

Impact of COVID-19 on Consumer Spending - Q1 - China - May 2020

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“COVID-19 has disrupted China’s economic growth but the fundamentals of the economy remain solid. China has a consumer market of 1.4 billion people and is among the first few markets to emerge from the outbreak after decisive lockdown measures to contain the outbreak. How quickly China’s economy can return to growth depends much on domestic consumer spending.”

Jinyu Wang, Research Analyst

This report looks at the following areas:

- How is COVID-19 impacting the economy?
- How is COVID-19 impacting consumer spending?
- Which sectors are holding up and which are struggling?

The outbreak of COVID-19 has brought unprecedented disruption to China’s social and economic activities, resulting in a 6.8% contraction in its GDP in the first quarter of 2020 according to NBS data.

After two months of lockdown and social distancing measures since the end of January, China has started to resume economic activities. Key economic indicators have all shown signs of recovery in March. This immediate recovery is largely driven by the resumption of business activities. What’s more important is the recovery in months to come, which will demonstrate how much consumer confidence has been restored. Mintel research tracking Chinese consumers’ reaction to the outbreak shows that by April 2020, though there are signs that consumer confidence is improving, full recovery will be slow and cautious.

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This report is part of a series of reports, produced to provide you with a more holistic view of this market

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