

China suffers deepening investment decline

Financial Times Europe

16 déc. 2025

JOE LEAHY — BEIJING THOMAS HALE — SHANGHAI HAOHSIANG KO — HONG KONG Additional contributions from Cheng Leng in Beijing

Fixed asset investment declined 2.6 per cent for the January-November period on a year earlier, the National Bureau of Statistics reported yesterday.

The fall steeper than the 2.3 per cent decline forecast by a Bloomberg survey of analysts and the 1.7 per cent decrease for the year to October.

The NBS said retail sales, an indicator of household demand, expanded 1.3 per cent last month on a year earlier, the slowest pace of growth since December 2022 and short of analyst forecasts of 2.9 per cent, which would have been in line with October's figure.

The weaker economic data followed calls by China's top leadership last week at the central economic work conference, the Communist party's top meeting on the economy, to raise consumption and "stabilise" investment.

China's economy for decades has relied on state financing for growth, particularly in infrastructure and property as well as high-end manufacturing. Xi hit out at wasteful investment at the conference, criticising outsized development zones as well as "inflated figures" and "fake construction starts".

"Some places disregard reality and blindly chase trends," Xi said in comments published on Sunday in the People's Daily, the party's official newspaper. He called on officials to pursue "genuine growth without exaggeration", and highlighted superfluous investment by local governments in advanced technologies such as semiconductors.

"Those who are unrealistic, hasty, reckless and haphazard in their efforts will be held strictly accountable," he said. China's trading partners have increasingly accused Beijing, which reported a record year-to-date trade surplus of more than \$1tn in November, of not doing enough to stimulate its domestic consumption, and relying instead on exports of low-cost goods.

The IMF last week called on Beijing to take stronger measures to stimulate demand and reflate its economy, which has suffered persistent deflation amid a years-long property sector slowdown.

In the CCP's magazine Qiushi yesterday, Xi stepped up his support for consumption, saying that "expanding domestic demand is related to both economic stability and economic security; it is not an expedient measure but a strategic move".

But analysts have pointed out that the party's next five-year plan, coming into effect in March, continued to prioritise investment in high-tech production.

Xi's tough stance on redundant investment — which authorities blame for excessive price competition and deflation — came as regulators threatened last week to crack down on unfair pricing in the auto industry.

China's automotive sector has dramatically increased capacity in recent years, aided by local government subsidies and spending which has driven down prices and hit profits.

Other official data yesterday also showed that industrial production rose 4.8 per cent year on year, trailing analyst forecasts of 5 per cent growth and October's rate of 4.9 per cent.