ANDAMAN PARTNERS
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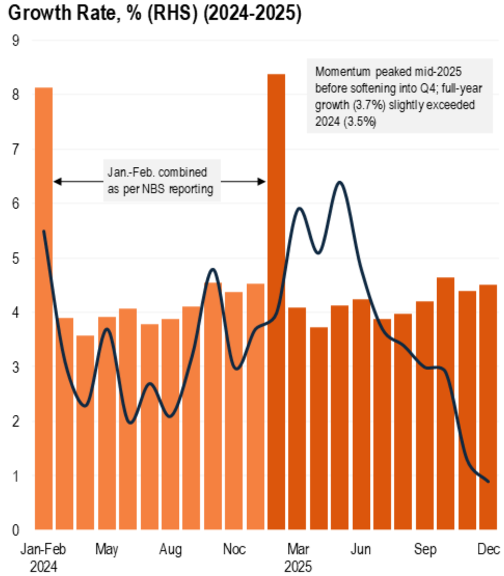
China's Consumer Spending Expanded Modestly in 2025, But Momentum Softened at Year-End

Retail sales improved marginally year-on-year, supported by resilient online spending and stronger rural consumption, while weakening urban demand weighed on momentum into year-end.

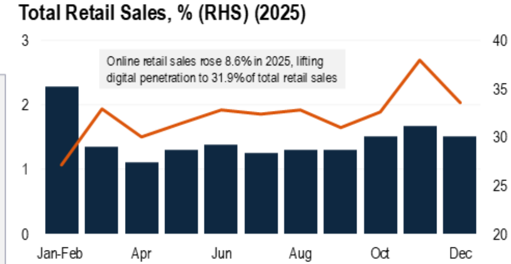
China Retail Sales of Consumer Goods, RMB tn and YoY Growth Rate, % (RHS) (2024-2025)



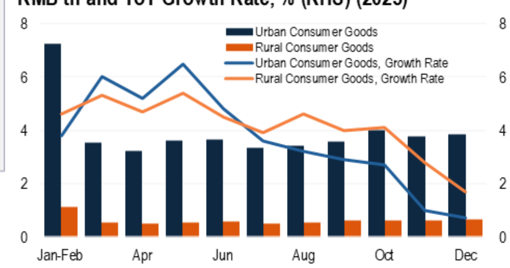
China 2025 Retail Snapshot

- Total retail sales: RMB 50.1 tn (USD 7.2 tn)
- Retail growth: 3.7% (vs 3.5% in 2024)
- Online retail sales: RMB 15.9 tn, +8.6% (USD 2.3 tn)
- Online share of total retail sales: 31.9%
- Year-on-year urban retail sales growth: 3.6%
- Year-on-year rural retail sales growth: 4.1% (outperforming urban sales growth)

China Total Online Retail Sales, RMB tn and Share of Total Retail Sales, % (RHS) (2025)



China Retail Sales of Urban vs Rural Consumer Goods, RMB tn and YoY Growth Rate, % (RHS) (2025)



Note: China NBS reports January and February as a combined figure to account for Lunar New Year timing effects. Source: National Bureau of Statistics of China, ANDAMAN PARTNERS Analysis

China's consumer spending expanded modestly in 2025, with total retail sales of consumer goods reaching RMB 50.1 trillion (USD 7.2 trillion), up 3.7% year-on-year and slightly above the 3.5% growth recorded in 2024. Monthly data show that momentum strengthened through the first half of the year, peaking around mid-2025, before gradually softening into the final quarter. The combined January-February figure, reported by the National Bureau of Statistics to account for Lunar New Year timing effects, was followed by relatively firmer growth in the spring months and a visible deceleration toward year-end.

Online retail sales continued to outperform overall consumption. Online sales rose 8.6% in 2025 to RMB 15.9 trillion (USD 2.3 trillion), lifting digital penetration to 31.9% of total retail sales. The steady rise in online share over the course of the year suggests that digital channels remained structurally resilient even as aggregate retail growth moderated.

A divergence between urban and rural demand was also evident. Urban retail sales grew by 3.6% in 2025, while rural sales increased by 4.1%, indicating relatively stronger consumption momentum in lower-tier markets. Monthly growth rates for both segments followed a similar trajectory to the national total, with firmer conditions mid-year and softer readings toward December.

Overall, the data point to a year of modest expansion rather than a broad-based acceleration. Consumption remained positive and slightly stronger than in 2024, supported by online spending and rural demand, but momentum weakened into year-end, underscoring an uneven recovery across segments and geographies.

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