

S. Korean economy slips into stagflation: survey

SEOUL, Oct. 7 (Xinhua) -- South Korean people felt that its economy slipped into stagflation, or stagnant economy amid high inflation, a survey by the local think tank showed Sunday.

According to the survey by the Hyundai Research Institute (HRI), 84.5 percent of respondents said the South Korean economy seemed to fall into stagflation.

The country's real GDP grew 0.3 percent on-quarter in the second quarter, one third of 0.9 percent expansion for the first quarter. Consumer price inflation fell to 1.2 percent in August from a year earlier, indicating that the reported economic indicators represent slowing economy and deflation.

However, the South Korean people felt that the consumer price inflation appears to stay at 5 percent, according to the survey. The results boosted worries about the widening difference between reported inflation and consumer-sensory inflation.

The HRI noted that 93.1 percent of respondents saw headline inflation as unstable, saying that low-income bracket where people earns less than 2 million won (1,800 U.S. dollars) per month felt more pressured by the higher sensory inflation than the high income earners.