

## Earthquake not to dampen China corporate profit: JPMorgan Chase

Profit for China's listed companies may grow 20 percent this year despite the strong quake that shook southwestern China, according to a senior official with JPMorgan Chase.

'The quake would have limited effect on the national GDP (gross domestic product) growth and further tightening on the economy is unlikely in the second half of this year,' Li Jing, China head of JPMorgan Chase, said at a press conference here Friday.

The quake, measuring 7.8 on the Richter scale, jolted the south-western province of Sichuan Monday.

According to the information office of the state council, at least 28,881 people have been killed in the devastating quake so far.

'Sichuan is a major province that provides farm produces like pork, a staple meat for Chinese people. The consumer prices in the south-west region might rise substantially,' she said.

'The regional GDP growth would also be affected in the second quarter but its GDP makes up only a minor part of the national GDP,' she added.

Last year, the province saw its GDP value reaching 1.05 trillion yuan (\$150 billion), accounting for four percent of the revised national figure, which was 24.953 trillion yuan.

'The national economic climate in second quarter would no doubt outperform the first one that was the worst in history,' said Li, adding some enterprises in financial, manufacturing, consumption and energy industries could see higher profit rise.

Bottom-line growth of large domestic banks may be up to 40 percent in the second half of this year, thanks to a wider net interest margin, development of infrastructure and better assets quality, she said.

While industries like textile, garment and furniture are suffering loss since 2005, high value-added providers including electronic and telecom equipment sectors are witnessing rising profits, Li said.

'China's shipment and machinery equipment will be competitive in the international market,' she said.

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