China's Manufacturing Expands For Ninth Month

BEIJING (AP) — China's manufacturing expanded in December for a ninth straight month as government stimulus spending boosted domestic demand and foreign sales rose, according to a survey released Monday.

The HSBC China Manufacturing PMI rose to 56.1 from November's 55.7 on a 100-point scale where numbers above 50 show activity expanding. That was the highest level since the survey began in April 2004.

The level of new work rose at its fastest rate in four months, while producers reported "buoyant demand" from both foreign and domestic markets, the survey said. It is based on responses from some 400 companies.

"The second-round effect of stimulus measures is filtering through to substantially benefit the manufacturingsector as we expected," HSBC's chief China economist, Hongbin Qu, said in a statement.

Beijing's 4 trillion yuan ($586 billion) stimulus program has helped boost growth by pumping money into the economy through spending on public works projects. Economic growth rose to 8.9 percent from a year earlier in the quarter ending in September and the World Bank is forecasting 8.4 percent growth for all of 2009.

A similar survey issued Friday by a Chinese state-sanctioned business group said manufacturing expanded at its fastest rate in 20 months.

The China Federation of Logistics and Purchasing said its PMI rose to 56.6 in December from November's 55.2. The group's survey is based on responses from some 700 companies.

Economists see the PMI as a better measure of future economic activity than gross domestic product because it contains forward-looking information such as new orders.

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