

S Korea Expects Slowdown in Growth

Contributed by Tom McGregor
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On Monday, South Korea's central bank revised down its 2012 economic growth outlook because of deteriorating terms of trade and lowered its inflation projection as the government started to raise welfare outlays and limit public charge hikes.

The Yonhap News Agency said, "the Bank of Korea (BO) lowered its growth projections to 3.5 percent for the whole year from an earlier 3.7 percent estimate made in December. The economy will grow 3 percent in the first half but expand 3.9 percent in the July-December period, it said."

The central bank said, "the downward revision reflects unfavorable trade conditions facing the country that have offset improvements in domestic consumption and gains in real household purchasing power."

According to Yonhap, "sluggish global economic gains, negative performance growth in the fourth quarter and a rise in crude oil prices all contributed to its latest downward assessment, although the economy should do better in the second half, it said."

With exports playing a lesser role, the BOK said the domestic economy should contribute more to the nation's growth this year compared with 2011.

To read the entire article from the Yonhap News Agency, link here:Mcgregor@chinadaily.com.cn