

Title : China records 16.6% rise in industrial output in April
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BEIJING : China's industrial output rose 16.6 percent in April from a year ago, with analysts pointing to a continued rise in domestic demand and sustained export growth.

The value-added output for state-owned and large non-state enterprises rose 16.6 percent in April from a year earlier to 682 billion yuan (US\$85 billion), the National Bureau of Statistics said Wednesday.

In the first four months of the year, industrial output was up 16.7 percent, amounting to 2.46 trillion yuan, the bureau said in a statement.

The growth in production output in April was slightly lower than growth in March, during which output increased 17.8 percent year-on-year, and about the same as the 16.7 percent output growth in the first quarter.

Mo Jian, an economist for Everbright Securities in Shanghai, said the April figures were consistent with trends seen so far in 2006.

"It shows that domestic demand is still increasing," Mo said.

Mo said the figures indicate industry was still producing at a rapid pace even as the Chinese government had been striving for years to keep growth at a moderate level in order to avoid the economy overheating.

But while supply was high, so was demand, Mo said.

"Although the supply in all in China is increasing at a fast speed, the demand is even faster. The situation that demand outweighs supply will last for a long time," Mo said.

For the month of April, enterprises were able to sell 98.04 percent of their output, up 0.19 percentage points from a year ago, the bureau said.

Huang Yiping, an economist with CitiGroup in Hong Kong, said although industrial output in April still grew at a fast rate, the government's hoped-for slowdown of the economy would eventually become more apparent.

"I think China's economy is slowing down gradually, like what the government expected," Huang said.

"With the control over investment, adjustment of loan rate and other macrocontrol measures, the slowdown will accelerate in the future."

The government has announced an overall economic growth target for this year of around eight percent, implying a significant slowdown from last year's 9.9 percent.

However the government's estimate is widely regarded as very cautious.

Targets in previous years have been easily exceeded and the economy grew 10.2 percent in the first quarter alone.

In the figures released on Wednesday, exports of industrial products rose 22.4 percent in April.

Sedan output grew 43.8 percent in April as automobile production in general jumped 21.4 percent, reflecting the importance of the auto industry for the national economy and the massive investment in this sector in recent years.

Among the main sectors, coal, crude oil and electricity production increased by 18.9 percent, 2.6 percent and 11.2 percent, respectively.

Pig iron, steel and steel products output were up 17.4 percent, 19 percent and 27.5 percent, while cement rose 19 percent.

Output for clothing and textiles were up 13.1 percent, chemicals and chemical products rose 16.9 percent, while non-ferrous metals were up 20.7 percent.

Electrical machinery production rose 14.9 percent. - AFP/ch

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