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## Macroeconomic indicators - China grows by more than 7pct in 9 months

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According to a top economic official China economy expanded more than 7 percent in the first nine months of the year and will certainly surpass the 2009 growth target of 8 percent

Mr Xiong Bilin a top economic planner said China is due to release official Q3 economic data on Thursday. But in a briefing Monday in Beijing, he said the growth rate for January to September would be a bit above 7%.

Mr Xiong a deputy director of the National Development and Reform Commission said "Achieving a growth rate of 8 percent for the year is basically no problem."

Statistics for September showed improving trade, housing sales, manufacturing and car sales. The data suggest that resilience in retail sales and industrial production are helping offset the blow from falling exports to China's economy.

Separately, Mr Yu Bin a senior researcher with the Cabinet-affiliated Development Research Center told a conference over the weekend that growth was forecast to exceed 9 percent in the H2 of the year. He said that "The internal and external environment for China's economic growth will be better next year."

Mr Zhou Lin an analyst for Huatai Securities in the eastern city of Nanjing said "All the data released were better than expected, so investors are optimistic that Chinese economy has gathered pace in the Q3."

Mr Xiong of the NDRC, pointed to the government CNY 4 trillion stimulus package, announced late last year as a key factor in helping the economy bounce back from the global financial crisis. But he noted that the stimulus package which is focused mainly on construction projects had also worsened China's chronic problems with overcapacity in important industries such as cement and steelmaking.

Mr Xiong said "The economic rebound is at a critical stage and our focus must be on stable growth and structural adjustments."

The government issued a notice Monday ordering tighter curbs on six industries following an initial announcement in late September. The industries include steel, cement, flat glass, coal chemicals, polysilicon and wind power equipment production. In a move to cut off financing for redundant projects, the country mostly state-controlled banks were ordered not to lend to projects that violate government guidelines.

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