

Economy

Chinese entrepreneurs confidence falls in Q2

(Xinhua)

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BEIJING: Chinese entrepreneurs' confidence about the macro economy was lower in the second quarter than the first, on concerns of rising production costs and shrinking demand, according to a survey report issued by the People's Bank of China (PBOC) Thursday.

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The entrepreneurs confidence index fell by 0.5 percentage points in the second quarter to 83.9 percent from the first quarter, ending a rising trend since the first quarter of 2009, said the PBOC in the report.

Production cost pressures have increased as the production material price index, a measurement of production costs, rose 2.3 percentage points to 64.1 percent from the first quarter, the highest since the end

of 2008, according to the report.

The report also showed the nation's entrepreneurs were "prudently optimistic" about export demand as the exports order index declined slightly from the first quarter.

The index was calculated on the basis of a survey targeted at 5,000 entrepreneurs nationwide.

Data from the National Bureau of Statistics (NBS) showed Chinese factories production slowed in May, as year-on-year growth for industrial value-added output was down 1.3 percentage points from April to 16.5 percent.

The report also showed the bankers confidence index fell to 64 percent in the second quarter, down 5.8 percentage points from the first quarter.

The government has reiterated it would continue its proactive fiscal policy and moderately loose monetary policy, but also make proper adjustments according to changes in economic conditions.

NBS data showed new yuan-dominated loans in May fell to 639.4 billion yuan (\$93.6 billion) from 774 billion yuan in April.