

## **Economic growth set to continue into new year**

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The country's economic growth is anticipated to accelerate into the new year, with booming factory production driving the December manufacturing survey to a 20-month high.

The rapid pace of activity is pushing up costs such as labor and raw materials to a 17-month high in the country. This will complicate the efforts of officials who want to maintain growth-friendly policies without driving inflation expectations.

The official Purchasing Managers' Index (PMI) jumped to 56.6 in December from 55.2 in the previous month.

A number of analysts expect China's economy to grow more than 9 percent in 2010, increasing worries that deflation experienced through most of 2009 will quickly flip to inflation.

However, the State Council Development Research Center said in a report that China's gross domestic product will expand by 9.5 percent in 2010 thanks to robust real estate investment and mild inflation.