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China Economy Expands At Slowest Pace in a Year

BY HANNAH MIAO

SINGAPORE—China said economic momentum decelerated to its slowest pace in a year, putting Beijing on alert in the midst of hardball trade negotiations with the U.S.

China said its gross domestic product expanded 4.8% in the third quarter of 2025 compared with a year earlier, down from 5.2% growth in the second quarter. Over the first nine months of the year, China's economy expanded 5.2% from the year-earlier period, according to the National Bureau of Statistics. That means that Beijing is largely on track to hit its official target of around 5% growth for 2025.

Nonetheless, the picture of decelerating growth may prompt Beijing to step up support for the domestic economy as it holds a firm line in its trade fight with the U.S. Tensions between the two superpowers have blown up in recent weeks, the latest twist in a tumultuous year marked by escalating tit-for-tat tariffs and on-again-off-again truces. After Beijing tightened controls over rare earths this month, President Trump threatened an additional 100% across-the-board tariff on Chinese goods.

"China's full-year growth target remains largely on track, though incremental and targeted easing is still necessary in coming quarters to ensure stable growth and employment into next year," Goldman Sachs analysts wrote in a report on Monday after the figures were released.

The latest economic data come as the country's top policymakers kick off a four-day meeting to discuss their next five-year plan, which will guide the world's second-largest economy through the rest of the decade. China's leaders are expected to double down on high-tech industries, while weighing initiatives to boost --household spending and curb excessive price competition.

China's economy has defied expectations this year thanks in large part to its resilient exports in the face of new U.S. tariffs. China's customs agency last week reported a 6.1% year-over-year increase in overall exports in the first nine months of 2025, even as exports to the U.S. fell nearly 17% for the same period.

But weaker household spending and investment weighed on momentum in the third quarter.

Note

China's beleaguered property market remains a major drag on consumer and business sentiment. Home prices in major Chinese cities fell at a faster month-over-month pace in September from August, official data showed, highlighting persistent weakness in the nation's real-estate market. Property investment fell 13.9% in the January-to-September period, worsening from a 12.9% decline over the first eight months of 2025.

Beijing's main policy initiative to perk up consumer spending—subsidies for consumer goods—is running out of road. Retail sales, a key gauge of household spending, grew 3% in September from a year earlier, down from August's 3.4% increase.

China has been trying to push up prices by addressing " involution," a phenomenon of excessive competition and price wars. It is trying to stop below-cost pricing and discourage new investment in oversaturated sectors, such as steel and electric vehicles. Fixed-asset investment fell 0.5% in the first three quarters of the year from the same stretch in 2024, compared with a 0.5% increase in the January-to-August period.

Still, China appears to be keeping its export engine revving. Industrial production expanded 6.5% on year in September, compared with the prior month's 5.2% rise.

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