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China sees steady economic growth of 'around' 7 percent in third quarter

BEIJING

China's economic growth will be largely stable in the third quarter as the impact from a stock market plunge will be limited, the National Bureau of Statistics said on Friday.

Bureau spokesman Sheng Laiyun also defended the accuracy of Chinese data - amid widespread scepticism - saying that the 7 percent growth pace reported for the first half was "generally in line with" changes in the country's power consumption, rail freight and bank lending in that period.

Chinese officials have been trying to reassure global markets that Beijing is able to manage the world's second-largest economy, after a shock devaluation of the yuan and a stock market plunge fanned fears of a sharp growth slowdown.

Sheng said China's economic growth in the third quarter will not derivate much from the 7 percent annual pace Beijing reported for the second quarter.

"Judging from indicators in July and August, we feel that the economic trend is still stable, there may be some deviation, up or down, but it won't be big," he told a briefing.

China's economic growth remains within a "reasonable range" and the government will be able to achieve its annual growth target of "around" 7 percent this year, despite some downward pressures, Sheng said.

SLOWDOWN FEARS

A run of downbeat data, including factory output and investment, showed the economy may have lost further momentum in the third quarter, raising the possibility that full-year growth rate may fall below 7 percent.

Sheng said his "personal view" was that full-year growth between 6.5 percent and 7.5 percent would be considered as "around" 7 percent.

The bureau is due to publish third-quarter GDP data on Oct. 19.

Sheng also said that China's survey-based unemployment rate in August stood at around 5.1 percent.

Global investors and policymakers are on edge over China after the U.S. central bank a week ago held off from raising interest rates, saying it was unsure if international problems, and China's slowdown in particular, will hurt the U.S. recovery.

An interest rate hike in the United States will have only limited impact on China, Sheng said.

He said China's economic slowdown was partly due to weaker global demand and expectations of the U.S. rate rise have contributed to the global financial market volatility.

"The United States should not exaggerate the impact of China's growth slowdown on the global economy," Sheng said.

(Reporting by China Economics Team; Editing by Richard Borsuk)