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## Macroeconomic indicators - S Korean economy seen at 4pct in 2010

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Yonhap reported that South Korea's economy is expected to grow above the government's earlier forecast next year because it is quickly rebounding from a steep downturn. The rosier outlook was in line with a number of international groups raising their growth projections for Asia's fourth largest economy, citing the positive impact of government led fiscal spending and other stimulus measures in the face of the global recession.

Mr Yoon Jeung hyun finance minister of South Korea said that "Many foreign institutions are expressing their surprise over our economy's faster than expected rebound. It is expected that next year's growth will likely be better than the government's earlier forecast of a 4% expansion."

Mr Yoon said that the nation's economy is faring well and that growth has returned to pre crisis levels, but noted that downside risks remain, including a tightened labour market and rising commodity prices. He added that "While some macroeconomic indicators are improving, employment conditions still remain sluggish, making it difficult for ordinary people in their daily life. With a rebounding economy, oil prices and other commodity costs could surge at anytime, which could serve as yet another drag on the economy."

According to the nation's central bank, gross domestic product grew 2.9% in the third quarter from three months earlier, a marked turnaround from a 5.1% plunge in the final quarter of last year.

(Sourced from [www.yonhapnews.co.kr](http://www.yonhapnews.co.kr))

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