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China posted a record \$1 trillion trade surplus for the first 11 months of 2025.

## China's Economy Is Deteriorating On Several Fronts

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China's economic momentum slowed broadly in November, with a marked weakening in consumer spending, adding pressure on Beijing to stabilize household and business demand in the world's secondlargest economy.

China's retail-sales growth slowed to its lowest level since 2022, while investment and the property market continued to deteriorate, according to data released Monday by China's National Bureau of Statistics.

Retail sales rose 1.3% in November from the prior year, down from 2.9% in October.

Industrial production went up 4.8% in November, down from 4.9% in October.

Fixed- asset investment was off 2.6% in the January-to-November period compared with the same stretch in 2024, widening from a 1.7% drop in the January-to-October period.

Property investment fell 15.9% in the January-to-November period compared with the same stretch in 2024, widening from down 14.7% in the January-to-October period.

Average home prices in 70 cities slipped 2.8% in November from a year prior, compared with minus 2.6% in October.

The urban unemployment rate rose 5.1% in November, unchanged from October.

This month, China reported a record \$1 trillion trade surplus for the first 11 months of the year, underscoring the country's export dominance despite U.S. tariffs. Producer prices have also remained in negative territory for more than three years.

China's economic growth has defied expectations this year, but expansion has been driven in large part by strong exports, while other pockets of the economy have struggled.

Retail sales, a key gauge of consumer spending, have slowed in year-over-year terms for six consecutive months as of November, the longest streak of deceleration since 2020. A consumer-goods subsidy program rolled out last year pulled forward purchases, making it difficult to sustain the momentum now.

The investment pullback reported by China in recent months is among the worst declines recorded in the country's history. The head of the International Monetary Fund recently warned that China is too large to rely on exports for growth and that the country's manufacturing dominance risks exacerbating global trade tensions. The IMF has urged Beijing to take greater action to shift its economy toward domestic consumption.

China's top leaders pledged to give priority to supporting domestic demand in 2026.

Authorities took note of falling investment in the country and vowed to stabilize investment with central government policy. Chinese leaders said they would encourage acquisitions of existing housing stock for affordable housing.

Still, policymakers in recommendations for the next fiveyear plan continued to identify high-end technology, advanced manufacturing and industrial self-reliance as top priorities.

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