

GOVERNMENT

China's economy shows signs of recovery in 2020

January 18, 2021



The Chinese economy has rebounded more quickly from the global pandemic. Image credit: Shutterstock

By LUXURY DAILY NEWS SERVICE

The COVID-19 crisis has not disrupted [China's](#) economy in the same way it has other countries, which represents welcome news for luxury brands doing business there.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

The second-largest economy in the world grew more than expected, expanding 2.3 percent in 2020 compared to the previous year, according to [China's National Bureau of Statistics](#). This development sounds a note of optimism for Western brands which are continuing to reap profits from ecommerce and online marketing in what will soon be the world's largest luxury market.

"[In 2020], the national economy recovered steadily, employment and living standards were ensured forcefully, and the main goals and tasks of economic and social development were accomplished better than expectation," according to a [statement](#) released by China's central government.

Economic improvement beats forecasts

In the second-half of the year, the country's economy improved steadily from the impact of the pandemic, with GDP up 4.9 percent for the third quarter and 6.5 percent for the fourth-quarter. This increase comes on the heels of a GDP drop of 6.8 percent in the first quarter and a 3.2 percent jump in the second.

The year-over-year expansion in the country's GDP surpassed the expectations of the International Monetary Fund, which had predicted the country's economy would grow by 1.9 percent in 2020.

It also represents a dramatic improvement from 2019 when China abandoned its growth target as its economy buckled due to the pandemic and a drawn-out trade war with the United States.



China is a decade ahead of Western ecommerce, thanks to social shopping. Image courtesy of Burberry

In recent years, China has positioned itself as a crucial luxury market.

When it comes to ecommerce, China is a decade ahead, due to social shopping.

In one of the most technologically advanced economies in the world, social commerce makes up 11.6 percent of retail ecommerce sales, having totaled \$186.04 billion (1.285 trillion RMB) in 2019, according to eMarketer. This mind-blowing sales number is about ten times more than the number of sales in the U.S.: a paltry \$19.42 billion over 2019 ([see story](#)).

© 2021 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.