
Rays of recovery - China industrial output in Q3 up by 12pct YoY

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Xinhua reported that China industrial output rose 12.4% in the Q3 from a year ago as the economy has seen a consolidated recovery in growth with massive government spending.

According to the data released by the National Bureau of Statistics, the figure was up by 8.7% YoY in January to September 6.5 percentage points lower than that of a year ago. Production of state owned and state holding enterprises was up by 4.1% and that of collective owned businesses gained 7.9%. Output of enterprises involving overseas investment advanced 3.4%.

From January to August, the profits of major industrial producers were CNY 1.67 trillion down by 10.6% YoY and 12.2 percentage points lower than the figure for the first five months. Although industrial production has not returned to the level before the global economic crisis overcapacity has become a prominent problem for such sectors as iron and steel making as well as some chemical industries.

Mr Zhao Jinping a researcher with the Development Research Center of the State Council or Cabinet said the government had basically achieved its goal of stimulating domestic consumption, but fell short of its intention of industrial restructuring.

Mr Zhao also noted some industries with high energy consumption and high pollution levels continued to operate despite repeated warns. He said that "More decisive efforts should be made to push industrial restructuring; otherwise the stimulus measures will not be sustainable."

The National Development and Reform Commission said on October 15th that China would fight serious excess production in the sectors of steel, cement, plate glass, coal chemical industry, polycrystalline silicon and wind power equipment. It said such problems in sectors like electrolytic aluminum, ship manufacturing and soybean oil extraction were also obvious.

(Sourced from Xinhua)

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