

Manufacturing PMI at 48 for Nov against 49.2 a month ago, services sector activity fell to 46.7

China adds risks to global growth as factories take a hit on Covid controls

REUTERS

Beijing, 30 November

China's manufacturing and services activities shrank further in November to seven-month lows, official data showed, stung by the country's strict Covid-19 restraints and rising infections that analysts said will hurt the economy well into 2023.

Against this backdrop, the official manufacturing purchasing managers' index (PMI) came in at 48.0 for November against 49.2 in the previous month, the lowest reading in seven months, according to data released by the National Bureau of Statistics (NBS) on Wednesday.

Separately, the non-manufacturing PMI, which looks at services sector activity, fell to 46.7 from 48.7 in October, also the lowest reading in seven months.

The 50-point mark separates contraction from growth on a monthly basis.

"Downside risks continue to grow as the virus situation continues to worsen and will weigh heavily on the economy into 2023," said Sheana Yue, China economist at Capital Economics, in a research note.

The sub-indices for manufacturing PMI including output, employment and suppliers' delivery times all shrank in November at a faster pace than the month before, the data showed.

New orders and new export orders sub-indices both fell further, largely driven by weakening domestic and foreign demand.

China's blue-chip stock index CSI300 and the Shanghai Composite Index rose slightly on Wednesday despite the sluggish factory activity, partly driven by government support policies.

Chinese authorities this month rolled out a flurry of policies to prop up the economy, including reserve requirement ratio cuts and Covid-19 fine-tuning measures, while loosening financing curbs to rescue the property sector.

The securities regulator lifted a ban on equity refinancing for listed firms, in the latest support measure for the cash-squeezed real estate sector.



Residents confront Covid-19 staff dressed in protective clothing in Shanghai, on Wednesday PHOTO: REUTERS

Covid curbs in city with key iPhone plant eased

The Chinese city of Zhengzhou shuttered hundreds of buildings and apartment blocks hours after lifting broader lockdown measures, as officials strive to make their Covid controls more targeted in line with Beijing's directives.

The city, home to Apple's largest manufacturing site in China, said late Tuesday that it was lifting a lockdown of its main urban areas put in place five days ago as Covid cases climbed.

Authorities then issued a lengthy list of buildings that would be declared high risk spanning the greater Zhengzhou region, which means they will continue to be subject to lockdown-style curbs. **BLOOMBERG**

Locked-down South China caught in violent protests

Residents in the southern Chinese manufacturing city of Guangzhou clashed with police on Tuesday night, footage posted on social media showed.

Dozens of protesters in the city's Haizhu district were seen throwing objects at cops in hazmat suits. Police fired what appeared to be tear gas at a group of protesters in an alley.

In response Guangzhou became the latest to announce an easing of curbs on Wednesday and lifted lockdowns in most parts of the city, including those hit by rioting, replacing them with targeted restrictions as officials try to rein in excessive curbs. All but one of city's 11 districts ended the measures. **BLOOMBERG**

IN SOLIDARITY

Protests seen across globe

Protests over Beijing's strict covid response have spread from China to cities and college campuses around the world to show solidarity with the rare anti-government demonstrations erupting across the country.

In Taiwan, people gathered with candles at the vigil, and held up blank sheets of paper and chanted: "China needs freedom," "Give me liberty or give me death," "Rest in peace for the dead" and "Continue to fight."

In Britain, more than 100 protesters gathered outside the Chinese Embassy in London late Sunday.

In US, College campuses across the United States are also planning vigils. In Canada, a video filmed outside the Chinese Consulate in Toronto and posted to Twitter on Sunday showed Mandarin-speaking demonstrators chanting slogans.

In Japan, about 90 people gathered for a vigil in Tokyo on Sunday to commemorate the victims of the Urumqi fire **AGENCIES**