

China Sees Momentum for Trade Growth

China's commerce ministry said that the nation's trade growth is improving, adding to a rebound in lending in signaling that a slowdown in the world's second- biggest economy may stabilize. China can achieve a 10 percent gain in exports and imports this year if the world economy doesn't worsen further, spokesman Shen Danyang said at a briefing in Beijing today. Trade growth had "sound momentum" in June, Shen said. Global trade confidence is so far weathering Europe's sovereign-debt crisis, according to a survey of exporters, importers and traders released today by HSBC Holdings Plc. In China, an interest-rate cut in June, a jump in new loans in May and declines in the yuan against the dollar highlight government efforts to aid manufacturers and reverse the economic slide. "The economy will continue to face strong headwinds from the softness in both external and domestic demand," said Andrew Polk, an economist in Beijing for the New York-based Conference Board, a research organization. The yuan traded at 6.3650 per dollar as of 12:07 p.m. in Shanghai, down about 1 percent this year. A leading index for China's economy rose in May, the Conference Board said in a statement today, citing increases in lending and real-estate measures. Other data released today showed Chinese spending to build factories and buy assets overseas slowed in May. The commerce ministry said nonfinancial outbound direct investment in the first five months of 2012 rose 40.2 percent to \$28.5 billion. That's down from the January-April increase of 72.8 percent. Spending in the U.S. was up 45.9 percent in January-May from a year earlier, while it rose 23.9 percent for the European Union and 22.5 percent for Russia, the ministry said. In the HSBC survey, some 71 percent of exporters, importers and traders indicated that they expect trade volumes to be unchanged or increase in the next six months. The bank cited a survey of 5,800 enterprises in 20 countries from April 10 to June 1.