0.9	-1.6	0.4	0.3	0.3
Private sector demand	Q-o-q % ch	1.6	1.5	2.1	-0.2	0.7	0.4	0.5	1.0	1.3	-2.3	0.4	0.4	0.4
Personal consumption	Q-o-q % ch	1.3	1.5	2.6	-1.2	1.0	0.7	0.2	0.8	1.8	-3.6	0.5	0.2	0.2
Housing investment	Q-o-q % ch	3.2	5.3	6.9	-6.1	2.2	0.3	2.6	3.2	-2.9	-7.4	-0.3	2.2	2.4
Capital investment	Q-o-q % ch	4.8	0.7	0.6	3.4	-1.0	0.9	0.0	1.6	1.2	1.0	0.4	0.6	0.7
Inventory investment	Q-o-q contribution, % pt	-0.3	-0.1	-0.2	0.4	0.0	-0.2	0.2	-0.0	-0.2	0.5	-0.1	0.0	0.0
Public sector demand	Q-o-q % ch	0.5	1.4	3.7	1.1	0.7	1.7	1.4	0.1	-0.3	0.7	0.4	-0.1	-0.3
Government consumption	Q-o-q % ch	1.2	1.5	1.9	1.6	0.7	0.6	0.2	0.2	0.2	0.5	0.5	0.5	0.5
Public investment	Q-o-q % ch	-3.2	1.3	12.9	-1.8	1.1	6.3	6.5	-0.3	-2.5	1.6	0.1	-2.9	-3.8
External demand	Q-o-q contribution, % pt	-1.0	-0.8	-0.1	0.6	0.4	0.1	-0.5	0.1	-0.1	0.3	0.3	0.2	0.1
Exports	Q-o-q % ch	-1.6	-1.2	3.8	5.7	3.9	2.9	-0.6	1.3	1.2	1.5	1.7	1.8	1.9
Imports	Q-o-q % ch	5.3	3.8	4.0	1.8	1.0	1.7	2.2	0.7	1.3	-0.5	-0.2	0.7	1.0
GDP (nominal)	Q-o-q % ch	-1.4	-0.2	2.1	1.7	0.7	0.9	0.3	0.7	0.9	-0.2	0.7	0.6	0.4
GDP deflator	Y-o-y % ch	-1.7	-0.9	-0.3	1.0	-1.1	-0.5	-0.3	-0.6	0.0	0.7	0.9	1.1	1.2
Domestic demand deflator	Y-o-y % ch	-0.5	-0.8	0.1	1.1	-0.8	-0.3	0.4	0.4	0.1	1.1	1.1	1.0	1.2

Notes: Figures in the shaded areas are forecasts.

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

[Chart 3: Outlook on the Japanese economy (major economic indicators)]

		2011	2012	2013	2014	2013				2014				2015
		FY				Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Industrial production	Q-o-q % ch	-0.7	-2.9	3.2	2.4	0.6	1.5	1.7	2.0	2.6	-1.3	-0.3	0.7	1.1
Ordinary profits	Y-o-y % ch	-2.0	8.1	14.2	1.8	5.6	21.5	20.1	12.9	4.8	-3.1	1.6	6.3	2.6
Nominal labor compensation	Y-o-y % ch	0.7	0.1	1.0	0.9	0.2	1.2	0.5	1.3	0.7	1.0	1.0	0.7	0.8
Unemployment rate	%	4.5	4.3	3.9	3.8	4.2	4.0	4.0	3.9	3.9	3.8	3.9	3.8	3.7
New housing starts	P.a., 10,000 units	84.1	89.3	97.4	89.8	90.4	98.1	99.4	99.2	92.0	87.8	88.9	90.3	92.8
Current account balance	P.a., JPY tril	7.6	4.4	4.3	7.8	3.1	8.9	2.2	3.8	3.4	7.9	5.6	9.7	9.2
Domestic corporate goods prices	Y-o-y % ch	1.4	-1.1	1.9	3.7	-0.3	0.7	2.2	2.5	2.1	3.6	3.6	3.7	3.8
Consumer prices	Y-o-y % ch	0.0	-0.2	0.7	2.8	-0.3	0.0	0.7	1.0	0.9	2.9	2.7	2.7	2.8
Consumer prices (ex consumption tax)	Y-o-y % ch	0.0	-0.2	0.7	0.6	-0.3	0.0	0.7	1.0	0.9	0.7	0.5	0.5	0.6
Uncollateralized overnight call rate	%	0.08	0.06	0~0.10	0~0.10	0.06	0.07	0.06	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	0.71	0.86	0.70	0.73	0.77	0.63	0.72	0.75	0.80	0.90	1.00
Nikkei average	JPY	9,181	9,650	14,500	16,000	11,444	13,621	14,139	14,900	15,500	15,300	15,800	16,300	16,600
Exchange rate	JPY/USD	79.0	83.0	100.0	106.0	92.0	99.0	99.0	100.0	101.0	104.0	105.0	106.0	107.0
Crude oil price (WTI nearest term contract)	USD/bbl	97.0	92.0	98.0	96.0	94.0	94.0	106.0	97.0	96.0	96.0	96.0	96.0	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, the yield on newly-issued 10-yr JGBs refers to the average of the end-of-month rates during the relevant term, and all others are averages during the relevant terms.

Sources: Made by MHIRI 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 global economy]

Calendar year	(Y-o-y change)				(Y-o-y change)	
	2011 (Actual)	2012 (Actual)	2013 (Forecast)	2014 (Forecast)	2013 (Previous: Nov forecast)	2014
Total of forecast area	3.8	3.2	2.9	3.3	2.9	3.3
Japan, US, eurozone	1.4	1.3	0.9	1.7	0.9	1.7
US	1.8	2.8	1.7	2.4	1.7	2.3
Eurozone	1.6	-0.6	-0.4	0.9	-0.4	0.9
Japan	-0.5	1.4	1.7	1.4	1.8	1.5
Asia	7.5	6.1	6.0	5.9	5.9	5.9
NIEs	4.1	1.7	2.5	2.9	2.5	3.0
ASEAN5	4.4	6.1	5.0	4.9	4.8	4.8
China	9.3	7.7	7.6	7.3	7.6	7.3
India	7.5	5.1	4.7	4.7	4.5	4.7
Australia	2.6	3.6	2.4	2.8	2.5	2.8
Brazil	2.7	1.0	2.3	2.0	2.4	2.0
Russia	4.3	3.4	1.5	2.5	1.8	3.2
Japan (FY)	0.3	0.7	2.5	0.8	2.6	0.8
Crude oil price (WTI,\$/bbl)	95	94	98	96	98	96

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 5: Outlook on the US economy]

	2013				2014 (Forecast)				2012 (Actual)	2013 (Forecast)	2014 (Forecast)
	Jan-Mar (Actual)	Apr-Jun (Actual)	Jul-Sep (Actual)	Oct-Dec (Forecast)	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec			
GDP (q-o-q % ch, p.a.)	1.1	2.5	3.6	1.6	2.3	2.4	2.0	3.0	2.8	1.7	2.4
Personal consumption (q-o-q % ch, p.a.)	2.3	1.8	1.4	2.5	2.1	2.2	2.4	2.3	2.2	1.9	2.1
Housing investment (q-o-q % ch, p.a.)	12.5	14.2	13.0	2.0	10.0	8.0	7.0	6.0	12.9	13.3	8.1
Capital investment (q-o-q % ch, p.a.)	-4.6	4.7	3.5	3.5	4.8	5.3	5.8	5.8	7.3	2.4	4.7
Inventory investment (contribution, q-o-q % pt ch)	0.9	0.4	1.7	-0.7	0.1	0.0	0.0	0.0	0.2	0.1	0.1
Government spending (q-o-q % ch, p.a.)	-4.2	-0.4	0.4	-1.5	-2.9	-3.0	-3.0	-0.1	-1.0	-2.0	-1.9
Net exports (USD billion p.a.)	-422.2	-424.5	-422.1	-411.3	-394.4	-372.8	-372.1	-353.0	-430.8	-420.0	-373.1
Exports (q-o-q % ch, p.a.)	-1.3	8.0	3.7	4.0	5.3	5.6	5.5	6.0	3.5	2.3	5.1
Imports (q-o-q % ch, p.a.)	0.6	6.9	2.7	1.5	1.6	1.1	4.5	1.9	2.2	1.5	2.3
Domestic final demand (q-o-q % ch, p.a.)	0.5	2.1	1.8	1.9	1.7	1.8	2.0	2.4	2.4	1.5	1.9
Unemployment rate (%)	7.7	7.6	7.3	7.1	7.1	7.0	6.9	6.7	8.1	7.4	6.9
Nonfarm payrolls (per month, 1,000)	215	193	160	197	181	193	205	184	186	183	188
PCE deflator (y-o-y % ch)	1.4	1.1	1.1	1.2	1.1	1.4	1.1	1.0	1.8	1.2	1.1
Core PCE deflator ex food and energy (y-o-y % ch)	1.5	1.2	1.2	1.2	1.2	1.4	1.4	1.5	1.8	1.3	1.4

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

[Chart 6: Outlook on the eurozone economy]

(%)

	2011	2012	2013	2014	2012		2013		2014	
	(Actual)	(Actual)	(Forecast)	(Forecast)	1H	2H	1H	2H (Forecast)	1H (Forecast)	2H (Forecast)
Real GDP	1.6	-0.6	-0.4	0.9	-0.7	-1.1	-0.6	0.7	0.9	1.2
Y-o-y % ch of 4th qtr of each year (% ch o-y-a for half year terms)	0.7	-1.0	0.4	1.1	-0.4	-0.9	-0.9	0.0	0.8	1.0
Private-sector consumption	0.3	-1.4	-0.5	0.5	-1.8	-1.2	-0.6	0.4	0.6	0.7
Government consumption	-0.1	-0.6	0.3	0.2	-0.6	-0.6	0.6	0.4	0.2	0.2
Fixed capital formation	1.7	-3.9	-3.2	1.5	-4.7	-4.3	-4.8	1.2	1.2	2.4
External demand (contribution)	0.9	1.6	0.5	0.2	1.8	1.1	0.6	-0.3	0.2	0.3
Exports	6.6	2.7	1.1	3.3	2.9	1.8	-0.3	3.2	3.0	4.0
Imports	4.6	-0.8	0.0	3.3	-1.3	-0.6	-1.7	4.2	2.7	3.7
Inventories, balancing items (contribution)	0.3	-0.5	-0.1	0.1	-0.4	-0.5	-0.2	0.4	0.1	0.0
Domestic demand	0.7	-2.2	-0.9	0.8	-2.5	-2.2	-1.3	1.0	0.7	0.9
Consumer prices	2.7	2.5	1.4	1.0	2.6	2.4	1.6	1.1	0.9	1.1
Core inflation rate	1.4	1.5	1.1	1.1	1.6	1.5	1.3	1.0	1.1	1.1

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 7: Outlook on the Asian economies]

	(%)				(%)	
	2011 (Actual)	2012 (Actual)	2013 (Forecast)	2014 (Forecast)	2013 (Previous: Nov forecast)	2014
Asia	7.5	6.1	6.0	5.9	5.9	5.9
China	9.3	7.7	7.6	7.3	7.6	7.3
NIEs	4.1	1.7	2.5	2.9	2.5	3.0
South Korea	3.7	2.0	2.6	3.0	2.6	3.0
Taiwan	4.2	1.5	1.7	2.5	1.8	2.8
Hong Kong	4.9	1.5	2.8	2.9	2.9	3.0
Singapore	5.2	1.3	3.9	3.8	3.1	3.2
ASEAN5	4.4	6.1	5.0	4.9	4.8	4.8
Indonesia	6.5	6.2	5.7	5.2	5.7	5.2
Thailand	0.1	6.5	2.7	3.5	1.9	3.3
Malaysia	5.1	5.6	4.4	4.6	4.0	4.3
Philippines	3.6	6.8	6.8	5.8	7.0	5.6
Vietnam	6.0	5.0	5.2	5.6	5.2	5.4
India	7.5	5.1	4.7	4.7	4.5	4.7
Australia	2.6	3.6	2.4	2.8	2.5	2.8

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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