

At 4.6%, China's Q3 growth weakest since early 2023

REUTERS

18 October

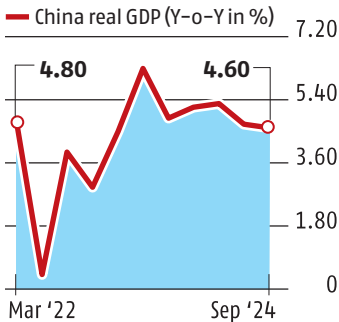
China's economy grew at the slowest pace since early 2023 in the third quarter, and though consumption and factory output figures beat forecasts last month a tumbling property sector remains a major challenge for Beijing as it races to revitalise growth.

Authorities have sharply ramped up policy stimulus since late September, but markets are waiting for more details on the size of the package and a clearer road map to put the economy back on a solid longer-term footing.

The world's second-largest economy grew 4.6 per cent in July-September, official data showed, a touch above a 4.5 per cent forecast in a *Reuters* poll but below the 4.7 per cent pace in the second quarter.

"China's Q3 2024 data is not a

HITTING THE WALL



Source: Bloomberg

turn-up for the books," said Bruce Pang, Chief Economist at JLL. "The performance aligns with market expectations, given the weak domestic demand, a still struggling housing market, and slowing export growth." "The stimulus package announced at the end of September will take time and patience to boost

growth over the next several quarters," he added.

Officials addressing a post-data press conference on Friday expressed confidence the economy can achieve the government's full year growth target of around 5 per cent, underpinned by further policy support and another cut to the amount banks must hold in reserve.

"Based on our comprehensive assessment, the economy in the fourth quarter is expected to continue the stabilisation and recovery trend that occurred in September. We are fully confident in achieving the full-year target," said, Sheng Laiyun, deputy head of China's statistics bureau. Policymakers could take some comfort in forecast-topping industrial output and retail sales data for September, but the property sector continued to show sharp weakness and underline markets' calls for more support steps.