## Video transcript

## Sharp improvement for China as 2012 ends

Chinese manufacturers enjoyed a strong end to the year, with the latest Purchasing Managers' Index™ hitting 51.5 in December – suggesting operating conditions improved at their fastest rate for 19 months.

The reading is significantly higher than November's 50.5 and ensures the industry ends 2012 on the up after a difficult year.

Fifty illustrates the difference between an industry shrinking or growing, and November and December's readings are in stark contrast to the rest of the year when the index remained rooted below the 50 mark.

A closer look at the building blocks that make up the index reveals the level of new export orders are down, suggesting it is domestic demand that is helping ensure a positive light shines on the industry.

HSBC's Chief Economist for Greater China, Qu Hongbin, believes the latest figures bode well for the coming year.

"Such momentum is likely to be sustained in the coming months when infrastructure construction runs into full speed and property market conditions stabilise."

China's next Flash PMI™ is due for release on 24 January.