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2014: a year of economic rebalancing

We have revised down our 2014 GDP growth to 7.8% from 8.6% previously and our 2015 growth forecast to 8.0% from 8.2%. Our forecast reflects a slower-than-expected start to the year and an expectation that as export growth returns as a source of support to growth the government will scale back investment further in order to rebalance growth away from investment and towards consumption.

With growth slowing in Q1 towards the bottom of the government's 7% - 8% 'comfort zone', we expect there will be some modest monetary and fiscal stimulus – much of which has perhaps already been announced. Hence, we expect Q1 will mark the low-point of growth this cycle at perhaps 7.4%.

We think exports will be the main driver of the recovery with real export growth rising to 11% from 6.5% last year. But we now expect this will be viewed as an opportunity to take investment growth down to 7% from 9% last year. We expect FAI growth to slow to 17% from 20% last year, led by slower investment in heavy industry, mining and in real estate. We expect investment growth in infrastructure and social services to grow at faster rates as the government pursues an ambitious urbanization strategy. We see private consumption growth rising to 8.1% from 7.7% last year as real incomes continue to grow strongly.

We expect a modestly expansionary monetary and fiscal policy stance this year. We don't expect RRR cuts or LDR increases, but guidance from the PBOC is likely to be more accommodative. Still, we think the objective will be to slow credit growth further but to encourage the redirection of credit to more efficient uses, including to private enterprises. We expect M2 growth will slow to 12% from 13.6% last year. There may be scope for more stimulus: we expect CPI inflation to slow to 2.2% this year from 2.6% last year. Similarly, we think fiscal policy will be modestly expansionary, supporting investment growth by increasing infrastructure and social services spending.

With imports growing more slowly than exports, we see the current account surplus rising to 2.2% of GDP. We therefore remain biased towards expecting RMB appreciation and forecast a 2% appreciation versus the USD over the next 12 months.

We see three main risks to the outlook: 1) the recovery in export growth stalls because G3 growth disappoints; 2) credit conditions tighten abruptly and PBOC is slow to respond or unable to respond; and 3) property prices fall as a consequence of financial distress among developers.

DISCLOSURES AND ANALYST CERTIFICATIONS ARE LOCATED IN APPENDIX 1. MICA(P) 054/04/2013.

2014: a year of economic rebalancing

New economic agenda with multiple goals

In recent weeks, investors have been treated to a litany of bad news from China: disappointing Jan-Feb economic data, the first ever default in the domestic bond market and another default in the trust sector. With slowing money supply and credit growth, fears of a 'hard landing' or systemic crisis have been re-ignited. We remain of the view that such concerns are exaggerated. The increasing profile given to credit events reflects, we think, a desire to educate depositors about risk more than a genuine increase in risk. Nevertheless, the weaker economic data cannot be ignored and we have revised down our forecast for 2014 GDP growth to 7.8% from 8.6% previously and our CPI inflation forecast to 2.2% from 3.7% previously. This represents a mild pickup in growth in 2014 in both real and nominal terms relative to 2013, albeit less dramatic than we previously expected.

We estimate that the Jan-Feb data are consistent with GDP growth slowing to about 7.4%yoy in Q1 from 7.7% in Q4. With growth slowing towards the bottom of the government's 7%-8% comfort zone, this weakening momentum is likely to elicit a policy response. The decline in interbank rates in recent weeks may be the initial monetary component of this stimulus. Recent approvals of RMB142bn in government investment for five railway projects may be the beginning of the fiscal component. We think the government may also seek to accelerate growth-enhancing reforms, especially liberalization of private investment.

But we expect any stimulus to be very modest. The slowdown is largely the outcome of the government's efforts to rebalance the economy's structure and senior policymakers have frequently noted that rebalancing is likely to depress activity in the near term. What they will seek to do is to support growth to prevent an increase in financial risks and to ensure adequate employment growth. Aggressive monetary stimulus could, to be sure, boost growth rapidly, but at the cost of the rebalancing agenda. So the reform agenda constrains the policy response in some ways but also shapes the response towards accelerated liberalization in a bid to support growth through means other than traditional stimulus.

We think Q1 is likely to be the trough for growth this cycle, then, in part because we see a policy response aimed at providing a little stimulus. More important, though, we expect the external sector to re-emerge for the first time in four years as a source of growth in the economy. Exports grew at an annualized rate of about 17% over the last six months of 2013 and we expect that as US activity recovers from its winter chill the apparent pause in Chinese export momentum so far this year will be replaced by renewed growth. We look for net exports to contribute about 0.6ppts to GDP growth this year, a forecast that we view as conservative.

The return of exports as a source of growth will allow the government to hasten its reforms, effectively trading off higher external demand growth for slower investment growth at home. So readers will note that in our new forecast, the main change to domestic demand growth has been to forecast a slower rate of growth of investment this year where previously we expected a slight increase.

It is our belief that the government no longer has a singled-minded pursuit of GDP growth, but a balanced consideration of employment, social and

environmental issues, structural adjustment, and financial system soundness will shape policy. Two themes dominate the reform agenda, in our view: expanding the scope of the private sector and ensuring that the financial system supports the aspirations of private investors. This also likely means weaning state owned enterprises off easy credit. But there are important social aspects to development: facilitating rural-to-urban migration, ensuring the provision of an adequate social safety net and education and health services. The government's plans for reform in the coming five to ten years are dramatic and what they need is stability of growth more than a high rate of growth.

Rebalancing to continue in 2014

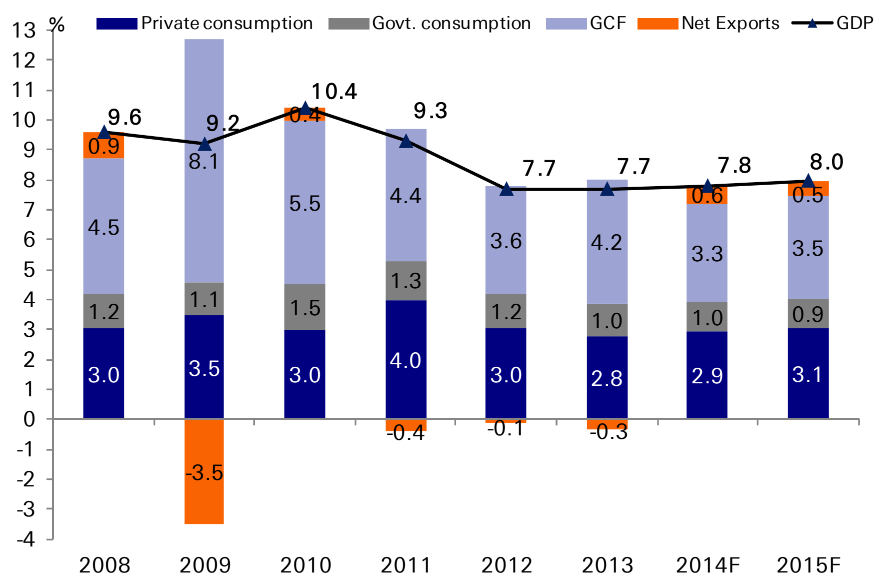
As we noted above, we expect the recovery in GDP growth to be driven mainly by rising export growth. We think consumption growth will be modestly higher this year, despite the apparently slow start to the year, as income growth picks up. We expect investment growth will continue to slow down – to rates that are in some respects very low by Chinese historical standards. But that is what rebalancing requires. The slower rate of investment likely dominates any reduction in the savings rate and we expect this means the current account surplus will widen as imports grow more slowly than exports.

Specifically, we expect real private consumption growth to rise to 8.1%yoy, up from 7.7%yoy in 2013, contributing 2.9ppts to overall real GDP growth (Figure 1). We expect government consumption growth to decelerate to 7%, contributing only 1.0ppt to GDP growth. We forecast 11%yoy growth in urban households' disposable income, up from 9.7% 2013 and slightly higher than our forecast of nominal GDP growth of 10.5%. We believe that rising incomes are gradually setting the stage for a consumption driven economy although it may not be apparent for a few more years.

We expect real gross capital formation (GCF) growth of 7% in 2014 down from an estimated 9% in 2013 and the slowest growth in at least eight years. The need to work out overcapacity in some sectors – particularly in heavy industry – and a likely slowdown in property investment growth will lead to a significant decline in the growth contribution from investment to 3.3ppts from 4.2ppts last year.

This will be possible because we expect real exports to grow 11% this year, up from 6.5% last year due to a pickup in growth in the advanced economies, especially the US and Europe. But with slowing investment growth, we expect imports to grow only 10% this year. Hence, we forecast a 0.6ppts contribution to real GDP growth this year from net exports. This follows three years in which net exports have been a drag on growth as imports have grown faster than exports.

Figure 1: Contribution to GDP growth rate



Source: Deutsche Bank, CEIC, Haver Analytics

We expect fixed investment growth slow to 17% in 2013

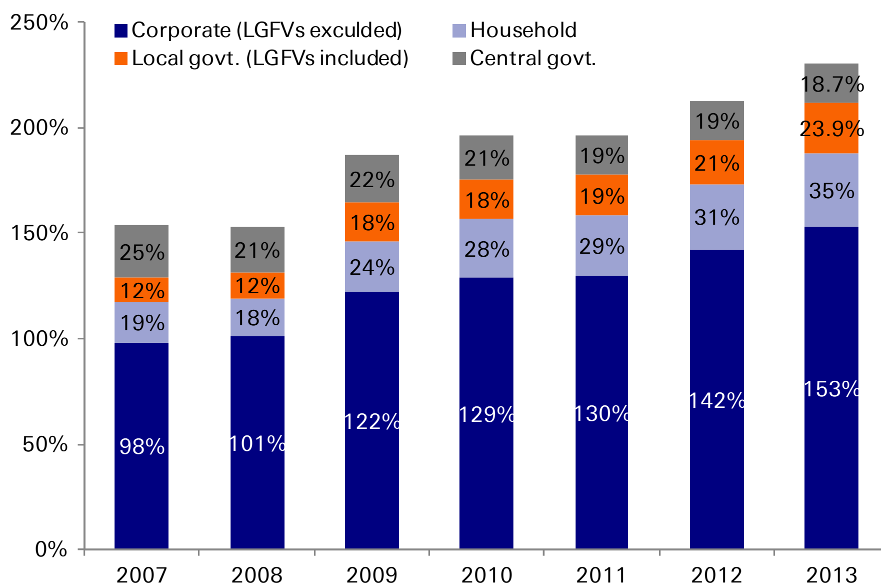
We expect that FAI growth will moderate to 17% from 19.7% in 2013, as the government focuses on economic restructuring and rebalancing than on the pursuit of investment-led growth. We expect a continued suppression of investment growth in heavy industries and other sectors with significant over-capacity, as well as in government spending, due to financial sector reforms and the anti-corruption drive. Financial liberalization, including further deposit rate liberalization, which we expect this year, could push SOEs' funding costs higher – especially as greater recognition of credit risk in the bond market has made it easier for banks to raise interest rates on loans to less financially secure SOEs. While this is an important contribution to improving the efficiency of capital allocation, it does carry a negative growth impact. To some extent, this will be mitigated by the increase in the share of lending to private enterprise, often at interest rates that, while substantially higher than those charged to SOEs are lower than these private companies have historically faced.

A deceleration in investment growth is necessitated by the current high level of leverage in the SOE sector, the poor mix of the investment, the unbalanced economic structure, as well as frictions in the economy. It is clearly beneficial for China to deleverage its SOEs sooner than later.

- Economic rebalancing requires a deceleration in investment growth. China is much more leveraged than it was pre-crisis. Over the past five years, China's total debt to GDP ratio has risen to 230% from 150% in 2008, mostly driven by the build-up of corporate debt (Figure 2). The local government debt to GDP ratio doubled in the past five years and reached 24% by the end of 2013 while central government to GDP ratio remained stable during the same period.

  Within the 230% of total debt to GDP ratio in 2013, 153% is debt owed by non-LGFV corporates via loans, bonds and shadow banking credits, 35% is household debt (mostly housing and auto mortgage loans), 24% is local government debt and 19% is central government debt.

Figure 2: China debt as % of GDP



Source: Deutsche Bank, CEIC, Haver Analytics, NAO

- We expect a healthier mix of FAI growth outlook in 2014. China has no shortage of investment spending, obviously. The problem, though, has been with its quality. The solution is to remove the subsidy on investment by SOEs and to reallocate capital to more efficient investors in the private sector. But some government expenditures are worthwhile and will require continued financing, especially in healthcare, education, transportation, clean energy, environment, internet and etc.

We categorize the FAI into several major components: manufacturing, mining, transport infrastructure, real estate, social services and agriculture for further assessment. In total, they accounted for 82% of total investment.

In 2013, we saw a healthy trend of FAI growth in sectors like manufacturing, transport infrastructure, social services, and real estate (Figure 3). Manufacturing FAI growth decelerated from 22% in 2012 to 18% in 2013. Investment in transportation infrastructure accelerated from 11% in 2012 to 19% in 2013, which was a major component of the government's stimulus measures. Investment in social services (including water conservancy, environment & management, education and healthcare) rose to 26% in 2013 up from 19% in 2012. The real estate sector had steady FAI growth of 21% in 2013. However, mining investment grew slightly faster -- 12% in 2013 versus 11% in 2012 – which we think runs contrary to the government's plans for consolidation.

Given that over-capacity still persists in heavy industry (e.g. steel, shipbuilding and aluminum) and mining (especially coal), we expect FAI growth in manufacturing and mining to decline to 16% and 6% respectively. The slowdown in manufacturing FAI will be attenuated by a rebound in exporters' investment, but this represents a relatively small share of manufacturing investment (perhaps about 20%). We expect to see an increase in FAI growth in infrastructure, particularly in transportation, reflecting the emphasis on growth of small and medium-sized cities and new city clusters and on strengthening connectivity among city clusters. In light of the new urbanization plan and environmental campaign, we expect FAI growth in social services to remain at the high level of 25%.

We expect real estate investment growth to moderate to 17.0%, due to likely slowing housing price inflation, tighter credit conditions (especially in the shadow market), and over-supply conditions in lower tier cities.

Figure 3: FAI growth rate by sector

	Manufacturing	Mining	Transport infrastructure	Transport infrastructure: railway	Real estate	Social services (environment, education, healthcare)	Agriculture	Others	Total FAI growth
Growth 2012	22%	11%	11%	5%	22%	19%	33%	24%	21%
Growth 2013	18%	12%	19%	8%	21%	26%	3%	22%	20%
Growth 2014	16%	6%	20%	10%	17%	25%	10%	16%	17%
Weight 2013	*34%*	*3%*	*8%*	*1%*	*26%*	*11%*	*2%*	*16%*	

Source: Deutsche Bank, CEIC

Exports is the main driver of recovery

We remain positive on China's export outlook this year on improving external demand especially from the US and the Euro area, and we expect real export growth will recover to around 11% in 2014 and 12% in 2014, up from around 6.5% in 2013. We forecast G3 GDP growth (weighted by Chinese exports to these destinations rather than their GDP) will increase from 1% in 2013 to 1.9% in 2014, and to 2.5% in 2015.

- **China still remains a highly competitive exporter**, according to a 2013 survey done by Deloitte and the US Council on Competitiveness, although RMB appreciation and rising unit labor costs over the past couple years have weighed on competitiveness. The latest data suggest that China continues to gain market share in major economies: the US Census Bureau data indicate that the share of US imports from China has risen from 18.7% in 2012, to 19.4% in 2013 and further to 20.7% in January of 2014. As for the Euro Area, the share of imports from China stabilized around 11.8% in 2012-2013 but recently picked up to 12.9% in January 2014.
- **We expect that export growth will accelerate in Q2 and well into 2015** given the following: 1) the recent soft export growth is mainly cyclical and influenced by the high base effect due to over-invoicing in the beginning of the last year, and external demand will improve significantly; 2) RMB appreciation in REER terms decelerates in 2014, compared with the 6% of RMB in REER term; 3) reforms such as those in the Shanghai Free Trade Zone should provide additional upside to exports in the medium term.

  Our forecasts for export growth are based on the sensitivity analysis published on 8 October 2013 "China exports to accelerate", which shows that external demand growth remains the most dominant factor driving export growth: every 1% increase in external GDP growth increases China's real export growth by 3.4ppts.

  On a quarterly basis, we expect real export growth to gradually recover from 2% in Q1, to 8% in Q2, further to 14% in Q3 and to 17% in Q4, after the negative base effect (due to 'overinvoicing' in Jan-Apr of 2013) diminishes. We expect real imports to grow by 10% in 2014 and 11.5% in 2015, implying nominal growths of 12% and 14% respectively. Given these sets of exports and imports expectation, net export contribution to GDP is 0.6ppts to 2014 GDP growth, 0.5ppts to 2015 GDP growth.

Macro policies

At the same time as we have lowered our growth forecasts, we have lowered our inflation forecasts. We expect CPI inflation to average 2.2% this year, rising to 3.0% in 2015. We think in the near-term inflation will slow to 1.7% from 2% in February and then gradually rise in the second half of the year to 2.8% in December. With the PBOC's forecast/target of 3.5%, this means we see scope for an easing of monetary policy this year.

Since the middle of last year, credit conditions have been getting tighter, reflected in the decline of growth rates of various liquidity measures, e.g. M2 growth dropped to 13.3% this February from 14.5% in mid 2013, bank credit growth slowed down to 14.2% this February from 14.5% in mid-2013, non-bank financing stock growth declined to 25.4% this February from 36% in mid-2013. Over the same period, the cost of borrowing in the bond market has risen: e.g. yields on 3Y AAA rated corporate bonds went up by 120bps, 3Y AA corporate bond yields rose by 170bps and 1Y RMB WMP yields rose by 100 bps.

But monetary conditions remain accommodative, especially lately, with both the 7D SHIBOR and 7D repo rate at an average of 3% in March, a level much lower than the average rate of 4% in 2013. The "disconnect" between conditions in the interbank market and markets for corporate financing is probably due to the development of non-banking financing activities and the re-pricing of credit instruments. Moreover, the excess reserve ratio is likely to be between 2.5% and 3% in March (Dec 2013 was 2.3%). So there seems to be no need for aggressive monetary easing – for example cutting the RRR -- unless growth slows significantly more, although there are tools that can be utilized, such as window guidance on lending or an increase in the loan-to-deposit ratio to try to fine tune monetary conditions.

Still, we expect further declines in the growth rates of various measures such as M2, the stock of bank loans and the stock of TSF over the course of 2014. We expect the growth of bank credit will slow to 12.4%yoy by the end of 2014, down from 14.1% at the end of 2013. We expect new loan creation of RMB8.9tn in 2014, the same as in 2013. Growth in the stock of TSF is expected to decline to 16.5% by the end of 2014. This implies a flow of new TSF of RMB19tn, up from RMB17.3 trillion in 2013, within which non-bank TSF increases by RMB9.1tn up from RMB7.8tn last year. The stock of non-bank TSF will likely grow by 26% in 2014, slightly slower than the 28% in 2013. M2 growth is expected to decelerate to 12% by the end of 2014 from the 13.6% in Dec.

Financial sector reforms

We expect China to deepen financial reforms in 2014. Major reforms and liberalization will include the opening up of the banking sector to private investment, issuance of local government bonds and development of securitization products, interest rate liberalization, and capital account liberalization. On interest rate liberalization, we expect China to establish a deposit insurance scheme, to widen the deposit rate ceiling (to at least 1.2 times the benchmark deposit rates) and to expand the number of issuers of certificates of deposit (CDs).

These reforms will likely raise the cost of funding for banks and their traditional borrowers (i.e., SOEs). In the CD market for example, our analysis shows that the pricing of the first interbank CDs issued by ten commercial banks seems rich by 40-50bps. As we expect more medium- to smaller-sized banks and foreign banks to be permitted to issue CDs in 2014, more frequent issuance

and trading of CDs will help rationalize the pricing relationship and improve the pricing discovery of the CDs and SHIBOR fixing rates.

Accordingly, we expect interest rates to rise in 2014 against the backdrop of more default events of credit products, government bond supply risk and headwinds to the banking sector amid interest rate reforms and new regulations aimed at reducing shadow banking activities. As a result, funding allocation in the financing system will be ameliorated, the deleverage of over-capacity sectors will be expedited while qualified borrowers, esp. those in under-capacity sectors and those in the private sector will be granted more access to funding.

An expansionary fiscal policy with front-loading spending

The budget deficit of the general government (including central and local) is set at RMB1.35tr (including RMB950bn for the central government and RMB400bn for local governments), up from RMB1.2tr last year. These numbers represent a slight expansion of the fiscal stance. Given that budgeted fiscal spending is about 23% of GDP in 2014, the timing of spending can have a meaningful impact on the growth pattern and can be particularly stimulative when the economy is at a cyclical low point. Given the current downward pressure on growth, we see the higher possibility for government to quicken the pace of its planned fiscal spending.

And we think there is room for government to expand the fiscal spending, in particularly in areas like environmental, healthcare, education, social housing, as well as public infrastructure.

CNYUSD to appreciate 2% over next twelve months

The RMB has depreciated about 2.6% against the USD since the PBOC's cross-border RMB business work conference on Feb 18, which emphasized the need to further increase the flexibility of the RMB exchange rate. And on March 15, the PBOC widened the daily trading band of USDCNY to +/-2% (up from previous +/-1%) around the fixing rate effective from March 17. We believe the depreciation was likely engineered by the PBOC for the purpose of deterring speculative capital inflows by introducing higher volatility and reducing the attractiveness of the RMB carry trade.

China has been experiencing significant net capital inflow in 2013, especially since last September, due to the one-sided 2.6% appreciation of CNYUSD in 2013 and the large interest rate gap between RMB and US dollar denominated instruments. The foreign exchange purchased by financial institutions reached RMB2.78tn in 2013, suggesting a robust net capital inflow for China. Even with a trade deficit of RMB140bn, this February still saw a net capital inflow of RMB128bn.

In the near term, the RMB may continue to face moderate depreciation risk against USD due to an unwinding of the short dollar positions. We don't think it is the PBOC's intention to establish a depreciation trend for the RMB against US dollar, and the risk of a disorderly CNYUSD depreciation process is manageable with the USD3.8tn worth of foreign exchange reserves held by the PBOC. The PBOC emphasized that the trading band widening won't lead to sharp depreciation or appreciation in the short term, with its spokesman saying that "China's controllable fiscal financial risk and ample FX reserves have also minimized the possibility of substantial depreciation. Should the exchange rate fluctuate abnormally, the Central bank will implement necessary operations and management to maintain the rate normal".

We forecast a 2% appreciation of the RMB against USD over the next twelve months and an increase in its two-way volatility. We believe a bullish view on the currency is justified by the following. First, China's economic growth will remain stronger than all other major economies, and would thus continue to attract foreign investments. Second, Chinese interest rates will remain higher than corresponding rates in the US, Europe or Japan and those of its neighbors' and could rise even more than those rates. Third, reforms to open up the capital account will make it easier for these capital flows to come through formal channels into the domestic equity markets and the interbank bond market. Fourth, we expect China will reduce its market access restrictions on foreign investment via implementing a "negative list" system, as has already been proposed for the Shanghai Free Trade Zone. This reform should boost foreign investments in domestic market. Finally, stronger G2 growth this year should push up Chinese exports and lead to a stronger trade surplus, which will in turn be supportive of a stronger RMB.

In terms of the outlook of future RMB exchange rate policies, we see a gradual shift in RMB exchange rate policy towards managing RMB against a proper basket of currencies as was originally planned in 2005. In a generally strong USD environment, which we expect for the coming few years, this will gradually bring to an end the trend appreciation of the RMB against the USD even if the currency appreciates on a trade-weighted basis.

Risks

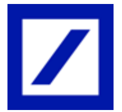
We see three major risks to our GDP forecasts and assess their potential implications in the following.

1) Export growth doesn't hold up. There are two underlying assumptions on the external side for us to reach the forecasts of 11% real export growth in 2014, namely, about 1ppt higher GDP growth for the G3 and recovery in import demand in those countries. Should that fail us, we think Chinese GDP growth would likely be about 7.3% -7.5%, in which case credit tightening will be less aggressive than what we forecast in our base case scenario.

2) Credit tightening worsens and sharp rises in the costs of funding for corporate. We have been witnessing a “transmission breakdown” between money market rates and longer-term bond rates. Should such “transmission breakdown” become even more profound and credit tightening worsen sharply, corporates’ financing situation will further deteriorate, which could cause factories to shut-down, more defaults on those LGFVs, trust products as well as bonds.

   It may be premature of us to claim that the appeared “transmission breakdown” indicates the ineffectiveness of the traditional monetary tools of repo/reverse repo and etc, given that several reforms have been going in parallel in China’s financial market. One simple reason for this recent “transmission breakdown” could be that there has been some deposit competition between banks and internet finance and money market funds, which is also a natural outcome of the financial liberalization, funding pressure has forced banks to extend durations and take more credit risks. And continuing re-pricing the risks for the credit instruments due to more credit events in the rest of the year, will cast upward pressure on the cost of funding in general.

   Should credit conditions tighten much more, an increase in the LDR and cuts in RRR are likely.



3) A sharp decline in property prices.

Overall, the average increase in the 70-city housing price index was about 6% in 2013, and 8.2% this February. Compared with the growth rate of disposable income, affordability has improved marginally. The risk of a sharp decline in property prices lies perhaps in real estate developers having to dump properties in response to tighter credit conditions. This would both drag down residential investment (which is 25% of total FAI) and impart a negative wealth effect on consumption.

Figure 4: China: Deutsche Bank forecasts

	2012	2013F	2014F	2015F
National Income				
Nominal GDP (USD bn)	8389	9358	10516	12002
Population (mn)	1354	1362	1369	1374
GDP per capita (USD)	6196	6871	7682	8735
Real GDP (YoY%)[1]	7.7	7.7	7.8	8.0
Private consumption	8.4	7.7	8.1	8.4
Government consumption	8.7	7.7	7.0	7.0
Gross capital formation	7.7	9.0	7.0	7.4
Exports	2.8	6.5	11.0	12.0
Imports	3.7	8.5	10.0	11.5
Prices, Money and Banking				
CPI (YoY%) eop	2.0	2.5	2.8	3.2
CPI (YoY%) ann avg	2.6	2.6	2.2	3.0
Broad money (M2)	13.8	13.6	12.0	12.0
Bank credit (YoY%)	15.0	14.1	12.4	11.0
Fiscal Accounts (% of GDP)				
Budget surplus	-1.6	-2.1	-2.1	-1.5
Government revenue	22.7	22.9	23.0	23.0
Government expenditure	24.3	25.0	25.0	24.5
Primary surplus	-0.9	-1.3	-1.3	-0.8
External Accounts (USD bn)				
Merchandise exports	2048.8	2170.3	2500.9	2907.5
Merchandise imports	1818.1	1937.3	2212.8	2561.3
Trade balance	230.7	232.9	288.1	346.2
% of GDP	2.8	2.5	2.7	2.9
Current account balance	193.0	188.6	231.4	276.0
% of GDP	2.3	2.0	2.2	2.3
FDI (net)	140.0	120.0	110.0	85.0
FX reserves (USD bn)	3312.0	3690.0	3800.0	3930.0
FX rate (eop) CNY/USD	6.3	6.1	6.1	6.0
Debt Indicators (% of GDP)				
Government debt[2]	19.0	18.9	18.0	17.5
Domestic	18.5	18.4	17.5	17.0
External	0.5	0.5	0.5	0.5
Total external debt	10.4	9.9	10.5	10.4
in USD bn	830.0	930.0	1100.0	1250.0
Short-term (% of total)	65.0	60.0	60.0	60.0
General (YoY%)				
Fixed asset inv't (nominal)	20.3	20.0	17.0	15.0
Retail sales (nominal)	14.4	13.2	13.2	14.0
Industrial production (real)	10.0	9.7	9.5	10.0
Merch exports (USD nominal)	7.9	7.9	15.2	16.2
Merch imports (USD nominal)	4.3	7.3	14.2	15.8
Financial Markets	Current	3M	6M	12M
1-year deposit rate	3.00	3.00	3.00	3.00
10-year yield (%)	4.48	4.70	5.00	5.00
CNY/USD	6.20	6.17	6.14	6.08

Source: CEIC, DB Global Markets Research, National Sources
Note: (1) Growth rates of GDP components may not match overall GDP growth rates due to inconsistency between historical data calculated from expenditure and product method. (2) Including bank recapitalization and AMC bonds issued

Appendix 1

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