

The NewsLine

January 24, 2013

MACROECONOMICS | FINANCIAL MARKETS | ECONOMIC POLICY | SECTORS

CHINA

Optimism in industry up further

Gregor Eder
Phone +49.69.263-53358
gregor.eder@allianz.com
Allianz SE
<https://www.allianz.com/economic-research/en>

Sentiment in China's manufacturing sector improved further at the beginning of the new year. The purchasing managers' index for the manufacturing sector carried out by HSBC and Markit rose by 0.4 points in January to 51.9 points, its highest level for two years.

The figures published last week on economic developments in the fourth quarter 2012 – first and foremost the economic growth data – provided a picture of a slight pickup in economic momentum in the world's second largest economy. The latest survey in the manufacturing sector confirms this picture, with sentiment in Chinese industry the most upbeat it has been for two years. A look at the various sub-indices is interesting: the sub-index "export orders" lags well behind the positive development in other sub-indices such as, for instance, "total orders". This indicates that, in the coming months as well, the growing economic momentum will tend to come more from rising domestic economic activity and less from an appreciable pickup in foreign demand.

All told, we see the Chinese economy growing by an average 8.3% this year, slightly up on last year's 7.8%. Sustained growth rates of well above 8% – as was the rule until fairly recently – now look relatively unlikely given the overall complex global economic environment and against the backdrop of the economic development stage now reached.

The NewsLine

January 24, 2013

These assessments are, as always, subject to the disclaimer provided below.

ABOUT ALLIANZ

Together with its customers and sales partners, Allianz is one of the strongest financial communities. Around 78 million private and corporate customers rely on Allianz's knowledge, global reach, capital strength and solidity to help them make the most of financial opportunities and to avoid and safeguard themselves against risks.

In 2011, around 142,000 employees in some 70 countries achieved total revenue of 103.6 billion euros and an operating profit of 7.9 billion euros.

Benefits for our customers reached 86.5 billion euros. This business success with insurance, asset management and assistance services is based increasingly on customer demand for crisis-proof financial solutions for an ageing society and the challenges of climate change. Transparency and integrity are key components of sustainable corporate governance at Allianz SE.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Allianz Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changing levels of competition, (x) changes in laws and regulations, including monetary convergence and the European Monetary Union, (xi) changes in the policies of central banks and/or foreign governments, (xii) the impact of acquisitions, including related integration issues, (xiii) reorganization measures, and (xiv) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences. The company assumes no obligation to update any forward-looking statement.

NO DUTY TO UPDATE

The company assumes no obligation to update any information contained herein.