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## Macroeconomic indicators - China to grow by 10 pct in 2010

Wednesday, 27 Jan, 2010

Reuters quoted a leading state think tank as saying that China economy is likely to grow 9.5% in 2010, topping last year's expected figure, as real estate investment buoys growth and inflation remains mild.

The State Council Development Research Centre said China economy would remain robust, as market-driven investment picked up while government-led stimulus spending slowed.

The Centre report which was published in the Chinese-language China Economic Times said "In 2010 the external environment will remain quite grim but it will not deteriorate any further. It said against a backdrop of ample production and supplies, we forecast that in 2010 there will not be marked inflation, adding that the CPI inflation index was likely to stay less than 3% for 2010."

The report adds to recent signs that Chinese officials and many experts are guardedly confident the country economy can maintain momentum in 2010, surmounting worries about inflation, investment policy and a heady housing market.

The new report written by Mr Zhang Liqun a macro-economist in the Centre, which advises the government, said while the government stimulus spending will fall off this year, investment in real estate could grow by 30% to 40% compared with 2009 and become a main force driving investment growth.

China manufacturing sector steamed ahead in December with rises in new orders and output driving the purchasing managers index to 56.6 in December from 55.2 in the previous month, pushing the key indicator to a 20 month high.

(Sourced from Reuters)

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