

ECONOMY

GDP GROWTH FOR LAST QUARTER WORST SINCE 2009

Latest data shows economy slowing to level last seen during global financial crisis, raising alarm among analysts about Beijing's policy measures

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China's economic growth rate for the fourth quarter of last year slipped to its lowest level in nearly a decade, raising concerns over whether Beijing has done enough to arrest the deepening slowdown.

And the official growth rate of 6.6 per cent for last year – while a decent figure given the size of the economy and in line with the government's target for growth of "about 6.5 per cent" for 2018 – was the lowest since a rise of 3.9 per cent in 1990, a time when China was sanctioned by Western countries over its crackdown on the pro-democracy movement the previous year.

The fourth quarter growth rate of 6.4 per cent, year on year, matched that of the first quarter of 2009, the lowest growth rate since the government began publishing such figures quarterly at the beginning of 1992.

The 2009 reading occurred in

the midst of the global financial crisis that sparked recessions throughout the West.

The fourth quarter rate was down from 6.5 per cent in the previous quarter, according to data released yesterday by the National Bureau of Statistics.

The 2018 annual growth rate was down from 6.8 per cent in 2017.

Other economic data released yesterday were better than expected, but still indicated a subdued economy.

Retail sales were better than expected, growing 8.2 per cent in December compared to a year earlier, up slightly from 8.1 per cent in November, which was the lowest growth rate in 15 years.

Industrial production grew 5.7 per cent in December compared to a year earlier, up from 5.4 per cent in November, the lowest reading since November 2008.

Fixed-asset investment rose 5.9 per cent in 2018 from a year earlier, down from 7.2 per cent in 2017.

As part of fixed-asset

investments, property inflows grew 9.5 per cent last year.

As the data was released, President Xi Jinping gathered the country's provincial governors and ministers in Beijing for a special session on how to manage "major risks", including ideological, political and economic ones.

Xi delivered an opening speech for the study session yesterday morning.

In a summary of the speech published by state news agency Xinhua, he said there were "challenges and difficulties" in implementing supply-side structural reforms.

Xi urged local authorities and ministries to keep a balance between nurturing growth and preventing risks.

"All regions and departments must take effective measures to stabilise employment ... to keep economic activity within a reasonable range," Xi was quoted as saying.

Analysts expect China's economy to weaken further during the first six months of this year before stabilising in the second half as Beijing's stimulus efforts – including more infrastructure spending,

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China's quarterly GDP growth since 1992

