

Asia & Pacific

China's leaders are making sure the economy is stable amid trade war

By Anna Fifield

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BEIJING — China's economy has again defied President Trump's predictions that it is in trouble, with official statistics showing it grew by a surprisingly robust 6.4 percent in the first three months of the year.

Although analysts are [skeptical about Chinese data](#), and although the figures showed the growth was fueled largely by unsustainable government spending, the numbers underscore the resilience of the world's second-largest economy.

"Trump should realize this is a sign that China's economy is not about to fall off a cliff," said Andrew Polk of Trivium China, a consultancy.

As the United States and China edge toward a deal to end their protracted trade war, Trump has repeatedly suggested that Beijing is desperate for a deal because its economy is in trouble. By contrast, he has bragged about the United States' improving economy and buoyant stock markets.

But the reality is not quite so black and white.

China's National Bureau of Statistics said the economy grew by 6.4 percent compared with the first quarter of last year, maintaining the pace recorded in the previous three months. "The national economy enjoyed stable performance and growing positive factors, stronger market expectations and confidence," bureau spokesman Mao Shengyong [told reporters](#) Wednesday.

But he also struck a cautious note. "However, at the same time, we should also be aware that . . . the task of reform and development is arduous, and downward economic pressures still persist," he said.

Growth in the first quarter was supported by infrastructure spending and bonds issued by local governments. The government was trying to "front-load" this spending to boost statistics, economists said.

"The latest growth numbers suggest that the government's stimulus measures are taking hold and stabilizing growth," said economist Eswar Prasad of Cornell University, although he warned this could create bigger financial risks for the future.

China's industrial production grew 8.5 percent in March from a year earlier, the biggest jump in more than five years and far exceeding expectations. That suggested it was a one-off blip.

