

# Asia Economic Weekly

## 亚洲经济周报

Issue No. 26

(2017.06.30-2017.07.07)

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**Highlights:** The Belt and Road Initiative will likely benefit many Chinese companies, but has widespread implications for other countries in the region and beyond. While some countries in Asia are likely to see the biggest initial impact, eventually Africa would become a key beneficiary even the African countries are not in the direct path of the “One Road”. Countries in Europe could also benefit once the program is completed and new trade and investment linkages expand.

**Research and Training Institute**

**Boao Forum for Asia**

**博鳌亚洲论坛研究院**

## **【Weekly Review】**

### **China's Belt and Road Initiative: Building Roads to the Future**

The Belt and Road Initiative will likely benefit many Chinese companies, but has widespread implications for other countries in the region and beyond. While some countries in Asia are likely to see the biggest initial impact, eventually Africa would become a key beneficiary even the African countries are not in the direct path of the “One Road”. Countries in Europe could also benefit once the program is completed and new trade and investment linkages expand.

## **【Economic Developments】**

**China: PBOC to maintain prudent, neutral monetary policy**

**China: Four characteristics in retail in first 6 months**

**China: Combined income from leasing land in 300 cities was near 1.5 trillion yuan in first half year**

**Japan: May industrial output falls at fastest pace in 6 years**

**Japan: Labor shortage hits 43-year high**

**South Korea: Imports and exports improves in first 6 months of 2017**

**South Korea: To seek national unification pact regardless of political inclination of government**

**South Korea: To keep increasing tax rate on coal**

**Hong Kong: Playing bigger role in promoting Renminbi internationalization**

**Singapore: Economic growth likely to be higher than last year**

**Thailand: Central bank expects private investment to pick up in second half of this year**

**Thailand: Post a 231.6 billion baht budget surplus in first 8 months of 2017**

**Vietnam: Foreign exchange reserves increase to \$42 billion in first half of 2017**

**Vietnam: To see electricity price hikes**

**Philippines: Lead ASEAN's manufacturing PMI index in June**

**Pakistan: Inflation increases by 4.16 percent in FY2016-17**

**Saudi Arabia: Economy falls for first time since financial crisis**

**U.K.: Real household disposable income falls for third quarter in a row**

**France: Internal and external factors give a window of opportunity for reforms**

**Germany: Unemployment remains at record low in June**

**U.S.: Manufacturing sector activity expands in June, suggesting economy to rebound in second quarter of this year**

### **【Trade & Investment】**

**China, Russia: Constantly unleash potential for economic and trade cooperation**

**Thailand: Wheat imports can't be stopped**

**U.S. car exports to South Korea grow faster than its imports from South Korea**

**South Korea and U.S. do not get together on renegotiating free trade deal and have to reconcile trade differences**

## **【Regional Cooperation】**

**G20 Summit: To make free trade and inclusive growth a key focus**

**ASEAN-China Tourism Cooperation Forum announces 50 golden travel routes**

**Australia, New Zealand to launch free trade negotiations with Pacific Alliance**

**European leaders reiterate support for free trade and Paris Accord**

## **【Authoritative Forecasts】**

**European Central Bank: China's growth making greater contribution to world**

**McKinsey & Company: Africa benefits from Chinese investment**

**KPMG: 90 percent of China's CEOs go bullish on growth prospects**

**Nomura: Malaysia's economy expected to grow at 5.3 percent attributable to stronger exports, stabilizing politics**