

## CHINA ECONOMY

# China's retail sales growth sharply misses estimates in November, deepening consumption worries

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**KEY POINTS**

Retail sales rose 1.3% last month from a year earlier, slowing from 2.9% in the prior month.

Industrial production climbed 4.8% in

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**November, missing expectations for a 5% jump.**

**Investment in fixed assets contracted 2.6% over the January through November period.**

**Urban unemployment rate in November came in at 5.1%, unchanged from the prior month.**

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**19 November 2025, China, Shanghai: Boats sail past downtown Shanghai on the Huangpu River. The tallest building on the skyline is the Shanghai Tower (rear).**

*Bernd von Jutrczenka | Picture Alliance | Getty Images*

China's economic slowdown deepened in November with consumption, investment and industrial output growth falling short of expectations, as authorities sought to curb supply while struggling to revive demand and arrest the property sector decline.

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Retail sales rose 1.3% last month from a year earlier, sharply missing Reuters' median forecast for a 2.8% growth, and slowing from [2.9% rise in the prior month](#).

Industrial production climbed 4.8% in November from a year ago, missing expectations for a 5% jump and marking its weakest growth since August 2024.

Investment in fixed assets, which includes property, contracted 2.6% over the January through November period compared with a year earlier, sharper than the 2.3% drop estimated by economists.

That decline deepened from [the 1.7% in the January to October](#) period, and was the sharpest slump seen [since the pandemic outbreak](#) in 2020, according to data from Wind Information going back to 1992.



November consumer prices rose at a 2.7% annual rate, lower than expected, delayed data shows

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## China's economic slowdown deepens in November

Consumption, investment and industrial output fell short of expectations

Source: National Bureau of Statistics



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“The contraction of fixed asset investment and the drop in property prices in recent months have been transmitted to the consumer sentiment,” Zhiwei Zhang, president and chief economist at Pinpoint asset management, said in a note following the data, expecting more

supportive fiscal and monetary stimulus measures in the first quarter next year.

Investment in real estate dropped 15.9% in the first 11 months this year, steeper than [the 10.3% drop seen in the January to October](#) period, as the property slump drags on.

In another sign that the sector downturn is still searching for a bottom, the declines in home prices across 70 major cities steepened in November. New home prices [fell 1.2% in tier-1 cities](#) including Beijing, Guangzhou and Shenzhen while resale home prices dropped 5.8% from a year earlier.

Meanwhile, economists at Golman Sachs in a preview last week pointed to the falling auto sales as a major drag on overall retail sales, coupled with the “negative distortion” effect from the earlier-than-usual start of the Singles-Day online shopping festival that pulled forward demand from November to October.

Data from China Automobile Dealers Association showed auto retail sales by volume in November declined for the first

time in three years, [dropping 8.1% from a year earlier](#) to 2.23 million cars, as many local governments paused [the trade-in subsidies](#).

Several online shopping sites extended their promotional period in a bid to jolt consumer spending, running from the first half of October through to Nov. 11, making it the [longest Singles' Day sales period](#) ever. But still, sales performance disappointed as [consumers tightened their purse strings](#), with [gross merchandise volume growing just 12%](#), compared to 20% growth last year, according to data from Syntun.

## Call for rebalancing

Chinese policymakers have pledged further policy support to drive domestic demand and boost consumption and investment for next year. The finance ministry said in a [statement](#) Saturday that it planned to issue ultra-long-term special government bonds next year to fund projects bolstering national security.

The proceeds will also be directed toward equipment upgrades and consumer goods trade-in programs. The ministry also

pledged to boost its budget for investment to ease the slump in fixed-asset investment in recent months.

However analysts appeared to be less optimistic as Beijing has yet to put any meaningful stimulus measures on the table.

“Even though we’re seeing targeted policy support in place, it is hard to generate a meaningful pickup in consumption without clearer improvement in job prospects and wage growth,” said Xavier Wong, market analyst at asset management firm eToro.

Eswar Prasad, professor of economics at Cornell University and senior fellow at Brookings Institute, expressed concerns over the sustainability of China’s economic growth. [In an opinion piece](#) published on Sunday, the economist urged structural reforms to rebalance the economy, including measures to support labour market, strengthen social safety net and bolster private enterprises.

“The government clearly wants to rebalance growth and understands what’s needed to bolster household consumption

and raise productivity. Yet there is little sense of urgency and no clear timeline on concrete policy measures to accomplish these objectives,” Prasad noted.

The urban unemployment rate in November came in at 5.1%, unchanged from the prior month. Youth unemployment has been more concerning, with the [latest reading for October standing at 17.3%](#).

Still, China’s economy appears to be on track to meet the official growth target of “around 5%,” thanks to a surge in exports to non-U.S. markets even as tariff tensions with Washington have weighed on shipments to the world’s largest consumer market.

China’s trade surplus surged to a [record \\$1.1 trillion in November](#), breaking its full-year record of \$992.2 billion in 2024, in just 11 months, drawing widespread concerns over its reliance on foreign demand and depreciation of its currency to keep exports competitive.

International Monetary Fund Managing Director [Kristalina Georgieva last week called on](#) China to “accelerate” support

for domestic consumption and shift away from relying on exports for growth.

Ting Lu, chief China economist at Nomura, cautioned that appreciating renminbi, or yuan, to reduce trade surplus was unlikely to be sustainable without meaningful steps to end deflation in the economy.

The trade-weighted renminbi's value against a basket of currencies, rather than solely against the U.S. dollar, has appreciated by 3% from 2021 to 2025, a period when China's exports surged by 44.8%, according to Lu's estimates.

“If there is a slowdown in growth and worsening deflation, markets may again take a bearish view on RMB, leading to depreciation against USD and its basket,” Lu noted.

The offshore yuan has strengthened over 3% this year to 7.0496 per dollar on Monday, its strongest level since October last year, according to LSEG data.

