China's exports rise 46%

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Migrant workers shown packing crayons at a toy factory in Dongguan, in Guangdong Province, this week. China on Wednesday reported that exports grew for the third consecutive month. - Joe Tan/Reuters

China announced Wednesday that its exports climbed 46 percent in February from a year earlier. Economists said the data signaled a rebound in consumer demand from the United States and other Western markets after the financial crisis last year.

It was the third consecutive month of increases in Chinese exports and the fastest growth in three years. Orders from the United States, the European Union and Japan accounted for almost half the growth, following a pickup in demand from emerging markets in the previous two months.

Chinese imports also rose 45 percent over the previous year, led by crude oil as factories stepped up production.

Some economists said the figures indicated China's recovery was well under way. Tao Wang, head of China research for UBS Securities, predicted that Chinese exports would rebound to the level of 2008 before China took a big hit from the global financial crisis.

She and others suggested that the robust growth could increase pressure on China to let its currency, the renminbi, appreciate against the U.S. dollar.

Western governments contend the peg to the dollar keeps Chinese exports artificially cheap and depresses competing economies. The Chinese prime minister, Wen Jiabao, said last week that exchange rates would remain "basically stable" for now.

Commerce Minister Chen Deming said in late December that the outlook for international trade remained "extremely complicated" and predicted that it could take two or three years for Chinese exports to recover to precrisis levels. A Commerce Ministry spokesman repeated that prediction late last month.

But some analysts saw a hint of a possible shift in policy in comments made Saturday by the central bank governor, Zhou Xiaochuan. He called pegging the renminbi to the U.S. dollar a "special foreign exchange mechanism" that would be abandoned "sooner or later."

February figures are harder to interpret than those for other months because of China's holiday break, which occurs early every year but not on the same date. Moreover, the comparison with the previous year could be somewhat misleading because February 2009 was a particularly bleak month for Chinese exports and imports.

Nonetheless, Moody's Economy.com, an economic research organization, said the data "reflects the dramatic improvement in the trade sector" over a year ago. Other economists said the figures suggested the outlook of the Chinese Commerce Ministry was too pessimistic.

The 46 percent increase in exports beat economists' predictions and the January increase of 21 percent. Exports of textiles, steel products, televisions and motorcycles also rose. In China's industrial heartland, some factories are reporting labor shortages as they strive to fill orders.

The pace of growth in imports slowed from January, when China reported an 85 percent increase. Economists attributed that largely to rising prices.

China reported a $7.6 billion trade surplus for the month. The trade surplus for January through February shrank by half compared to a year ago, according to Ms. Wang, of UBS. She said the smaller surplus was probably temporary, because of the rising prices of commodities. She predicted a modest drop in the trade surplus for the year.

Separately, others figures from the National Bureau of Statistics also released Wednesday showed the economy was humming along. Investment in real estate rose 31.1 percent in the first two months of the year, compared with a year earlier, Reuters reported.

China unveiled strict new rules Wednesday governing bankers' pay that are designed to limit risk taking, Reuters reported from Beijing.

Payment of 40 percent or more of an executive's salary must be delayed for a minimum of three years and could be withheld if the bank performs poorly, the China Banking Regulatory Commission said in a statement on its Web site.

This would ostensibly put China at the forefront of a global movement to use regulation of bankers' pay as a way to control investment behavior. The implications in China are less significant, however, because bankers are, in effect, employees of the government in the largely state-owned banking system and their salaries are already significantly lower than those of international peers.

Fonte: New York Times, New York, Mar. 10th 2010, Global Business, online.