



## Economic Growth of the First Three Quarters Shifted from Negative to Positive

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In the first three quarters, faced with the great impact of the COVID-19 epidemic and the complicated and severe environment both at home and abroad, under the strong leadership of the Central Committee of the Communist Party of China (CPC) with comrade Xi Jinping as the core, all regions and departments coordinated efforts to advance both the epidemic prevention and control and the economic and social development in a scientific way, and effectively promoted the restoration of production and life orders. The economic growth of the first three quarters shifted from negative to positive, the relations between supply and demand gradually improved, the vitality and dynamic of market were enhanced, and the employment and people's livelihood were well guaranteed. The national economy continued the steady recovery and the overall social stability was maintained.

According to the preliminary estimates, the gross domestic product (GDP) of China was 72,278.6 billion yuan in the first three quarters, a year-on-year growth of 0.7 percent at comparable prices. Specifically, the GDP for the first quarter declined by 6.8 percent year on year, increased by 3.2 percent for the second quarter, and up by 4.9 percent for the third quarter. By industry, the value added of the primary industry was 4,812.3 billion yuan, up by 2.3 percent year on year; that of the secondary industry was 27,426.7 billion yuan, up by 0.9 percent; and that of the tertiary industry was 40,039.7 billion yuan, up by 0.4 percent. The GDP for the third quarter grew by 2.7 percent quarter on quarter.

### 1. Agricultural Production Maintained Good Momentum with Another Bumper Harvest Expected for Autumn Grain.

In the first three quarters, the value added of agriculture (crop farming) grew by 3.8 percent year on year, the same as that of the first half of the year. Specifically, that of the third quarter grew by 3.9 percent. The total output of summer grain and early rice totaled 170.10 million tons, a year-on-year growth of 2.24 million tons. The sown area for autumn grain was stable with an increase, major crops for autumn grain grew well and another bumper harvest is expected for autumn grain. The planting structure was further optimized, with the sown areas of quality rice and soybean continuing to expand. In the first three quarters, the output of milk grew by 8.1 percent, and that of eggs grew by 5.1 percent. The output of pork, beef, mutton and poultry dropped by 4.7 percent, a decline narrowed by 6.1 percentage points compared with that of the first half of this year. Specifically, the output of poultry grew by 6.5 percent, and output of beef, mutton and pork dropped by 1.7 percent, 1.8 percent and 10.8 percent respectively, a decline narrowed by 1.7 percentage points, 0.7 percentage points and 8.3 percentage points compared with that of the first half of this year. The pig production capacity gradually recovered. By the end of the third quarter, 370.39 million pigs were registered in stock, up by 20.7 percent year on year, among which, 38.22 million were breeding sows, up by 28.0 percent.

### 2. Industrial Production Continued to Accelerate with High-tech Manufacturing and Equipment Manufacturing Growing Fast.

In the first three quarters, the total value added of the industrial enterprises above the designated size grew by 1.2 percent year on year, while that of the first half of this year was down by 1.3 percent. Specifically, that of the third quarter grew by 5.8 percent year on year, 1.4 percentage points faster than that of the second quarter. In September, the total value added of the industrial enterprises above the designated size grew by 6.9 percent year on year, growing for the sixth consecutive month, or 1.3 percentage points faster than the growth of August, with the month-on-month growth registering 1.18 percent. An analysis by types of ownership showed that, in the first three quarters, the value added of the state holding enterprises grew by 0.9 percent year on year; that of share-holding enterprises up by 1.5 percent; that of enterprises funded by foreign investors or investors from Hong Kong, Macao and Taiwan up by 0.3 percent; and that of private enterprises up by 2.1 percent. In terms of sector, the value added of mining went down by 0.6 percent year on year, a decline narrowed by 0.5 percentage points compared with that of the first half of this year; manufacturing up by 1.7 percent and the production and supply of electricity, thermal power, gas and water up by 0.8 percent, compared with a decline of 1.4 percent and 0.9 percent respectively in the first half of this year. In the first three quarters, the value added of high-tech manufacturing and equipment manufacturing grew by 5.9 percent and 4.7 percent year on year. In terms of the output of products, in the first three quarters, the production of trucks, excavators and shoveling machinery, industrial robots, and integrated circuits grew by 23.4 percent, 20.2 percent, 18.2 percent and 14.7 percent year on year respectively. In the first eight months, the total profits made by industrial enterprises above the designated size totaled 3,716.7 billion yuan, down by 4.4 percent year on year, a decline narrowed by 3.7 percentage points compared with that of the first seven months. The Manufacturing Purchasing Managers' Index stood at 51.5 percent in September, 0.5 percentage points higher than that of August, staying above the threshold for seven consecutive months.

### 3. Service Sector Recovered Steadily and Modern Service Industries Grew Well.

In the first three quarters, the service sector witnessed steady recovery. In the third quarter, the total value added of the tertiary industry grew by 4.3 percent, or 2.4 percentage points faster than that of the second quarter. In the first three quarters, of modern service industries, the value added of the information transmission, software and information technology services, and financial services grew by 15.9 percent and 7.0 percent respectively, or 1.4 percentage points and 0.4 percentage points higher than that of the first half of this year. The Index of Services Production dropped by 2.6 percent year on year, a decline narrowed by 3.5 percentage points compared with that of the first half of the year; specifically, that of September grew by 5.4 percent, 1.4 percentage points faster than that of August. In the first eight months, the business revenue of service enterprises above the designated size dropped by 2.5 percent year on year, a decline narrowed by 1.3 percentage points compared with that of the first seven months; specifically, that of information transmission, software and information technology services went up by 11.4 percent. In September, the Business Activity Index for services was 55.2 percent, 0.9 percentage points higher than that of August. Specifically, the Business Activity Index for transportation, telecommunication, internet and software, and accommodation and catering all stayed above 60 percent. In terms of market expectation, the Business Activities Expectation Index for service was 62.2 percent, 0.9 percentage points higher than that August.

### 4. Market Sales Improved Significantly with Online Retail Sales of Physical Goods Sustaining Fast Growth.

In the first three quarters, the total retail sales of consumer goods reached 27,332.4 billion yuan, down by 7.2 percent year on year, a decline narrowed by 4.2 percentage points compared with that of the first half of this year; specifically, that of the third quarter grew by 0.9 percent, the first positive quarterly growth in 2020. In September, the total retail sales of consumer goods reached 3,529.5 billion yuan, up by 3.3 percent year on year, 2.8 percentage points faster than that of August, maintaining the growth for two consecutive months. Analyzed by different areas, the retail sales in urban areas in the first three quarters reached 23,684.3 billion yuan, down by 7.3 percent, and the retail sales in rural areas reached 3,648.1 billion yuan, down by 6.7 percent. Grouped by consumption patterns, the income of catering was 2,522.6 billion yuan, down by 23.9 percent; and the retail sales of goods were 24,809.8 billion yuan, down by 5.1 percent. Upgraded consumer goods grew fast. The retail sales of telecommunication equipment, sports and recreational articles, and cosmetics grew by 7.2 percent, 6.8 percent and 4.5 percent respectively. In the first three quarters, the online retail sales reached 8,006.5 billion yuan, a year-on-year growth of 9.7 percent, 2.4 percentage points faster than that of the first half of this year. Specifically, the online retail sales of physical goods were 6,647.7 billion yuan, up by 15.3 percent, accounting for 24.3 percent of the total retail sales of consumer goods.

### 5. Growth of Investment in Fixed Assets Shifted from Negative to Positive and Investment in High-tech Industries and Social Sector Continued to Rise.

In the first three quarters, the investment in fixed assets (excluding rural households) reached 43,653.0 billion yuan, up by 0.8 percent year on year, shifting from negative to positive for the first time in 2020, while that of the first half of this year was down by 3.1 percent. Specifically, the investment in infrastructure grew by 0.2 percent, shifting from negative to positive for the first time in 2020, while that of the first half of 2020 was down by 2.7 percent; the investment in manufacturing dropped by 6.5 percent, a decline narrowed by 5.2 percentage points compared with that of the first half of 2020; the investment in real estate development grew by 5.6 percent, 3.7 percentage points faster than that of the first half of 2020. The floor space of commercial buildings sold reached 1,170.73 million square meters, down by 1.8 percent, a decline narrowed by 6.6 percentage points compared with that of the first half of 2020; and the total sales of commercial buildings were 11,564.7 billion yuan, up by 3.7 percent, while that of the first half of 2020 were down by 5.4 percent. By industry, the investment in the primary industry grew by 14.5 percent, a growth of 10.7 percentage points higher than that of the first half of the year; the secondary industry down by 3.4 percent, a decline narrowed by 4.9 percentage points compared with that of the first half of the year; the tertiary industry up by 2.3 percent, while that of the first half was down by 1.0 percent. The private investment reached 24,399.8 billion yuan, down by 1.5 percent, a decline narrowed by 5.8 percentage points compared with that of the first half of 2020. The investment in high-tech industry grew by 9.1 percent, 2.8 percentage points faster than that of the first half of 2020. Of the total, the investment in high-tech manufacturing and high-tech services grew by 9.3 percent and 8.7 percent respectively. In terms of high-tech manufacturing, the investment in pharmaceutical manufacturing, manufacturing of computers and office devices grew by 21.2 percent and 9.3 percent respectively. In terms of high-tech services, the investment in e-commerce services, information services and services for commercialization of research findings grew by 20.4 percent, 16.9 percent and 16.8 percent. The investment in social sectors grew by 9.2 percent, 3.9 percentage points higher than that of the first half of 2020. Of the total, the investment in health sector and education sector grew by 20.3 percent and 12.7 percent respectively, or 5.1 percentage points and 1.9 percentage points faster than that of the first half of 2020. In September, the investment in fixed assets (excluding rural households) grew by 3.37 percent month on month.

### 6. Imports and Exports of Goods Shifted from Decline to Growth and Trade Structure Continued to Optimize.

In the first three quarters, the total value of imports and exports of goods was 23,115.1 billion yuan, up by 0.7 percent year on year, shifting from negative to positive for the first time in 2020; specifically, that of the third quarter grew by 7.5 percent year on year, while the that of the second quarter was down by 0.2 percent. The value of exports was 12,710.3 billion yuan, up by 1.8 percent, and the value of imports was 10,404.8 billion yuan, down by 0.6 percent. The trade balance was 2,305.4 billion yuan in surplus. In September, the total value of imports and exports was 3,066.3 billion yuan, up by 10.0 percent year on year. The value of exports was 1,662.0 billion yuan, up by 8.7 percent; the value of imports was 1,404.3 billion yuan, up by 11.6 percent. The trade structure continued to optimize. In the first three quarters, the import and export of general trade accounted for 60.2 percent of the total value of the imports and exports, 0.8 percentage points higher than the same period of last year. The exports of mechanical and electrical products grew by 3.2 percent, while that of the first half of 2020 was down by 2.3 percent. The imports and exports by private enterprises grew by 10.2 percent, accounting for 46.1 percent of the total imports and exports, 4 percentage points higher than the same period of last year.

### 7. Growth of Consumer Price Dropped and Producer Prices for Industrial Products Declined Year on Year.

In the first three quarters, the consumer price grew by 3.3 percent year on year, 0.5 percentage points lower than that of the first half of 2020. Specifically, the price went up by 3.1 percent in urban areas and up by 4.1 percent in rural areas. In September, the consumer price went up by 1.7 percent year on year, or up by 0.2 percent month on month. Grouped by commodity categories, in the first three quarters, prices for food, tobacco and alcohol went up by 10.9 percent year on year; clothing down by 0.2 percent; housing down by 0.3 percent; articles and services for daily use up by 0.1 percent; transportation and communication down by 3.5 percent; education, culture and recreation up by 1.4 percent; medical services and health care up by 1.9 percent; other articles and services up by 5.0 percent. In terms of food, tobacco and alcohol prices, prices for grain went up by 1.2 percent; fresh vegetables up by 6.1 percent; pork up by 82.4 percent, 21.9 percentage points lower than the first half of this year. Core CPI excluding the price of food and energy went up by 0.9 percent.

In the first three quarters, the producer prices for industrial products went down by 2.0 percent year on year. Specifically, the prices in September dropped by 2.1 percent year on year, or up by 0.1 percent month on month. In the first three quarters, the purchasing prices for industrial producers went down by 2.6 percent year on year; specifically in September, the prices dropped by 2.3 percent year on year, or up by 0.4 percent month on month.

### 8. The Urban Surveyed Unemployment Rate was Stable with a Decline, and the Employment was Generally Stable.

In the first three quarters, the newly increased employed people in urban areas totaled 8.89 million, accomplishing 99.8 percent of the whole-year target. In September, the urban surveyed unemployment rate was 5.4 percent, 0.2 percentage points lower than that of August. Specifically, the surveyed unemployment rate of population aged from 25 to 59 was 4.8 percent, 0.6 percentage points lower than the urban surveyed unemployment rate, the same as that of August. The urban surveyed unemployment rate in 31 major cities was 5.5 percent, 0.2 percentage points lower than that of August. The employees of enterprises worked averagely 46.8 hours per week. By the end of the third quarter, the number of rural migrant workers reached 179.52 million, 3.84 million less than that of the same period last year, down by 2.1 percent year on year.

### 9. The Real Growth of Residents Income Shifted from Negative to Positive and Urban-Rural Per Capita Income Ratio Declined.

In the first three quarters, the nationwide per capita disposable income of residents was 23,781 yuan, a nominal increase of 3.9 percent year on year, or a real increase of 0.6 percent after deducting price factors, shifting from negative to positive for the first time in 2020 as that of the first half of 2020 was down by 1.3 percent. In terms of permanent residence, the per capita disposable income of urban households was 32,821 yuan, a nominal increase of 2.8 percent, or a real decrease of 0.3 percent. The per capita disposable income of rural households was 12,297 yuan, a nominal increase of 5.8 percent, or a real increase of 1.6 percent. The per capita disposable income of urban households was 2.67 times that of rural households, 0.08 less than that of the same period last year. The median of the nationwide per capita disposable income was 20,512 yuan, a nominal increase of 3.2 percent year on year.

Generally speaking, the overall national economy continued the steady recovery and significant results have been delivered in coordinating epidemic prevention and development. However, we should also be aware that the international environment is still complicated and severe with considerable instabilities and uncertainties, and that we are under great pressure of forestalling epidemic transmissions from abroad and its resurgence at home. The economy is still in the process of recovery and the foundation for sustained recovery needs to be consolidated. At the next stage, we must follow the guidance of Xi Jinping Thoughts on Socialism with Chinese Characteristics for a New Era and fully implement the decisions and arrangements made by the CPC Central Committee and the State Council. We must stick to the general working guideline of making progress while maintaining stability, and firmly seize the strategic basis of expanding domestic demand according to the requirement of promoting high-quality development and building new development pattern. We must make solid efforts to stabilize employment, finance, foreign trade, foreign investment, domestic investment, and market expectations in the context of regular epidemic prevention and control, comprehensively implement the tasks to safeguard residential employment, people's livelihood, market entities, food and energy security, stability of industrial and supply chains and operations at grassroots levels, deepen vigorously reform and opening-up, assist enterprises addressing difficulties, focus on a smooth circulation of economy, and forge a solid foundation for safeguarding people's livelihood in order to fulfill the whole-year targets for economic and social development.

#### Notes:

1. The growth rates of gross domestic product, value added of industrial enterprises above designated size and its sub-items are real growth by using comparable prices. The growth rates of other indicators are nominal growth by using current prices unless otherwise specified.

2. According to the auto-revision function of the seasonal adjustment model, revisions were made to quarter-on-quarter growth of GDP and to month-on-month changes of the value added of industrial enterprises above designated size, investment in fixed assets (excluding rural households), and total retail sales of consumer goods. The revised figures, quarter-on-quarter GDP growth for the third quarter of 2020 and month-on-month changes of other indicators for September 2020 are as follows:

The quarter-on-quarter growth of quarterly GDP since 2019 were 1.9 percent, 1.3 percent, 1.0 percent, 1.6 percent, -10.0 percent, 11.7 percent and 2.7 percent respectively.

#### Month-on-Month Changes

|                | Value Added of Industrial Enterprises above Designated Size (%) | Investment in Fixed Assets (Excluding Rural Households) (%) | Total Retail Sales of Consumer Goods (%) |
|----------------|---|---|--|
| September 2019 | 0.80  | 0.42  | 0.89                                     |
| October 2019   | 0.39  | 0.40  | 0.63                                     |
| November 2019  | 0.83  | 0.39  | 0.91                                     |
| December 2019  | 0.61  | 0.38  | 0.79                                     |
| January 2020   | -2.28   | -5.36   | -10.14                                   |
| February 2020  | -23.97  | -22.70  | 0.92                                     |
| March 2020     | 30.72   | 5.63  | 0.94                                     |
| April 2020     | 1.95  | 5.15  | 0.95                                     |
| May 2020       | 1.33  | 4.97  | 0.82                                     |
| June 2020      | 1.31  | 4.61  | 1.38                                     |
| July 2020      | 0.98  | 4.12  | 0.66                                     |
| August 2020    | 1.03  | 3.80  | 1.25                                     |
| September 2020 | 1.18  | 3.37  | 2.25                                     |

### 3. Industrial enterprises above the designated size are industrial enterprises with annual revenue from principle business over 20 million yuan.

As industrial enterprises above the designated size change every year, to ensure the data comparability between years, the coverage of the data of the same period last year used for estimating year-on-year growth rates like that of products output, are as consistent as possible with the current period and different from the coverage of the data published last year. The main reasons are as follows: First, the statistical units change. Every year, some enterprises are included in the survey as they meet the threshold, while some enterprises are removed from the survey because of downsizing. Besides, enterprises that have newly gone into operation, been bankrupted, canceled their registrations or had their business licenses revoked also cause impact. Second, duplicated outputs across regions of enterprise groups have been removed based on the ad hoc surveys since duplication was found in the products output of some enterprise groups.

4. The Index of Services Production is the change of production in the reporting period compared to the base period with the price factors deducted.

5. The scope of the total retail sales of consumer goods include all legal entities, establishments and self-employed individuals involved in retail trades or providing catering services. Specifically, businesses above the designated size include wholesale enterprises (businesses), retail enterprises (businesses) and lodging and catering enterprises (businesses) with annual revenue from principal business over 20 million yuan, 5 million yuan and 2 million yuan respectively.

As the wholesale, retail, and lodging and catering enterprises (businesses) above the designated size change every year, to ensure the data comparability between years, the coverage of the data of the same period last year used for estimating year-on-year growth rates like that of the retail sales of consumer goods by businesses above the designated size is consistent with the current period and different from the coverage of data published last year. The main reasons are as follows: every year, some enterprises (businesses) are included in the survey as they meet the threshold, while some enterprises (businesses) are removed from the survey because of downsizing. Besides, enterprises (businesses) that have newly gone into operation, been bankrupted, canceled their registrations or had their business licenses revoked also cause impact.

Online retail sales refer to the retail sales of goods and services realized through internet trading platforms (including self-built websites and third-party platforms). Goods and services include physical goods and non-physical goods (e.g. virtual goods and services).

The total retail sales of consumer goods include the online retail sales of physical goods, but not the non-physical goods.

Data of the total retail sales of consumer goods in 2019 are revised according to the results of the fourth national economic census. Monthly growth rate in 2020 is calculated on a comparable basis.

6. The data of investment in fixed assets of the same period last year are revised according to the results of the fourth national economic census, the statistical law enforcement and inspection, and the regulations of statistical programmes. The growth rates are calculated on a comparable basis.

7. Employed people refer to people aged 16 and above who have the ability to work and engage in gainful employment for remuneration payment or business income.

8. The median of the nationwide per capita disposable income of residents refers to the per capita disposable income of households which lies in the middle of all surveyed households ranked from low to high on the basis of per capita disposable income level.

9. Data of imports and exports are from the General Administration of Customs; and data of newly increased employed people in urban areas are from the Ministry of Human Resources and Social Security.

10. Due to the round-off reasons, the subentries may not add up to the aggregate totals.

In case of any differences between English translation and the original Chinese text, the Chinese edition shall prevail.