Video transcript

Chinese pace quickens, Flash PMI shows

China's manufacturers are enjoying their best trading conditions for two years according to HSBC's latest Flash PMI™.

January's headline figure of 51.9 compares to 51.5 in December and represents the highest reading for 24 months.

The number 50 signifies the difference between an industry shrinking or growing, and January's strong Flash reading suggests upward momentum has been carried into 2013.

As the Chinese New Year approaches, production and employment levels across the industry are increasing.

And according to HSBC's Chief Economist for Greater China, Qu Hongbin, it is domestic demand that's behind much of the growth.

"Despite the still tepid external demand, the domestic-driven restocking process is likely to add steam to China's ongoing recovery."

January's Final PMI reading is due out on 1 February.