

## **S. Korea's Q2 GDP growth revised down to 0.3 pct**

SEOUL, Sept. 6 (Xinhua) -- South Korea's gross domestic product (GDP) growth for the second quarter was revised down to 0.3 percent, the central bank said Thursday. Real GDP, the broadest measure of economic performance, expanded 0.3 percent in the second quarter from three months before, down from a preliminary estimate of a 0.4 percent growth unveiled around a month earlier, according to the Bank of Korea (BOK). The reading was lower than a 0.9 percent on-quarter expansion for the first quarter, and the lowest in three quarters. From a year before, the real GDP advanced 2.3 percent, down from a preliminary figure of 2.4 percent on-year growth. The figure was down from the on-year growth of 2.8 percent for the first quarter. The revision came amid mounting concerns that sluggish exports stemming from global economic slowdown weighed increasingly on the domestic economy. The U.S. economic growth slowed to 1.5 percent in the second quarter, with the second-quarter GDP in Europe contracting 0.2 percent. China's economic growth fell to 7.6 percent for the second quarter, keeping its downward trend for six straight quarters. Exports of goods and services declined 0.6 percent in the second quarter from three months before. The export growth for the service sector rebounded from minus 5.5 percent in the first quarter to 6.3 percent in the second quarter, but the figure for goods exports declined from 3.0 percent to minus 0.6 percent, fueling fears over the export manufacturing industry. Production in the manufacturing sector, which makes up around half of all industrial output, fell 0.2 percent in the second quarter from the previous quarter, but output in the service industry grew 0.5 percent during the April-June period, offsetting the reduction in the manufacturing sector. Imports of both goods and services turned to a negative growth in the second quarter compared with the previous quarter. Goods imports retreated 1.4 percent due to weak demand in the auto and petrochemical sectors. Production in the construction industry dropped 2.7 percent on-quarter in the second quarter, implying that the local real estate market continued to falter. The output kept its minus growth for three straight quarters. "The figure for the construction sector worsened further. The reading for the manufacturing industry was worse than expected. Overall, both domestic demand and exports showed underperformance. It was partly attributed to aggravated corporate profitability," Jung Yung Taek, director of BOK's national account division, told reporters. On an on-quarter basis, facilities investment tumbled 7.0 percent in the second quarter, and construction investment fell 0.4 percent, reflecting sluggishness in the building sector. Private consumption grew 0.4 percent, but expenditures in the public sector contracted 0.3 percent. Nominal gross national income (GNI) fell 0.2 percent in the second quarter from three months earlier, but real GNI expanded 1.2 percent thanks to a rise in dividend income and an improvement in terms of trade. "Nominal GNI showed a negative growth due to a reduction in nominal GDP that is calculated on mark-to-market basis. But, real GNI registered a positive figure as it was compared to the number for the base year," said Jung. The GDP deflator, the ratio of nominal GDP to real GDP, rose 1.2 percent in the second quarter from a year earlier, down from a 1.4 percent on-year rise for the first quarter.