

REVISED
to reflect the 2nd
QE for the
Jan-Mar Qtr
of 2014

FY2014, FY2015 Economic Outlook

June 9, 2014

<The US Economy >

- ◆ Private demand will hold up well due to the progress of household balance sheet adjustment. Also expect the steady expansion of employment
 - 2014: +2.2% (forecast in May +2.3%)
 - 2015: +2.9% (forecast in May +2.8%)

<The Eurozone Economy >

- ◆ Despite the continuation of an export and capital investment-led recovery, eurozone growth is forecast to remain at the lower half of the 1%-level, given the ongoing slump among southern European countries
 - 2014: +1.0% (forecast in May +1.0%)
 - 2015: +1.3% (forecast in May +1.3%)

<The Asian Economy >

- ◆ Despite forecasts of a gradual economic recovery, the rate of economic growth should continue to slow down in China due to constraints upon excessive investment
 - 2014: +5.9% (forecast in May +5.9%)
 - 2015: +5.9% (forecast in May +5.9%)

<The Japanese Economy >

- ◆ Despite a temporary dip due to the impact of the consumption tax hike, external demand and public demand will prop up the economy
 - FY2014: +1.1% (forecast in May +1.0%)
- ◆ Exports and private demand will recover. A fall into recession will be avoided even after the consumption tax hike
 - FY2015: +1.5% (forecast in May +1.5%)

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I. Overview of the *Second Preliminary Quarterly Estimates of GDP (2nd QE)* of the Jan-Mar quarter of 2014

The 2nd QE revealed an upward revision of growth in the Jan-Mar quarter, driven mainly by personal consumption and capital investment

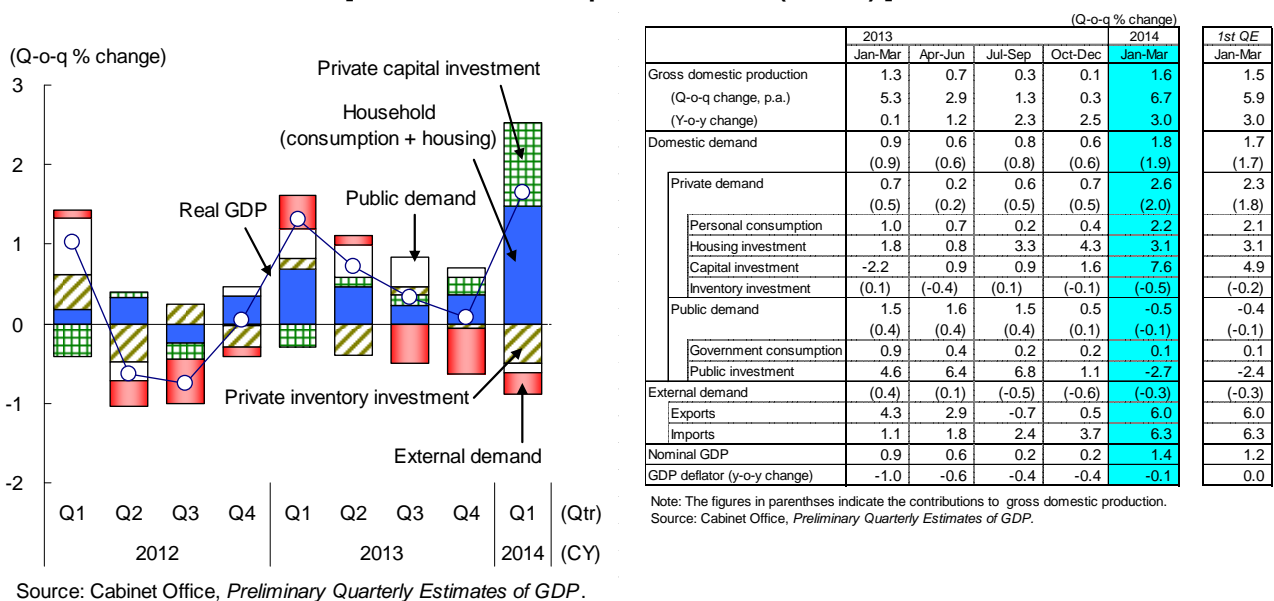
The *Second Preliminary Quarterly Estimates of GDP* (“2nd QE”) for the Jan-Mar quarter of 2014 released by the Cabinet Office on June 9, 2014 revealed that Japan’s real GDP grew at a pace of +1.6 % q-o-q (+6.7% p.a.), in an upward revision from +1.5% q-o-q (+5.9% p.a.) in the *First Preliminary Quarterly Estimates of GDP* (“1st QE”) (Chart 1).

Looking closer at each of the components of demand, while the contribution by private inventory investment was revised downward from -0.2% pt in the 1st QE to -0.5% pt, capital investment was revised upward from +4.9% q-o-q to +7.6% q-o-q. As for other components of domestic demand, while housing investment remained unchanged from the 1st QE (+3.1% q-o-q), personal consumption was revised upward (1st QE: +2.1% q-o-q → 2nd QE: +2.2% q-o-q). As a whole, domestic private-sector demand was revised upward from +2.3% q-o-q (contribution +1.8% pt) to +2.6% q-o-q (contribution +2.0% pt).

Turning to public demand, although government consumption remained unchanged from the 1st QE at +0.1% q-o-q, public investment was revised down slightly to -2.7% q-o-q (1st QE: -2.4% q-o-q). Public demand as a whole was revised down slightly from -0.4% q-o-q (contribution -0.1% pt) to -0.5% q-o-q (contribution -0.1% pt). The contribution to domestic demand – combining both private and public demand – stood at +1.9% pt (1st QE +1.7% pt).

External demand remained unchanged from the 1st QE (contribution -0.3% pt) as both exports (+6.0% q-o-q) and imports (+6.3% q-o-q) were unchanged from the 1st QE.

[Chart 1: Jan-Mar quarter of 2014 (2nd QE)]



Nominal GDP was also revised upward

The GDP deflator for the Jan-Mar quarter of 2014 was revised downward to -0.1% y-o-y from the 1st QE (+0.0% y-o-y). The domestic private demand deflator was subject to a slight downward revision. Even so, since impact of the upward revision of real GDP surpassed the impact of the downward revision of the GDP deflator, nominal GDP was revised upward to +1.4% q-o-q (+5.7% p.a.) from the 1st QE (+1.2% q-o-q, +5.1% p.a.).

As shown above, the 2nd QE revealed an upward revision of personal consumption and capital investment, reconfirming the strong growth of the Japanese economy driven mainly by private demand in the Jan-Mar quarter.

II. Forecast on the Japanese economy in FY2014 and FY2015

FY2014 real GDP growth will slow to +1.1%, but a recession will be averted

In FY2014, the pace of Japan's economic growth will fall deep into negative territory in the Apr-Jun quarter immediately after the consumption tax hike. However, the economy should return to a recovery track from the Jul-Sep quarter on the back of external demand and the implementation of additional public works projects in the economic stimulus package.

In the Apr-Jun quarter, public investment should serve to underpin growth due to the implementation of the projects in the economic stimulus package (the "Economic Measures for Realization of Positive Cycles") compiled by the FY2013 supplementary budget. Of the economic stimulus measures worth JPY5.5 trillion, we expect that approximately JPY2 trillion will be earmarked for public works possessing immediate stimulus upon the economy. Furthermore, given the fall of imports along with the fall of domestic demand after the consumption tax hike and efforts to strengthen exports in items such as cars, external demand should serve as a significant positive contribution to growth. Even so, the Apr-Jun quarter may not avoid a sharp plunge of growth into negative territory (forecast: -4.4% q-o-q p.a.) due to the fall of personal consumption and housing investment because of the backlash to the last-minute rush of demand prior to the consumption tax hike and erosion of household real income.

From the Jul-Sep quarter, 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. Personal consumption (in real terms) will likely fall below previous-year levels throughout the year because of the erosion of real income due to the consumption tax hike. However, personal consumption should gradually pick up from the level in the Apr-Jun quarter which slumped due to the backlash to the last-minute rush of demand.

As such, the pace of real GDP growth in FY2014 is forecast to slow down to +1.1% (forecast in May: +1.0%) (**Chart 2**).

FY2015 real GDP growth will rise to +1.5%. While growth in 1H will be pushed up by the last-minute rush of demand, a backlash will ensue in 2H

In FY2015, we assume that the consumption tax rate will be raised as scheduled to 10% in October. Therefore, the last-minute rush of demand and its backlash accompanying the consumption tax hike will serve as a volatile factor upon growth in FY2015. According to a trial calculation based upon movements at the time of the tax hike in FY1997 as well as recent trends, the rate of real GDP growth (% change from the previous half-year term) would be pushed up by approximately 0.5% pt in the first half of FY2015 and be dragged down by approximately 1.5% pt in the second half of FY2015 (% change from the previous half-year term).

Again in FY2015, we also expect the compilation of an economic stimulus package totaling approximately JPY2 trillion (of which approximately JPY1.5 trillion will be earmarked for public works) to prevent the economy from falling into a recession after the consumption tax hike. We expect the additional public works projects to be implemented in the second half of the fiscal year and push up the rate of real GDP in FY2015 by approximately 0.3% pt. Furthermore, we also assume that a reduced tax rate will be applied for food (excluding alcoholic beverages and restaurant meals) at the time of the consumption tax hike in FY2015.

As shown above, we expect growth in FY2015 to be pushed up by a last-minute rush of demand in the first half of the fiscal year, followed by a sharp fall into negative territory again in the Oct-Dec quarter immediately after the consumption tax hike. Even so, the Japanese economy should pick up toward the end of the fiscal year (end of March 2016) due to the rise of exports reflecting the overseas economic recovery and the upturn of capital investment. Hence, we forecast that the Japanese economy will grow +1.5% in FY2015 (forecast in May: +1.5%).

The improvement of the output gap is expected to be slow

According to estimates by MHRI, the output gap (the gap between actual GDP and potential GDP) in negative territory has narrowed to -0.5% of potential GDP (meaning an excess of supply of approximately JPY3 trillion) as of the Jan-Mar quarter of 2014, due in part to the last-minute rush of demand prior to the consumption tax hike. Even so, the negative output gap should widen again in the Apr-Jun quarter due to the fading impact of the last-minute rush of demand and remain in negative territory during FY2014. In FY2015, even though the demand and supply should balance at one point in time during the Jul-Sep quarter prior to the consumption tax hike, the output gap should turn negative again after the tax hike. The pace of improvement of the output gap should be slow due to the impact of the two consumption tax hikes.

The y-o-y change of the core CPI (ex impact of consumption tax hike) will fail to reach 2% in FY2015

The core CPI (general, excluding fresh food) rose to +1.5% y-o-y as of April 2014. However, this stems largely from the rise of energy prices reflecting the weak yen and rise of crude oil prices. Despite movements to raise prices to cover both the rise of costs up until then and the rise of the consumption tax at the time

of the tax hike in April, the impact of these factors to push up the core CPI should gradually fade. The expansion of the negative output gap stemming from the temporary fall of domestic demand due to the impact of the consumption tax hike should also serve to keep the rise of prices subdued.

Even so, in the second half of FY2014, we expect to see moves to pass on the recovery of wages to prices along with the gradual recovery of domestic demand. The year-on-year change of the core CPI (excluding the impact of the consumption tax hike) for the full year in FY2014 should stand at +1.1% (+3.1% when including the impact of the consumption tax hike), surpassing the rise in FY2013 (**Chart 3**).

Again in FY2015, the fall of demand after the consumption tax hike should keep the rise of the inflation rate subdued. During the full year FY2015, the year-on-year change of the core CPI (excluding the impact of the consumption tax hike) is expected to reach +1.1% (+1.6% when including the impact of the consumption tax hike), rising at a pace on par with FY2014.

As shown above, despite a gradual rise of the inflation rate, the rise will still fall short of the Bank of Japan's (BOJ) inflation target of "2% in two years". The BOJ will likely decide to extend its quantitative and qualitative monetary easing measures when it becomes evident that it is difficult to achieve its target.

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

		2012	2013	2014	2015	2013		2014				2015				2016
		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	0.7	2.3	1.1	1.5	0.3	0.1	1.6	-1.1	1.0	0.3	0.3	0.5	0.7	-0.9	0.8
	Q-o-q % ch p.a.	--	--	--	--	1.3	0.3	6.7	-4.4	4.1	1.3	1.3	2.1	3.0	-3.6	3.4
Domestic demand	Q-o-q % ch	1.4	2.7	0.6	1.2	0.8	0.6	1.8	-1.8	0.5	0.4	0.3	0.6	0.9	-1.6	0.5
Private sector demand	Q-o-q % ch	1.4	2.2	0.4	1.4	0.6	0.7	2.6	-2.7	0.4	0.6	0.5	0.8	1.2	-2.4	0.5
Personal consumption	Q-o-q % ch	1.5	2.6	-0.7	1.3	0.2	0.4	2.2	-3.3	0.7	0.4	0.3	0.9	1.6	-2.9	0.7
Housing investment	Q-o-q % ch	5.3	9.5	-5.8	-1.1	3.3	4.3	3.1	-7.4	-4.3	-1.1	2.3	1.7	0.2	-4.8	-2.4
Capital investment	Q-o-q % ch	0.8	2.6	5.0	2.7	0.9	1.6	7.6	-1.8	0.2	0.4	0.6	0.8	1.0	0.3	0.7
Inventory investment	Q-o-q contribution, % pt	-0.1	-0.5	0.2	-0.0	0.1	-0.1	-0.5	0.4	-0.0	0.2	0.1	-0.1	-0.2	0.0	-0.1
Public sector demand	Q-o-q % ch	1.4	4.2	1.1	0.6	1.5	0.5	-0.5	0.7	0.7	-0.4	-0.4	0.2	0.1	0.8	0.6
Government consumption	Q-o-q % ch	1.5	1.8	1.6	1.5	0.2	0.2	0.1	0.5	0.5	0.5	0.5	0.3	0.3	0.3	0.3
Public investment	Q-o-q % ch	1.3	15.1	-1.0	-3.2	6.8	1.1	-2.7	1.6	1.6	-4.0	-4.2	-0.5	-0.9	3.3	1.7
External demand	Q-o-q contribution, % pt	-0.8	-0.5	0.5	0.3	-0.5	-0.6	-0.3	0.8	0.5	-0.1	0.0	-0.1	-0.2	0.8	0.3
Exports	Q-o-q % ch	-1.2	4.7	7.3	4.8	-0.7	0.5	6.0	1.0	1.0	1.2	1.2	1.0	1.0	1.9	1.1
Imports	Q-o-q % ch	3.7	7.0	3.6	2.8	2.4	3.7	6.3	-3.0	-1.6	1.4	1.0	1.5	1.9	-2.0	-0.5
GDP (nominal)	Q-o-q % ch	-0.2	1.9	2.8	2.3	0.2	0.2	1.4	0.6	0.9	0.6	0.2	1.0	0.6	-0.2	0.8
GDP deflator	Y-o-y % ch	-0.9	-0.4	1.7	0.8	-0.4	-0.4	-0.1	1.5	1.6	1.7	1.8	0.5	0.5	1.0	1.1
Domestic demand deflator	Y-o-y % ch	-0.8	0.3	1.6	0.8	0.3	0.5	0.7	1.8	1.7	1.5	1.5	0.5	0.5	1.1	1.2

Notes: Figures in the shaded areas are forecasts.

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

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

		2012	2013	2014	2015	2013		2014				2015				2016
		FY				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	-2.9	3.2	2.6	2.6	1.8	1.8	2.9	-1.4	-0.4	0.7	1.0	0.9	1.4	-0.7	-0.3
Ordinary profits	Y-o-y % ch	8.1	20.9	1.5	3.6	20.1	25.1	17.2	-0.5	4.1	0.5	2.4	6.5	3.3	3.5	1.5
Nominal compensation of employees	Y-o-y % ch	0.1	1.0	1.5	1.6	0.6	1.6	0.5	1.5	1.4	1.7	1.5	1.6	1.7	1.9	1.0
Unemployment rate	%	4.3	3.9	3.6	3.5	4.0	3.9	3.6	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.5
New housing starts	P.a., 10,000 units	89.3	98.7	91.1	88.6	99.0	104.1	93.4	89.1	89.9	91.2	94.8	94.6	88.4	85.3	86.5
Current account balance	P.a., JPY tril	4.2	0.8	4.0	5.9	2.3	0.0	-5.6	3.7	4.4	5.5	1.8	5.5	3.8	8.5	6.2
Domestic corporate goods prices	Y-o-y % ch	-1.1	1.9	3.9	2.4	2.2	2.5	1.9	4.1	3.9	3.8	3.8	1.2	1.4	3.3	3.6
Consumer prices	Y-o-y % ch	-0.2	0.8	3.1	1.6	0.7	1.1	1.3	3.3	3.1	3.0	3.0	1.0	1.1	2.1	2.2
Consumer prices (ex consumption tax)	Y-o-y % ch	-0.2	0.8	1.1	1.1	0.7	1.1	1.3	1.4	1.1	1.0	1.0	1.0	1.1	1.0	1.1
Uncollateralized overnight call rate	%	0.06	0.04	0~0.10	0~0.10	0.06	0.07	0.04	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	%	0.78	0.69	0.79	1.05	0.77	0.64	0.63	0.62	0.78	0.85	0.90	0.95	1.00	1.10	1.15
Nikkei average	JPY	9,650	14,424	15,600	17,400	14,139	14,972	14,964	14,700	15,600	15,900	16,200	16,700	17,200	17,500	18,000
Exchange rate	JPY/USD	83.0	100.0	105.0	112.0	99.0	101.0	103.0	102.0	104.0	106.0	107.0	109.0	111.0	113.0	114.0
Crude oil price (WTI nearest term contract)	USD/bbl	92.0	99.0	99.0	94.0	106.0	98.0	99.0	102.0	99.0	98.0	96.0	95.0	95.0	94.0	94.0

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). Based upon the assumption that the consumption tax will be raised to 8% in Apr 2014 and 10% in Oct 2015 (with a reduced tax rate to be applied to food (ex alcoholic beverages and restaurant meals) in Oct 2015).

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 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 global economy]

Calendar year	(Y-o-y % change)					(Y-o-y % change)	
	2011 (Actual)	2012 (Actual)	2013 (Actual)	2014 (Forecast)	2015 (Forecast)	2014 (May forecast)	2015
Total of forecast area	3.9	3.2	3.0	3.2	3.5	3.2	3.5
Japan, US, Eurozone	1.4	1.4	1.0	1.7	2.1	1.7	2.1
US	1.8	2.8	1.9	2.2	2.9	2.3	2.8
Eurozone	1.6	-0.6	-0.4	1.0	1.3	1.0	1.3
Japan	-0.5	1.4	1.5	1.7	1.3	1.7	1.3
Asia	7.6	6.1	6.1	5.9	5.9	5.9	5.9
NIEs	4.2	2.0	2.8	3.5	3.4	3.4	3.4
ASEAN5	4.5	6.2	5.2	4.4	5.1	4.9	4.9
China	9.3	7.7	7.7	7.4	7.2	7.4	7.2
India	7.7	4.8	4.7	4.7	4.8	4.5	4.5
Australia	2.6	3.7	2.4	3.0	2.6	2.7	2.6
Brazil	2.7	1.0	2.5	1.2	1.6	1.6	1.8
Russia	4.3	3.4	1.3	0.2	2.0	0.2	2.0
Japan (FY)	0.3	0.7	2.3	1.1	1.5	1.0	1.5
Crude oil price (WTI, %/bbl)	95	94	98	99	95	99	95

Note: The total of the forecast area is calculated upon the 2012 GDP share (PPP) by the IMF.
Sources: International Monetary Fund (IMF), MHRI.

[Chart 5: Outlook on the US economy]

	2013 (Actual)		2014				2015 (Forecast)				2013	2014	2015
	Jul-Sep	Oct-Dec	Jan-Mar (Actual)	Apr-Jun (Forecast)	Jul-Sep (Forecast)	Oct-Dec (Forecast)	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	(Actual)	(Forecast)	(Forecast)
GDP (q-o-q % ch, p.a.)	4.1	2.6	-1.0	3.6	3.6	3.1	2.0	2.6	3.2	3.2	1.9	2.2	2.9
Personal consumption (q-o-q % ch, p.a.)	2.0	3.3	3.1	2.4	2.4	2.5	2.5	2.5	2.5	2.5	2.0	2.7	2.5
Housing investment (q-o-q % ch, p.a.)	10.3	-7.9	-5.0	10.0	9.0	9.0	12.0	14.0	14.0	14.0	12.2	2.7	11.7
Capital investment (q-o-q % ch, p.a.)	4.8	5.7	-1.6	8.0	7.0	7.0	7.0	7.0	7.0	7.0	2.7	4.3	7.1
Inventory investment (contribution, q-o-q % pt ch)	1.7	-0.0	-1.6	0.8	0.3	0.0	-0.9	-0.4	0.0	0.0	0.2	-0.0	-0.2
Government spending (q-o-q % ch, p.a.)	0.4	-5.2	-0.8	-2.0	-2.0	0.1	2.3	2.3	2.3	2.3	-2.2	-1.8	1.1
Net exports (USD billion p.a.)	-419.7	-382.7	-418.9	-416.1	-391.0	-383.1	-395.7	-408.5	-421.6	-434.9	-412.3	-402.3	-415.2
Exports (q-o-q % ch, p.a.)	3.9	9.5	-6.0	9.0	5.5	6.0	3.0	3.0	3.0	3.0	2.7	3.8	4.2
Imports (q-o-q % ch, p.a.)	2.4	1.5	0.8	7.0	0.5	3.7	4.6	4.6	4.6	4.6	1.4	2.8	4.1
Domestic final demand (q-o-q % ch, p.a.)	2.3	1.6	1.6	2.6	2.4	2.8	3.4	3.4	3.5	3.5	1.6	2.1	3.2
Unemployment rate (%)	7.2	7.0	6.7	6.4	6.4	6.4	6.3	6.2	6.1	6.0	7.4	6.5	6.2
Nonfarm payrolls (per month, 1,000)	180	208	169	234	195	196	197	197	198	199	189	196	199
PCE deflator (y-o-y % ch)	1.1	1.0	1.1	1.3	1.1	1.1	1.0	1.1	1.2	1.2	1.1	1.1	1.1
Core PCE deflator ex food and energy (y-o-y % ch)	1.2	1.2	1.1	1.3	1.4	1.4	1.5	1.5	1.6	1.6	1.2	1.3	1.5

Note: Readings from the Apr-Jun qtr of 2014 are forecasts by MHRI.
Sources: US Department of Commerce, US Department of Labor, MHRI.

[Chart 6: Outlook on the Eurozone economy]

(%)

	2012	2013	2014	2015	2013		2014		2015	
	(Actual)	(Actual)	(Forecast)	(Forecast)	1H	2H	1H (Forecast)	2H (Forecast)	1H (Forecast)	2H (Forecast)
Real GDP	-0.6	-0.4	1.0	1.3	-0.6	0.8	0.9	1.2	1.3	1.5
Y-o-y % ch of 4th qtr of each year (% ch o-y-a for half year terms)	-1.0	0.5	1.0	1.5	-0.9	0.1	0.9	1.0	1.3	1.4
Private-sector consumption	-1.4	-0.6	0.5	0.7	-0.8	0.5	0.4	0.6	0.7	0.9
Government consumption	-0.6	0.1	0.4	0.5	0.5	0.2	0.3	0.6	0.5	0.4
Fixed capital formation	-3.8	-2.8	2.0	2.7	-4.4	2.0	1.9	2.1	2.7	3.2
External demand (contribution)	1.5	0.5	-0.1	0.2	0.5	-0.0	-0.2	-0.0	0.4	0.1
Exports	2.7	1.5	3.1	4.4	0.1	3.8	2.7	3.4	4.6	5.0
Imports	-0.8	0.4	3.7	4.3	-1.0	4.2	3.3	3.7	4.1	5.3
Inventories, balancing items (contribution)	-0.5	-0.0	0.4	0.1	0.1	0.2	0.4	0.4	-0.1	0.2
Domestic demand	-2.2	-0.9	1.1	1.2	-1.1	0.9	1.1	1.3	0.9	1.5
Consumer prices	2.5	1.4	0.7	0.9	1.6	1.1	0.6	0.7	0.8	1.0
Core inflation rate	1.5	1.1	0.8	1.0	1.2	1.0	0.8	0.8	1.0	1.0

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 (Actual)	2014 (Forecast)	2015 (Forecast)	2014 (Previous: May forecast)	2015
Asia	7.6	6.1	6.1	5.9	5.9	5.9	5.9
China	9.3	7.7	7.7	7.4	7.2	7.4	7.2
NIEs	4.2	2.0	2.8	3.5	3.4	3.4	3.4
South Korea	3.7	2.3	3.0	3.7	3.8	3.7	3.8
Taiwan	4.2	1.5	2.1	2.9	2.8	2.9	2.8
Hong Kong	4.8	1.5	2.9	3.0	2.8	3.0	2.8
Singapore	6.1	2.5	3.9	4.0	4.1	4.0	4.1
ASEAN5	4.5	6.2	5.2	4.4	5.1	4.9	4.9
Indonesia	6.5	6.3	5.8	5.2	5.2	5.2	5.2
Thailand	0.1	6.5	2.9	0.5	4.0	2.4	2.9
Malaysia	5.2	5.6	4.7	5.2	4.6	5.4	4.6
Philippines	3.7	6.8	7.2	6.0	6.4	6.4	6.3
Vietnam	6.2	5.3	5.4	5.6	5.7	6.0	5.8
India	7.7	4.8	4.7	4.7	4.8	4.5	4.5
Australia	2.6	3.7	2.4	3.0	2.6	2.7	2.6

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

2. Averages are calculated by the 2012 GDP share (PPP basis) by the IMF.

Sources: Statistical data of relevant countries, MHRl

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Mizuho Research Institute Ltd. Yasuo Yamamoto, Senior Economist yasuo.yamamoto@mizuho-ri.co.jp