

**China's PMI Slows To 48.5 Per Cent In February, Says HSBC  
Bernama  
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BEIJING, March 3 (Bernama) -- China's manufacturing sector has signalled a moderate deterioration after the Purchasing Managers' Index (PMI) in February slowed to 48.5 per cent from 49.5 per cent in January.

The February data also signalled the first contraction of both output and new orders at Chinese manufacturers since July 2013.

New business from abroad also declined from January as many factories stop operating for the Chinese New Year festival, according to a preliminary survey on the manufacturing PMI released by HSBC Monday.

A PMI reading above 50 points indicates an expansion in the manufacturing sector, while anything below that is the reverse.

"There are clear signs that the risk to GDP growth is tilting to the downside.

"This calls for policy fine-tuning measures to stabilise market expectations and steady the pace of growth in the coming quarters," HSBC Chief China Economist, Qu Hongbin said in a statement here.

The HSBC report covers more than 420 manufacturing companies in China.

China's official data showed on Saturday that the factory activities dropped to 50.2 per cent in February from 50.5 per cent in January.

Meanwhile, Chinese premier Li Keqiang is expected to announce the government's 2014 gross domestic product (GDP) growth target on Wednesday, which analysts expect to be set at 7 to 7.5 per cent.

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