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China's Export Boom Masks Woes at Home

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BEIJING—Vivian Wei is shutting her business. After more than a decade as a headhunter, work has dried up. The big Chinese tech companies that once paid Wei to recruit engineers by the hundreds have been laying off employees instead.

Wei, 46 years old, estimated that her income has more than halved in the past few years. Lately, she and her husband have cut down on nonessential spending to save money. She used to splurge on skin-care products, but switched to a cheaper domestic brand.

Some of her neighbors lost their jobs and have become drivers for DiDi, China's main ride-hailing platform. Wei's biggest concern now is whether her 12-year-old son will be able to get a job when he grows up.

"I don't know what the future holds," Wei said.

For people across China, economic worries are mounting. A multiyear real-estate slump has no end in sight, steady jobs are becoming rarer, especially for young people, and many people seem to be hoarding their money in preparation for worse times ahead.

That means China has to look abroad for economic growth, which is in turn raising tensions with trading

partners. Exports surged 36% in September, putting China on track to surpass last year's record \$1.2 trillion trade surplus because of surging demand for goods like electric vehicles and machinery.

Exports have driven much of China's economic growth this year. China's gross domestic product expanded 4.5% in the third quarter compared with the same period last year, according to official data released on Monday, up from the second quarter's 4.3% growth and in line with Beijing's target of 4.5% to 5% growth this year.

While China is making leaps in cutting-edge technologies such as artificial intelligence and robotics, much of its domestic economy is struggling. Fixed-asset investment, which tracks spending on assets such as homes, factories and roads, in the first three quarters of the year fell 7.2% compared with the same period in 2025, with property investment alone falling 21%.

Consumer spending remains muted. Retail sales, a gauge of household spending, rose 1.1% in September, up from 0.4% in August but down from 3% a year earlier.

Li Yan, a clothing seller at a wholesale market in Beijing, said she didn't turn a profit last year, and sales are down even more this year. She sells sweaters for the equivalent of around \$15 each, earning only a few dollars of profit per item. To break even, she has to sell around 30 items a day. Most days, Li isn't breaking even.

She has also cut back on personal spending. In the past, she would treat herself to things like jewelry but now avoids buying anything she doesn't need.

"If business isn't good and you're not making money, you're not going to spend much," Li, 52, said. "It's a vicious cycle."

Elsewhere at the market, a leather-goods seller said she hasn't bought any new inventory in more than a year because she hasn't sold much of the last batch. A vendor of tools and other home-maintenance supplies said she used to bring in about \$300 in sales a day, but now a good day is around \$50. The busiest stall at the market was selling clothing for 5 yuan—less than \$1—apiece.

"It's really difficult to do business this year," said Du Yueping, a 28-year-old clothing salesperson at the market.

Though China's official urban unemployment rate has remained steady at around 5%, some economists believe the actual labor-market picture is hidden by a growing army of gig workers. The number of people in China with flexible employment—work without a permanent contract—is expected to grow to 320 million in 2026, accounting for more than 40% of urban employment, according to China New Employment Forms Research Center, a think tank.

Even those with jobs and steady incomes are feeling the overall economic anxiety.

Fryda Fan, a friend of the headhunter Wei, said her income as an insurance agent has remained stable, in part because many are saving more and stashing money away in insurance products. Still, she has swapped out some of her daily purchases with cheaper alternatives because the future feels uncertain.

"I've made some changes in my lifestyle," said Fan, who opted for a \$3 coffee at local chain M Stand on a recent Friday afternoon instead of a \$6 drink at Starbucks.

Economists at home and abroad have urged Beijing to implement policies to boost consumption and reduce reliance on exports. Recently, policymakers have rolled out measures such as mortgage subsidies and some new infrastructure investment, but have stopped short of the deep overhauls and stimulus many economists believe are needed to rebalance the economy.

One of Beijing's main efforts to perk up spending in the past couple of years has been a program offering subsidies for consumers to replace old household appliances and other products with new ones. It helped boost retail sales last year but has been less effective this year because many households have already made big purchases.

Wei, the headhunter, is renovating her apartment and is happy she got a 15% subsidy on new cabinets. But she said the subsidies alone wouldn't have encouraged her to spend more if she hadn't already been doing renovations.

"You have to boost employment so incomes rise," Wei said. "You need to address the root problem."

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