

**Korean firms to cut capital spending in first 6 months**  
**Malaysian Insider**  
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Capital spending by South Korean companies is expected to decrease on a quarterly basis during the first half of this year, minutes from the Bank of Korea's latest policy meeting showed today, underscoring the fragility of the country's economic recovery.

Capital investment, such as spending on factories and equipment, was estimated by the central bank to have grown 6.4% in the final quarter of 2013 over the previous quarter.

But such investment is expected to fall slightly quarter-on-quarter in the first two quarters of 2014, the minutes of the February 13 meeting quoted a central bank official as saying, without providing specific estimates.

However, capital spending is expected to pick up quickly and grow again in the second half of the year, the official told board members when asked whether investment would stay low for an extended period, according to the minutes.

On a year-on-year basis, the Bank of Korea had forecast in January that capital spending would jump 8% in the first half of the year, before slowing to annual growth of 3.7% in the second half.

The Bank of Korea kept interest rates steady for a ninth straight month in February, as uncertainties outside the country including volatility in emerging countries posed a risk to the local economy's recovery. – Reuters, March 4, 2014

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