
Macroeconomic indicators - Chinese PMI of manufacturing rises to 55pct

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The China Federation of Logistics and Purchasing said the Purchasing Managers Index of China manufacturing sector rose to 55.2% in October up by 0.9 percentage points from the previous month.

The index was 0.6 percentage points higher than the number in September when the PMI edged up only 0.3 percentage points to 54.3%. It was the eighth month in a row that the PMI reading stayed above 50.

A reading of above 50 suggests expansion, while one below 50 indicates contraction. The PMI includes a package of indices that measure economic performance.

The survey, conducted by the National Bureau of Statistics covers purchasing and supply managers in more than 700 firms across China. The CFLP launched the PMI in 2005. The production index in the PMI reached 59.3% in October the highest level since last May.

October new export index rose to 54.5% up by 1.2 percentage points from the previous month. The import index last month jumped 2.1 percentage points to 52.8% the record monthly high since last April.

Nineteen out of the 20 surveyed sectors reported a PMI index above 50% last month.

Mr Zhang Liquan a researcher with the Development Research Center of the State Council said the continuous rise of the PMI reading last month was a reflection of the fact that China's economy was on upward track.

He said that the fast increase of the import index indicated that China's domestic demand was expanding fast. The export index also rose, which meant China's exports were continuing to increase.

He added that "These figures mean that China's economic growth will continue to accelerate in the next few months. Growth of the gross domestic product is expected to reach around 9.5% in the Q4 this year."

(Sourced from China Daily)

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