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## Industrial giants post 90pc gains in March

Reuters

Profits at China's industrial firms grew sharply in March from a low base a year ago, as demand for raw materials surged along with the economic recovery, but the pace of growth slowed, official data showed yesterday.

Profits rose to 711.18 billion yuan (HK\$850.3 billion) in March, up 92.3 per cent from a year ago, when the economy was hard hit by the coronavirus crisis, data from the National Bureau of Statistics showed.

The pace of growth slowed from the first two months of the year. Profits grew 179 per cent in January-February compared with the same period last year, when coronavirus restrictions disrupted economic activity.

Strong profits in raw materials manufacturing and processing industries, in particular chemicals, metals and petroleum, helped drive overall industrial profit growth as demand picked up, according to a statement from Zhu Hong, an official at the NBS.

For the January-March period, industrial firms' profits rose 137 per cent from the same period a year earlier to 1.83 trillion yuan.

China's gross domestic product quickened sharply in the first quarter and posted record growth of 18.3 per cent, driven by stronger demand at home and abroad.

However, the data undershot the 19 per cent forecast by economists in a Reuters poll, and analysts expect the brisk expansion, heavily skewed by the virus-related plunge in activity a year earlier, to moderate later this year.

Exports rose sharply in March and imports posted their highest surge in four years last month, with factory activity and factory gate prices rising at faster-than-expected rates.

Many analysts believe exports could lose some momentum in the short term.

Industrial output grew more slowly than expected in March.