

China manufacturing accelerates at fastest for four years: survey

BEIJING: China's manufacturing activity expanded at its quickest pace in nearly four years in December, an independent research firm said on Tuesday, in a sign of improving health for the world's second-largest economy.



Rxabay

The private Caixin Purchasing Managers' Index (PMI), an indicator of conditions at smaller manufacturers, beat expectations with a reading of 51.9 in December, up from 50.9 the previous month.

A PMI figure above 50 marks an expansion of activity, and below 50 a contraction.

It was the survey's highest score since January 2013, the Chinese financial magazine said in a joint statement with data compiler IHS Markit.

The Chinese manufacturing economy continued to improve in December, with the majority of sub-indices looking optimistic," Caixin analyst Zhong Zhengsheng said.

December's reading was boosted by stronger demand and an increase in new clients for Chinese manufacturers, which pumped output growth to a 71-month high, it said.

On Sunday, the official purchasing managers' index (PMI), which focuses on larger factories and mines, came in at 51.4 in December, down from 51.7 the previous month, which marked its fastest growth for two years.

But stabilisation of the country's economy faces further risks ahead with Donald Trump's administration threatening to slap

China with heavy tariffs.

Analyst Zhong noted that uncertainties about the sustainability of rising consumer prices and restocking also weigh on the outlook for factories.

China's key manufacturing sector has been struggling in the face of sagging world demand for Chinese products and excess industrial capacity left over from the country's infrastructure boom.

But an upturn in the housing and construction markets thanks to cheap credit -- following a series of monetary easing measures -- has contributed to a sharp rebound in manufacturing activity.

Source: AFP

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