

China's Recovery Strengthened Further By Boosted Demand

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China's **Retail Sales** continued to accelerate in November, growing 5% YoY after a 4.3% gain in October. It reflects a further strengthened domestic demand boosted by the Singles' Day shopping festival. **Industrial Production** edged up 7% YoY following a 6.9% rise, the strongest since March 2019. **Urban Fixed Asset Investment** advanced to 2.6% YTD YoY in the first 11 months of the year, suggesting a robust recovery in infrastructure investment.

Details – Consumption and Investment Gathered Pace, Output Stayed Stable

- The Retail Sales in Consumer Goods rose 5.8% YoY, stepped up by jumps in Cosmetics, Jewelry, Household Electronics, Medicine and Communication Appliances. However, the Clothing, Food and Daily-Used items all saw decelerated growths, while Catering and Furniture fell into negative territory again, limited by the recent virus resurgence.
- Manufacturing Output paced up to rise 7.7% YoY after growing 7.5% and Power Supply jumped 5.4% YoY from a 4% gain. However, the growth in Mining slowed down to 2% YoY from 3.5%.
- State-owned Fixed Asset Investment advanced 5.6% YTD YoY from 4.9%, while Private Investment finally climbed back to positive territory (0.2% YTD YoY) after 9-month contractions.
- Labor Market continued to heal with the jobless rate inched down to 5.2% from 5.3%.

Perspectives – Economic Growth To Extend Into Next Year

China's Recovery in Consumer Spending and Investment have made a greater progress in November, consolidating the industry-driven Recovery, while Industrial Production maintained an upward momentum.

Looking ahead, the boosts in both Consumption and Exports are likely to carry over China's economic growth into next year. In case the Coronavirus is maintained well under control, a continual recovery in domestic demand is projected, supported by an improving job market. In addition, the strong Exports as well as the robust Output and resilient Investment are also set to sustain the economic rebound toward the year end.

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