
Macroeconomic indicators - Japanese Q3 GDP grows for second straight quarter

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AP reported that Japan's economy expanded at an annual pace of 4.8% in the third quarter. The result marks the second straight quarter of expansion and the biggest rise in real gross domestic product since 2007.

According to the Cabinet Office's preliminary data, GDP was up by 1.2% QoQ. The figure beats Kyodo news agency's forecast for an annualized increase of 2.6% and quarterly growth of 0.6%.

GDP rose at a revised annual pace of 2.7% in the April to June 2009 period after posting a record decline in the first quarter. Driving the third quarter economy was a 1.6% increase in capital spending by companies, bolstered by recovering global demand.

Japan's economy fell into its worst recession since World War II earlier this year in the wake of the global financial crisis. Emergency spending by governments around the world has kickstarted demand, particularly in China and the rest of Asia. Exports jumped 6.4% from the April to July 2009 period.

Domestic stimulus measures and consumer incentives to buy eco friendly products have also helped. Consumer spending, which accounts for about 60% of Japanese GDP, rose 0.7% from the second quarter. Still, the central bank predicted last month that it would be a sluggish few years for Japan. It warned of a tepid recovery combined with three straight years of deflation.

Despite improving earnings for companies, demand in Japan remains lackluster and the job market is weak. Prices are falling as a result, with the nation's core consumer price index down 2.3% in September from the previous year.

(Sourced from Associated Press)

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