



Video transcript

PMI: China slowdown

Falling demand for manufactured goods across Europe and the US contributed to a difficult June for China's manufacturing industry, with HSBC's latest PMI™ reading coming in at 48.2.

That compares to 49.2 in May – and represents the second month in a row the index has been below the key 50 mark, which signifies an industry contracting.

A breakdown of the components that make up the PMI™ reveals the rate of new business from abroad decreased at its fastest rate since September 2012 – coming in at 44.9, down four points on the previous month.

The slowdown in growth is set to continue as manufacturers face tighter lending conditions, according to Qu Hongbin, HSBC's Chief Economist for Greater China.

“As Beijing refrains from using stimulus, the ongoing growth slowdown is likely to continue in the coming months.”
The July HSBC Flash China PMI™ is due for release on 24 July.