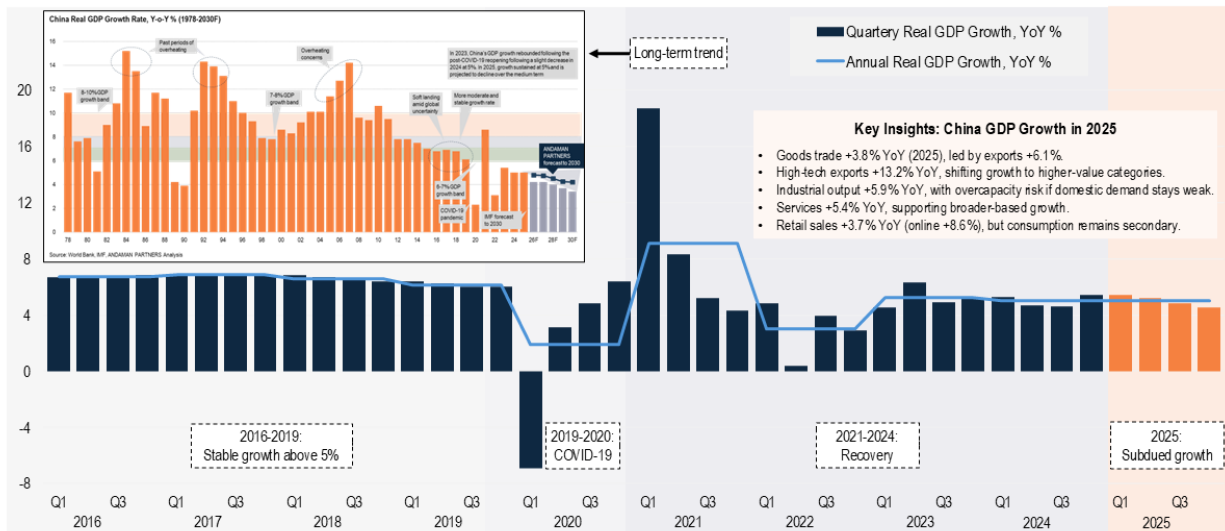


Inside China's 5% GDP Growth: Export-Led, Industry-Backed, Consumption-Light

China reached 5% growth in 2025 on the back of exports and industrial strength, while consumption remained secondary, leaving the recovery more externally driven than domestically led.

China Real GDP Growth, % (Q1 2016-Q4 2025)



Source: National Statistics Bureau of China, IMF, ANDAMAN PARTNERS Analysis

China met its 5% GDP growth target in 2025, in line with the 14th Five-Year Plan, but the composition of growth reveals a recovery driven more by exports and industry than by domestic demand. Growth momentum softened through the year, easing from 5.4% in Q1 to 4.5% in Q4, underscoring the fragility of the late-cycle expansion.

On the supply side, services expanded by 5.4% year-on-year, providing steady support. Industrial output rose by a robust 5.9%, reflecting strong volume growth, despite persistent overcapacity in several sectors and weak domestic demand. External demand played a central role: goods exports grew 6%, led by a 13.2% surge in high-tech exports, making trade one of the most important marginal contributors to growth in 2025.

By contrast, domestic demand remained the weak link. Despite a 5% rise in per capita disposable income, retail sales grew only 3.7%, with online sales up 8.6%, leaving consumption supportive but not leading. The imbalance between a strong supply side and subdued household demand continues to shape China's growth model.

Looking ahead, IMF forecasts point to a gradual downshift in China's GDP growth from 4.2% in 2026 toward 3.4% by 2030. ANDAMAN PARTNERS remains moderately more optimistic,

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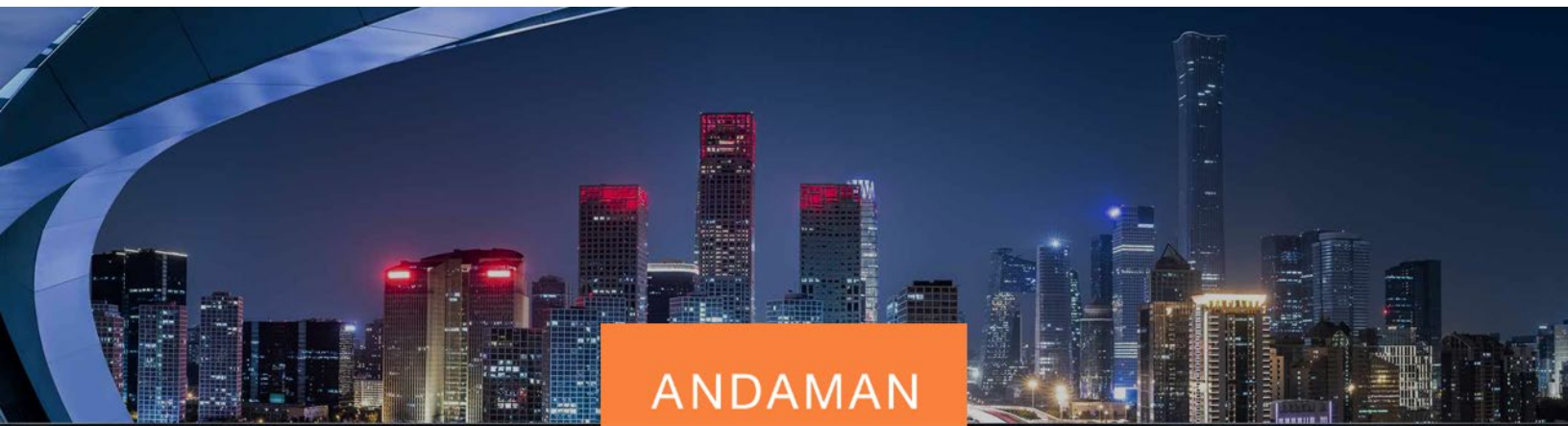
expecting growth closer to 4.8% in 2026, easing to around 4.2% by 2030. In both scenarios, the sustainability of China's expansion will depend increasingly on whether domestic demand can replace exports and industry as the primary engine of growth.

Also by ANDAMAN PARTNERS:

- [The Global Services Power Landscape: Leaders of the World's Fastest-Growing Trade Arena](#)
- [The Evolution of China's Trade Structure: 1992-2024](#)
- [Engine of Global Trade: The Rise and Global Impact of China's Exports](#)



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