CHINA - BAROMETER

Monthly Update

January 2026

FOCAL POINTS :

Macro Environment

China’s economy closed 2025 with its weakest quarterly growth in three years, yet still achieved the government’s full-year target despite a challenging domestic and external environment. Services and advanced manufacturing sectors provided key support, while the recovery in consumption and investment remained uneven.

Energy

From January to December, electricity generation reached 9,715.9 billion kWh, up 2.2 percent year-on-year. Over the course of 2025, China marked a milestone in clean energy expansion, with solar and wind generation rising by 49.5 percent and 37.4 percent, respectively. By contrast, thermal power output contracted 1.0 percent year-on-year, marking the first annual decline in a decade.

Manufacturing

Steel production in China fell below the 1 billion-tonne threshold in 2025, reaching 960.81 million tonnes, down 4.4 percent year-on-year. This represents the lowest annual output since 2018.

Imports

Full-year iron ore imports reached a record 1.26 billion tonnes, up 1.8 percent compared with 2024. In contrast, coal imports fell to 490.0 million tonnes, down 9.6 percent year-on-year. Soybean imports were heavily front-loaded amid trade uncertainties, totaling a record 112.0 million tonnes, up 6.5 percent year-on-year.

Exports

China’s fertilizer exports totaled 46.27 million tonnes in 2025, a robust 44.0 percent year-on-year increase. Steel exports also reached a record high of more than 119.0 million tonnes, surpassing 2024 levels by 7.2 percent.

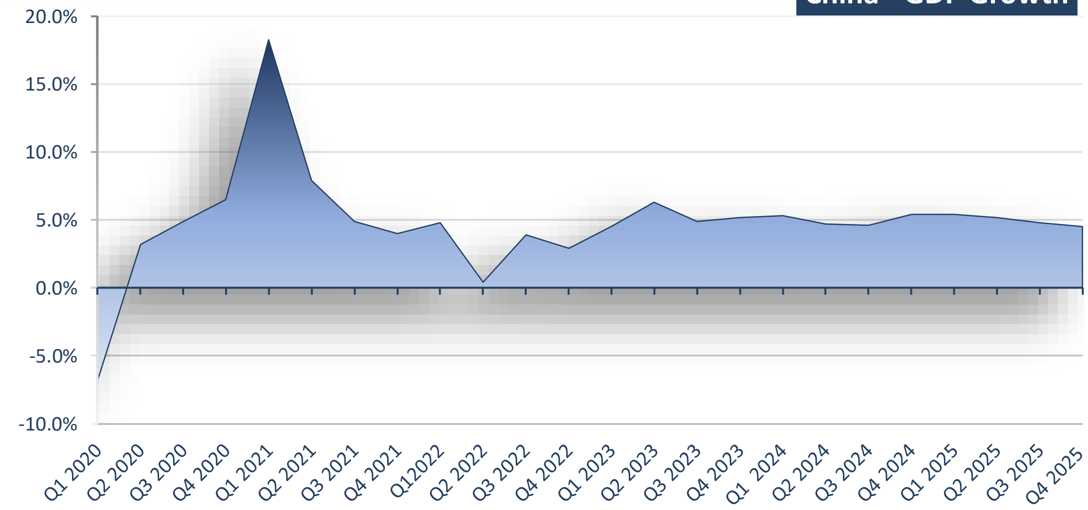
Doric Research Department

Michalis Voutsinas
Helen Vlassi

CONTENT PAGES :

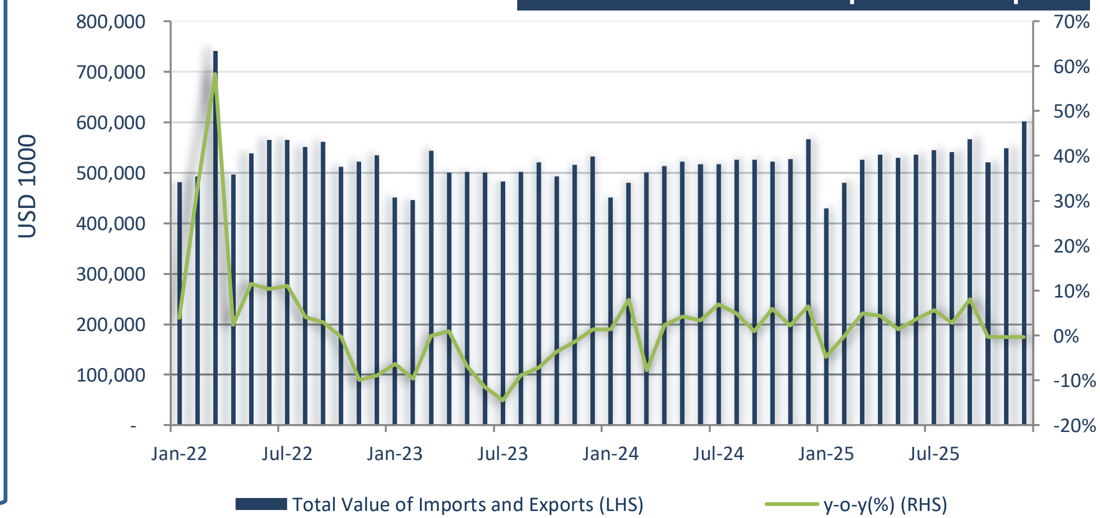
- China's GDP grew 4.5 percent year-on-year in the Q4, slowing from 4.8 percent in Q3 and marking the weakest quarterly growth since Q1 2023.
- For the full year 2025, GDP rose 5.0 percent, meeting the government's target despite structural challenges and rising trade frictions with the United States.
- By sector, the value added of the primary industry increased 3.9 percent year-on-year, the secondary industry rose 4.5 percent, and the tertiary industry expanded 5.4 percent.
- China's imports in December increased 5.7 percent year-on-year to USD 243.64 billion, the highest monthly level in nearly four years and the fastest pace since September.
- Exports climbed 6.6 percent year-on-year in December to a record USD 357.8 billion, exceeding projections of 3.0 percent growth.
- For the full year 2025, exports grew 5.5 percent while imports remained broadly flat, driving China's annual trade surplus to a record USD 1.19 trillion, up 20.0 percent from 2024.

China - GDP Growth



Source: NBS, Doric Research

China - Total Value of Imports and Exports



Source: GAC, Doric Research

PRICE ENVIRONMENT JANUARY 2026

- In December 2025, China's producer price index for industrial products fell 1.9 percent year-on-year, with the decline narrowing by 0.3 percentage points from November.
- On a monthly basis, the PPI rose 0.2 percent in December, following a 0.1 percent increase in the previous month.
- For the full year 2025, producer prices contracted 2.6 percent year-on-year, reflecting ongoing cost pressures and weak industrial demand.

- China's Consumer Price Index increased 0.8 percent year-on-year in December, with food prices up 1.1 percent and non-food prices rising 0.8 percent.
- Month-on-month, the CPI edged up 0.2 percent in December, with both urban and rural price indices recording a 0.2 percent increase.
- Over the course of 2025, China's CPI remained broadly flat compared with 2024, indicating muted overall consumer inflation.

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China - Producer Price Index (Industrial Sector)

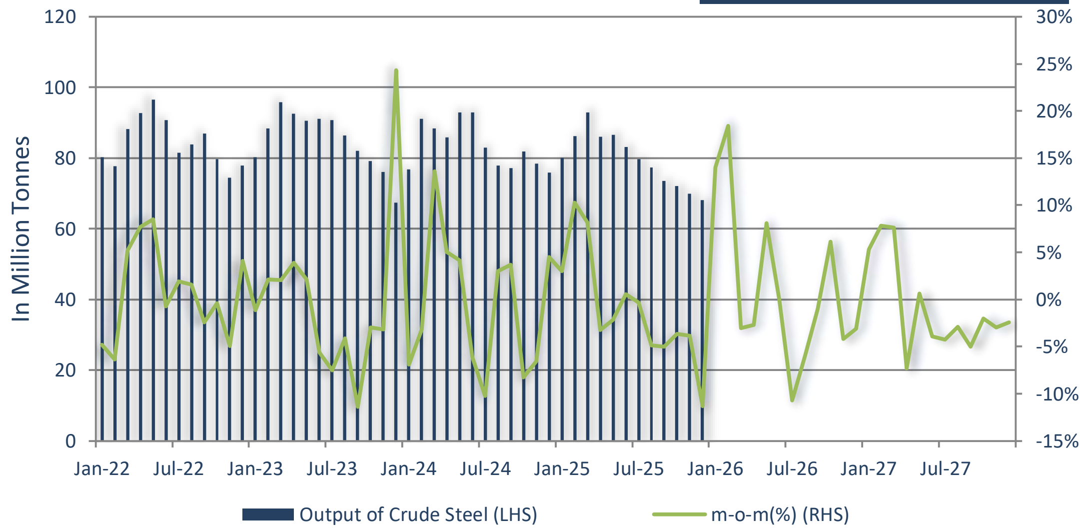
Source: NBS, Doric Research

China - Inflation Rate

Source: NBS, Doric Research

- China manufactured 68.18 million tonnes of crude steel in December, dipping by 10.3 percent year-on-year, to its lowest since December 2023. That extended a seventh-month downward trajectory, as some steel mills conducted annual equipment maintenance during a period of typically sluggish demand.
- Following the same trend, monthly steel output fell 2.4 percent month-on-month, remaining well below the 80-million-tonnes mark.
- Average daily crude steel production stood at 1.38 million tonnes per day in December, down by 0.8 percent month-on-month.
- For 2025, total output amounted to 960.81 million tonnes, representing a 4.4 percent annual decline and the lowest figure since 2018.
- China's economy closed the year on a mildly brighter note, as factory activity showed signs of stabilisation in December for the first time since March, with the official Manufacturing PMI edging up to 50.1.
- Market demand showed signs of recovery, with the new orders index climbing to 50.8, up 1.6 points from November, reflecting improving demand conditions.

China - Crude Steel Output



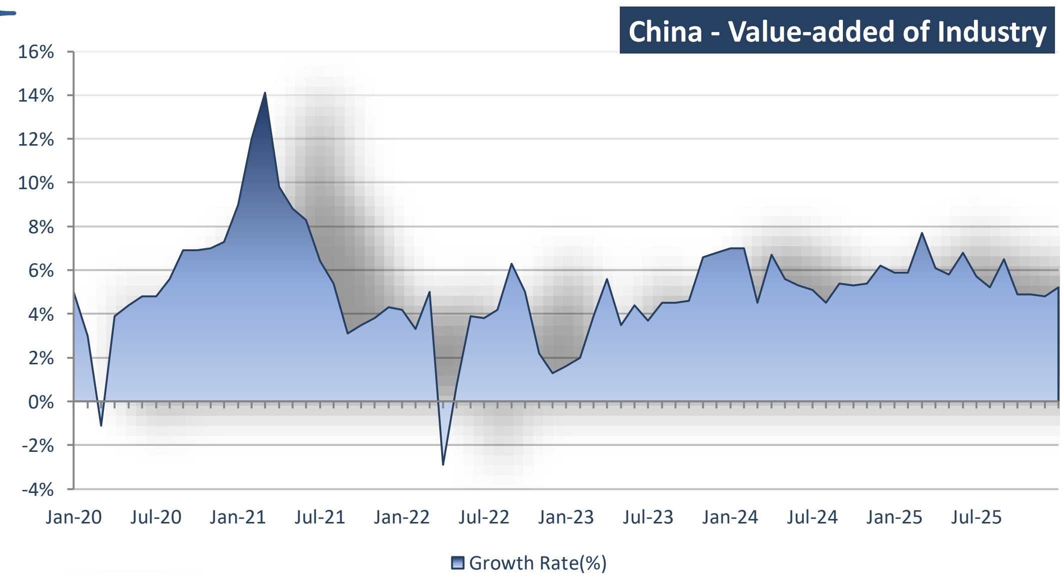
Source: NBS, Doric Research

China - Manufacturing PMI

Source: NBS, Doric Research

- The property sector downturn intensified in December, with property investment contracting 17.2 percent year-on-year.
- Property sales by floor area fell to a ten-year low in 2025, down 8.7 percent year-on-year.
- New home prices continued their slide in December, dropping 2.7 percent year-on-year, faster than November's 2.4 percent decline, marking the steepest fall in five months.
- New construction starts, measured by floor area, plunged 20.0 percent year-on-year, hitting a two-decade low amid the ongoing property slump.
- China's value-added industrial output grew 5.9 percent year-on-year in 2025, with December output rising 5.2 percent following November's 4.8 percent increase.
- Sectoral performance showed mining value-added increasing 5.6 perce nt annually, while manufacturing output expanded 6.4 percent, reflecting steady industrial resilience despite weakness in the property sector.

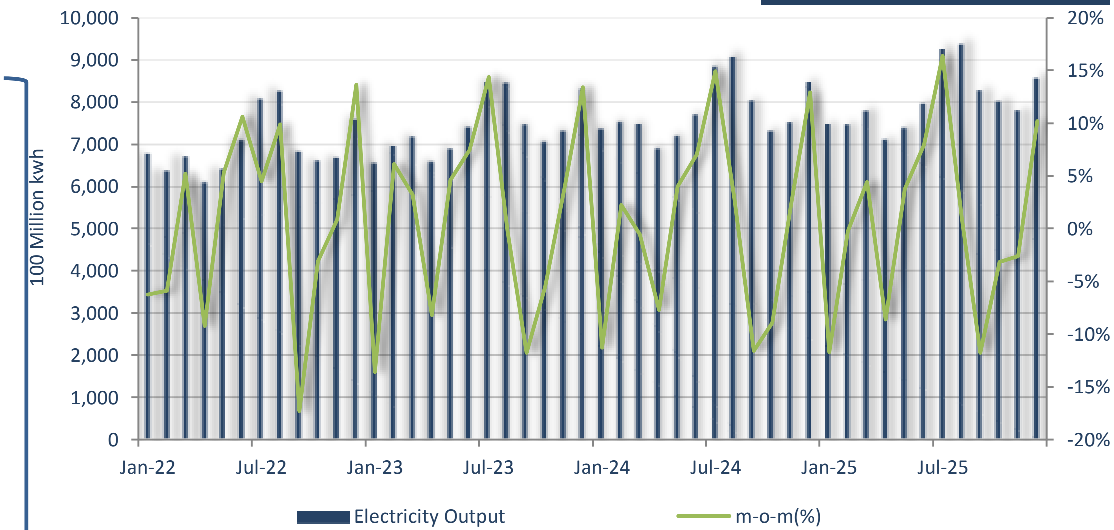
Source: NBS, Doric Research



Source: NBS, Doric Research

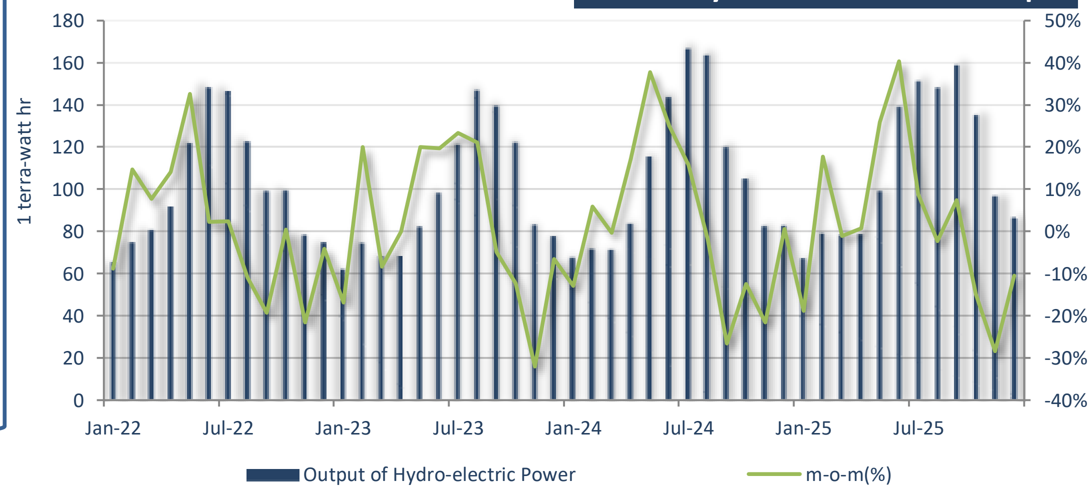
- In December, China's large-scale industrial electricity output reached 858.6 billion kilowatt-hours, a 0.1 percent annual increase. Daily output averaged 27.7 billion kWh.
- Over the January–December period, nationwide power generation totaled 9.72 trillion kWh, representing a 2.2 percent year-on-year increase.
- Domestic production of clean electricity climbed by 15.4 percent in 2025 to 4.3 tWh, signaling the seventh year in a row with annual growth above 10.0 percent.
- Throughout the past year, electricity consumption surpassed 10.0 trillion kWh, fueled by the digital economy, AI, and a 20.0 percent growth in EV-related power use.
- Industrial-scale hydropower output grew steadily by 4.1 percent in December, although the growth rate slowed sharply by 13.0 percentage points compared with November 2025.
- For the full year 2025, hydropower generation increased by 2.8 percent compared with 2024, supported by improved reservoir levels and sustained investment in renewable capacity.

China - Electricity Output



Source: NBS, Doric Research

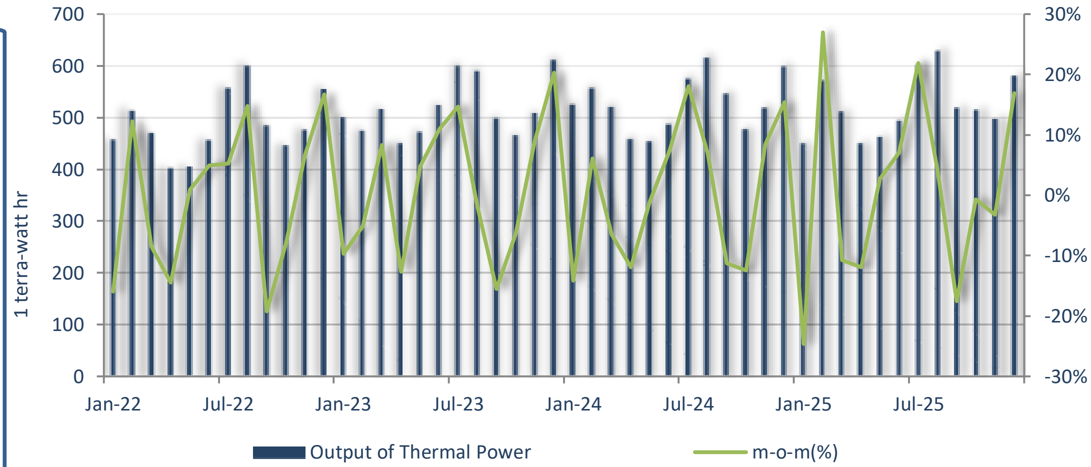
China - Hydro-Electric Power Output



Source: NBS, Doric Research

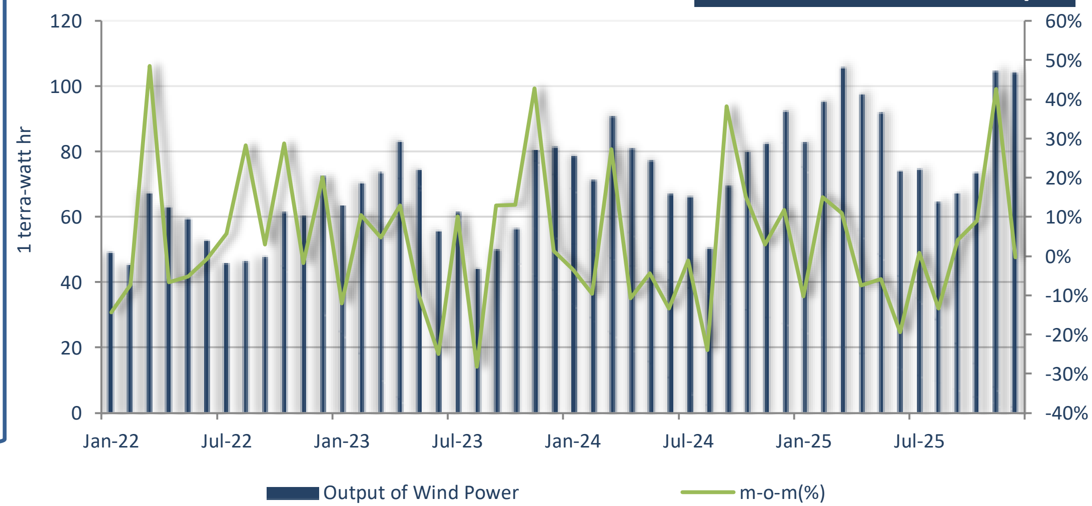
- China's thermal electricity, generated mostly by coal-fired capacity with a small amount from natural gas, contracted by 1.0 percent in 2025 to 6.29 trillion kilowatt-hours (kWh), marking the first annual decline in ten years.
- The decline was more pronounced in December, when fossil-fuelled power output shrank by 3.2 percent compared with the same month a year earlier.
- Despite rapid renewable growth, China added 80GW of new coal capacity.
- In December, wind farms generated 104.14 TWh of power, rising 8.9 percent year-on-year, while full-year 2025 wind output expanded 14.0 percent, emerging as the main driver of growth in China's clean power generation.
- China's installed wind power capacity maintained its global leadership for the fifteenth consecutive year, surpassing 600 million kW in 2025.
- Nuclear power also recorded significant growth, strengthening China's low-carbon energy supply, with total generation for 2025 rising 7.7 percent compared with 2024.

China - Thermal Power Output



Source: NBS, Doric Research

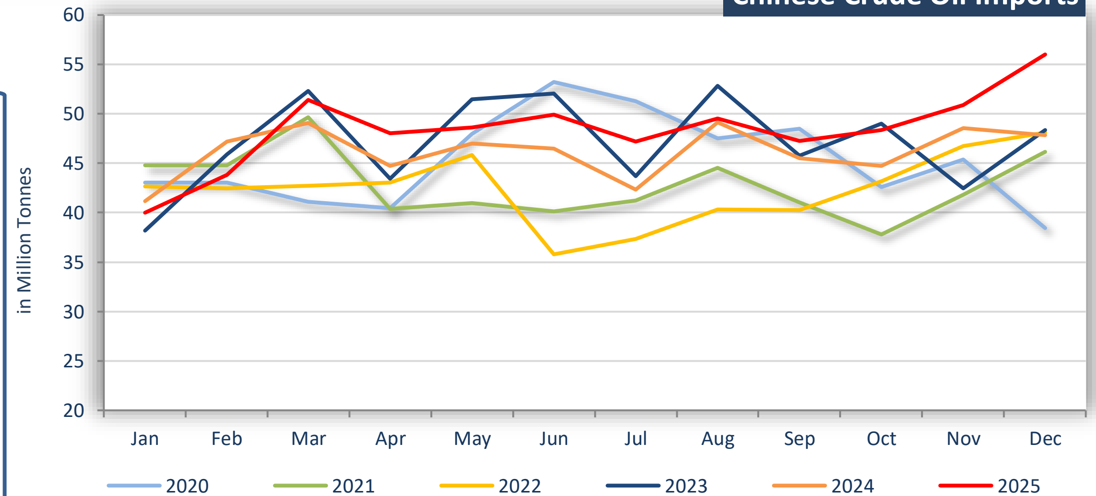
China - Wind Power Output



Source: NBS, Doric Research

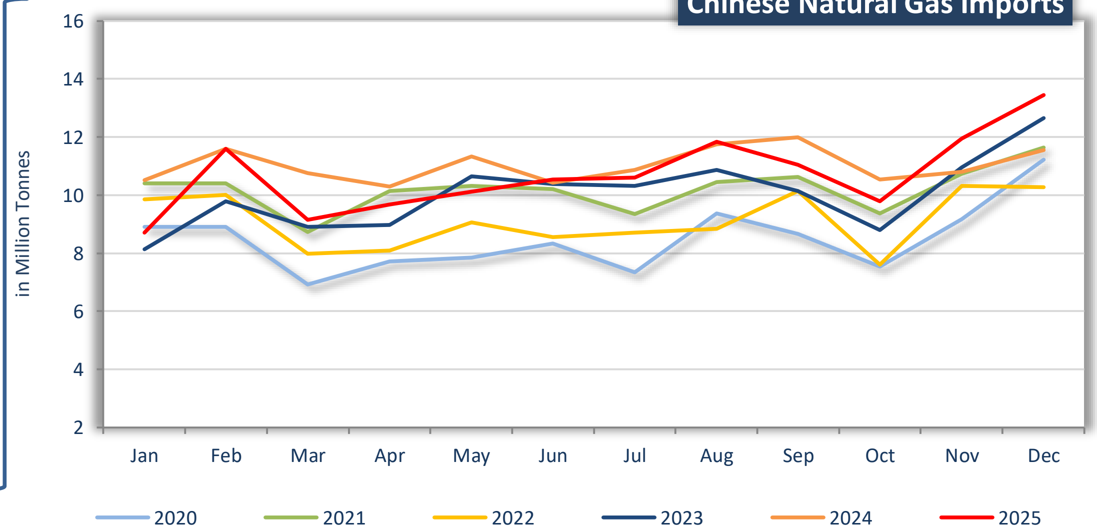
- China brought in 55.97 million tonnes of crude oil in December, equivalent to 13.18 million barrels per day (bpd), up 10.0 percent from 50.89 million tonnes in November.
- Over 2025 as a whole, total inflows amounted to 557.73 million tonnes, or 11.55 million bpd, up 4.4 percent from a year earlier.
- Imports from top supplier Russia eased slightly in December to 9.33 million tonnes. Arrivals from the UAE surged by 116.4 percent year-on-year to 6.1 million tonnes, while inflows from Brazil more than doubled compared with 2024.
- China's natural gas imports surged by 16.3 percent from a year earlier in December, to 13.45 million tonnes.
- Over the pace of 2025, gas imports totalled 127.87 million tonnes, down by 2.8 percent year-on-year.
- LNG inflows rose sharply by 19.9 percent year-on-year in December to 8.48 million tonnes, marking a second consecutive month of annual growth following ten straight months of contraction. Russian shipments reached a record high of 1.9 million tonnes in December.

Chinese Crude Oil Imports



Source: GAC, Doric Research

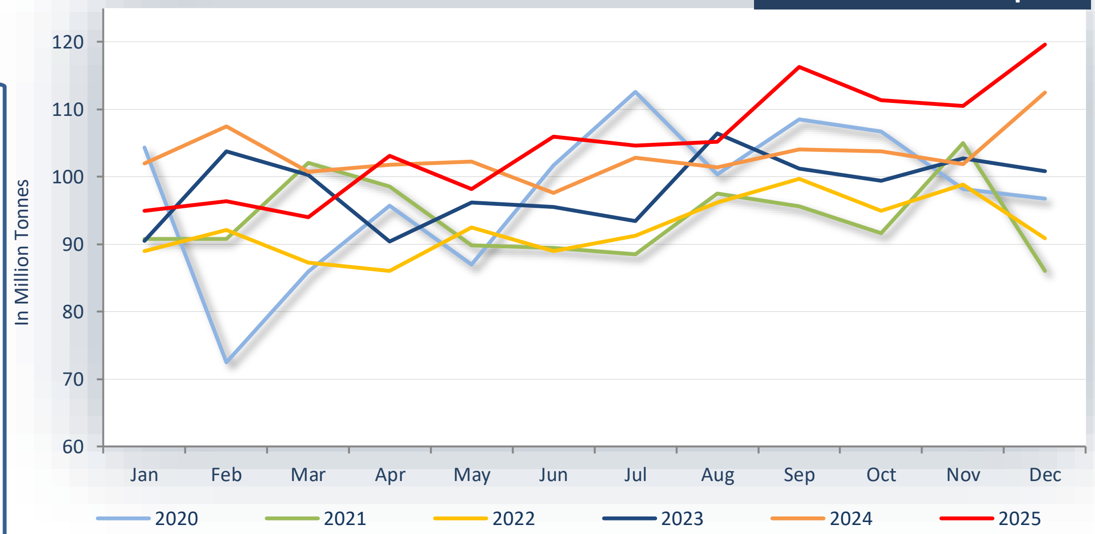
Chinese Natural Gas Imports



Source: GAC, Doric Research

- Iron ore seaborne inflows surged in December to 119.6 million tonnes, surpassing the previous single-month record set in September, with volumes up 8.2 percent month-on-month and 6.4 percent year-on-year.
- The December spike lifted full-year imports to a record 1.26 billion tonnes, representing a 1.8 percent increase compared with 2024.
- Australian cargoes remained dominant in December, accounting for more than 60.0 percent of China's total iron ore supply.
- Brazilian shipments also stayed robust, with monthly arrivals exceeding 40.0 million tonnes, up 7.1 percent year-on-year.
- Domestic iron ore output totaled 79.35 million tonnes in December, down 4.4 percent year-on-year, reflecting seasonal winter slowdowns and limited downstream demand.
- This decline formed part of a broader trend in 2025, with overall iron ore production falling 2.8 percent to 983.7 million tonnes, even as imports climbed to record levels.

China - Iron Ore Imports



Source: GAC, Doric Research

China - Iron Ore Domestic Output

Source: NBS, Doric Research

- China's coal imports surged to a record 58.6 million tonnes in December, catching global markets off guard with a 12.0 percent year-on-year increase and a sharp 33.0 percent rise from the previous month.
- December volumes comfortably surpassed the prior all-time high set a year earlier, underscoring strong short-term import demand.
- In contrast to the late-year surge, total coal imports in 2025 fell to 490.0 million tonnes, marking a 9.6 percent year-on-year decline.
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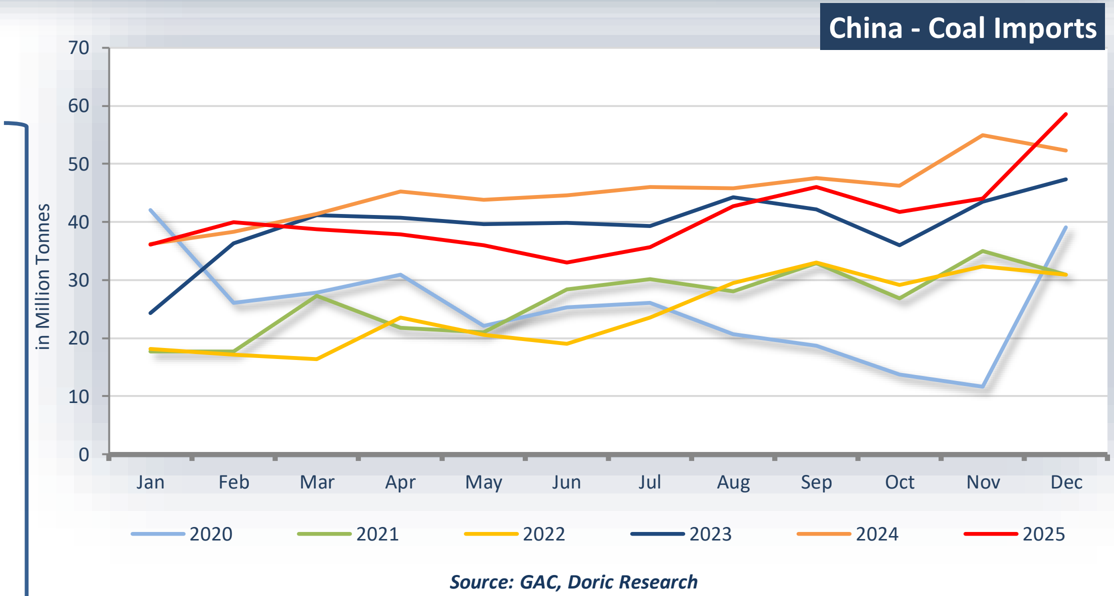
- China's raw coal production reached a record 4.83 billion tonnes in 2025, although growth slowed sharply as regulators moved to curb oversupply and stabilise prices.
- December coal output declined 1.0 percent year-on-year to 437.03 million tonnes, following strong production earlier in the year before authorities imposed tighter controls.

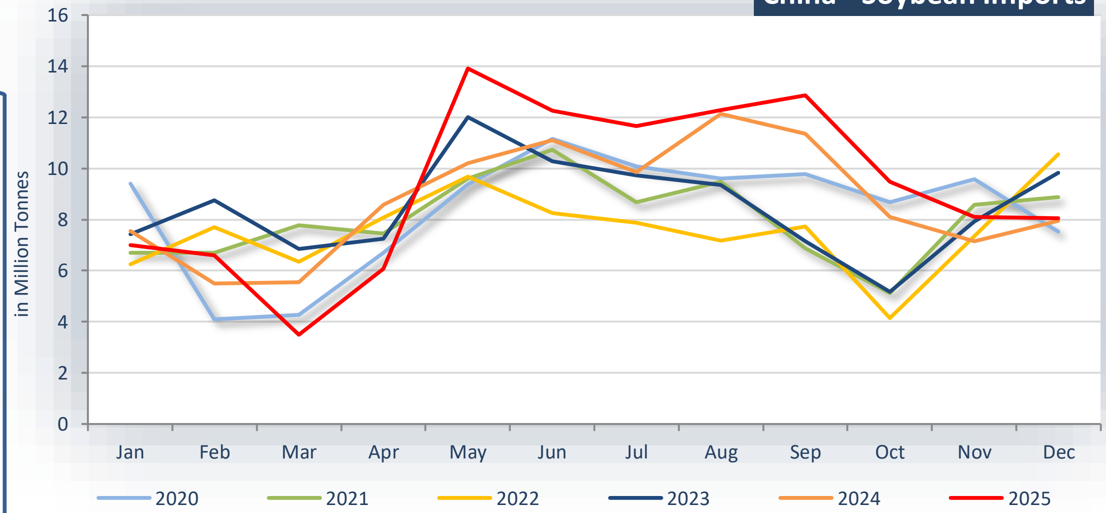


Source: GAC, Doric Research

Source: NBS, Doric Research

- Chinese ports absorbed 8.04 million tonnes of soybeans in December, edging down 0.9 percent month-on-month, as delays in customs clearance slowed deliveries.
- Across the full year, soybean imports were heavily front-loaded amid trade uncertainties, reaching a record 112.0 million tonnes, up 6.5 percent year-on-year.
- China continued to diversify its supplier base following US trade disruptions earlier in 2025, with Brazil retaining its dominance.

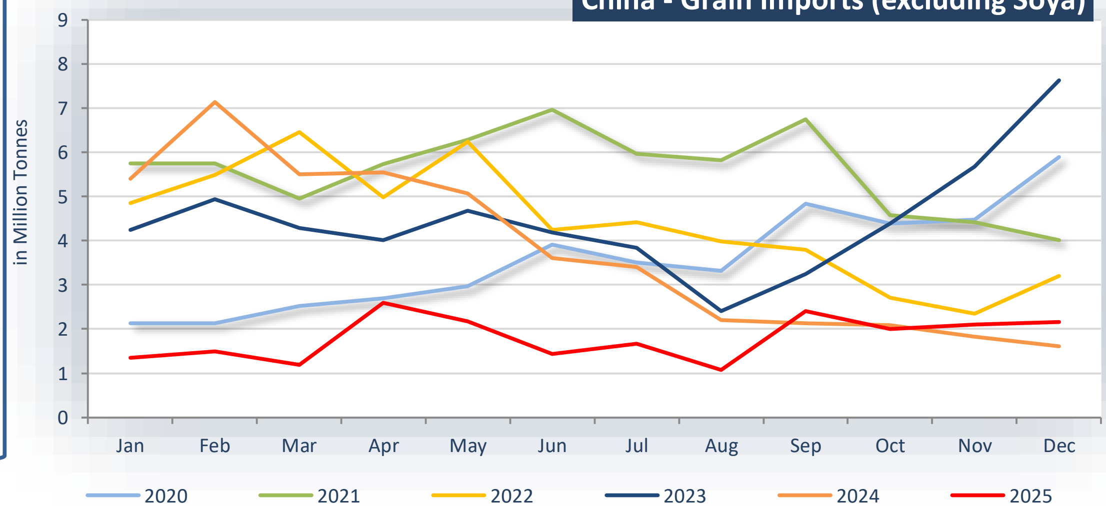
China - Soybean Imports



Source: GAC, Doric Research

- Customs cleared 2.15 million tonnes of grains excluding soybeans in December, a sharp annual increase of 34.0 percent, standing in contrast to a steep 52.4 percent year-on-year decline in cumulative 2025 arrivals.
- Corn imports extended a three-month streak of sequential gains in December, jumping 44.2 percent month-on-month to 0.8 million tonnes.
- Wheat imports contracted sharply over 2025, plunging 64.6 percent year-on-year to 3.89 million tonnes.

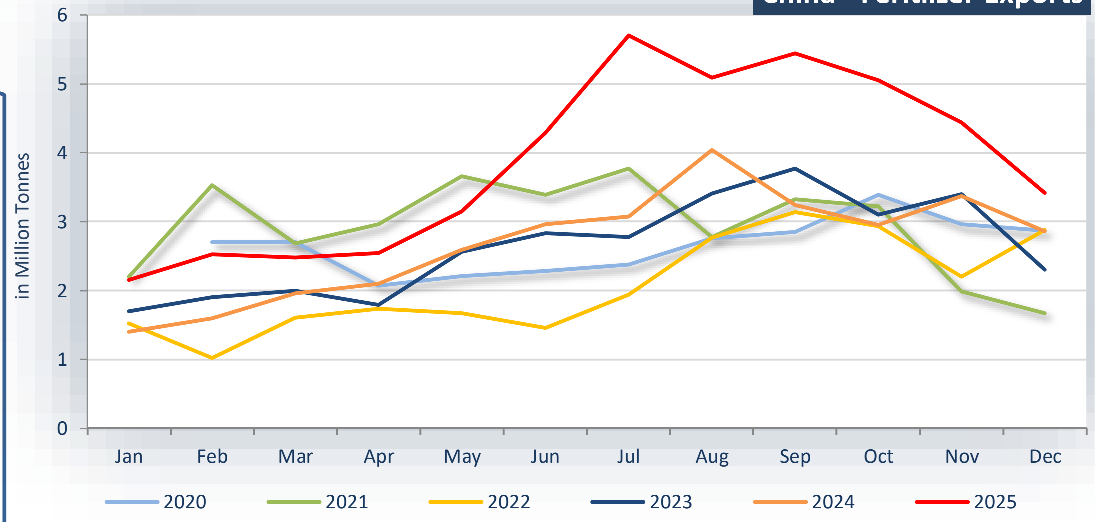
China - Grain Imports (excluding Soya)



Source : GAC, Doric Research

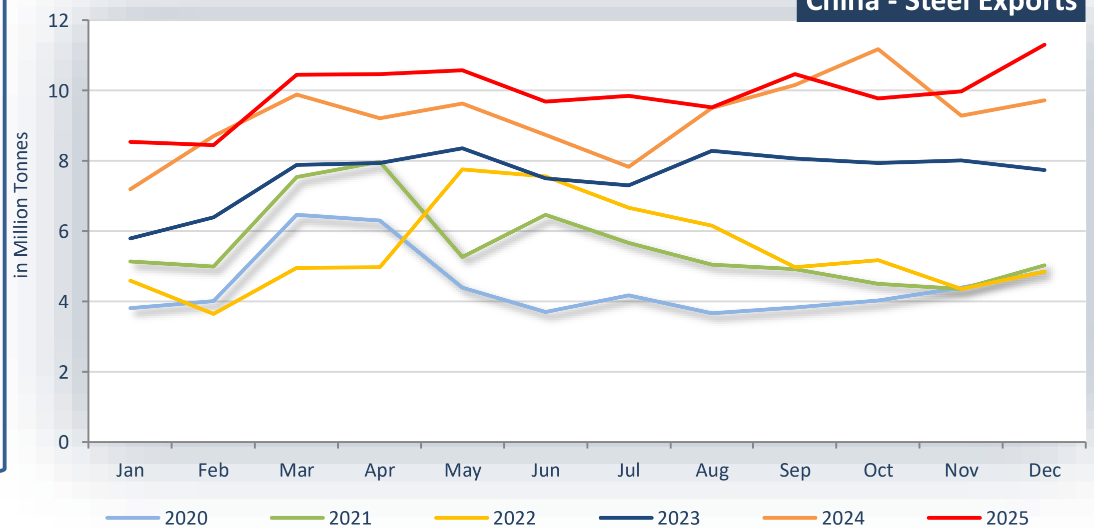
- Fertilizer exports surged in December, posting a sharp year-on-year increase of 19.3 percent to 3.41 million tonnes, signalling a renewed pivot toward global markets following earlier export restrictions.
- For the full year 2025, exports of fertilizers totaled 46.27 million tonnes, marking a year-on-year expansion of 44.0 percent.
- Despite the strong export performance, Chinese fertilizer industry groups have called on major producers to suspend shipments of phosphate-based fertilizers to safeguard domestic supply.
- China exported 1.3 million tonnes of steel products in December, recording its strongest single-month performance, driven by front-loading ahead of tighter export license requirements.
- Over the course of 2025, steel exports climbed to a record high of more than 119.0 million tonnes, exceeding the previous year's level by 7.2 percent.
- For 2025, total steel output fell by 4.4 percent to 960.8 million tonnes, hitting a seven-year low as the prolonged real estate downturn continued to weigh heavily on production.

China - Feritlizer Exports



Source: GAC, Doric Research

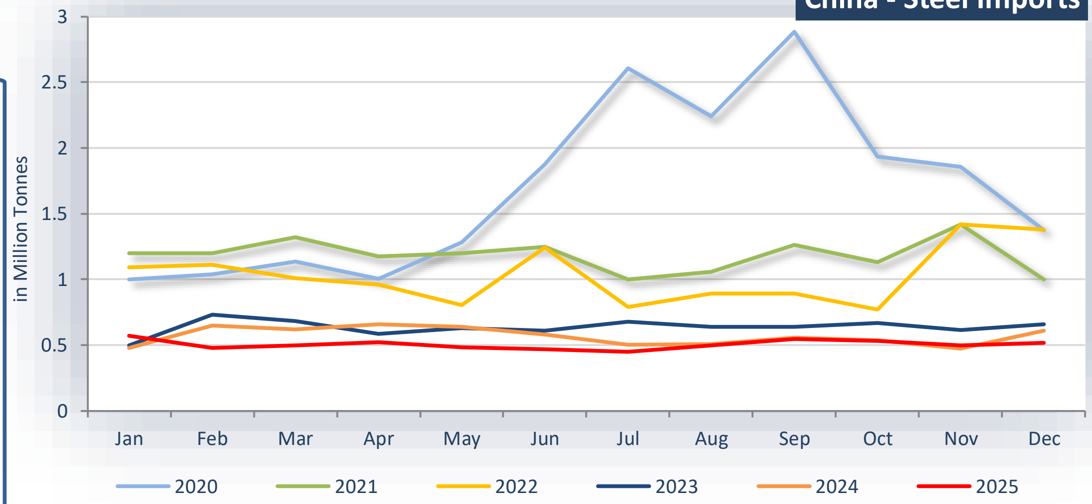
China - Steel Exports



Source: GAC, Doric Research

- In December, China imported 0.52 million tonnes of finished steel products, marking a year-on-year decline of 16.7 percent, while average prices rose 11.1 percent month-on-month amid persistently soft construction demand.
- For the full year, steel seaborne inflows totaled 6.06 million tonnes, representing a year-on-year contraction of 11.1 percent.
- Steel inventories at key Chinese ports stood at 14.14 million tonnes in December, down 1.0 percent month-on-month. On an annual basis, total inventories increased by 1.77 million tonnes.

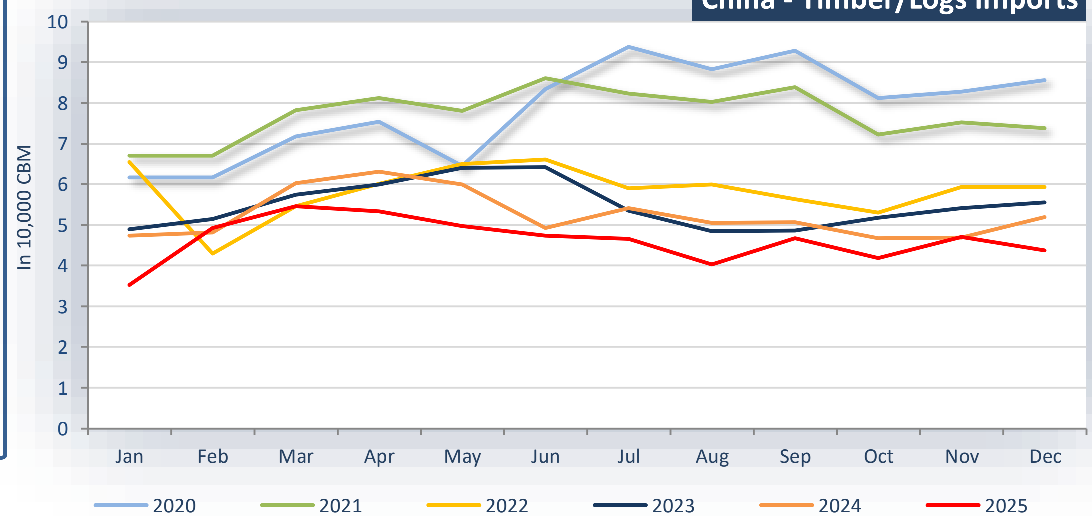
China - Steel Imports



Source: GAC, Doric Research

- China's timber imports extended their deflationary cycle into an eighth consecutive month, totaling 4.37 million cubic meters, down 15.7 percent year-on-year.
- Weakness was also evident in the timber sector's broader indicators, with cumulative 2025 arrivals down 11.6 percent year-on-year.
- The Global Timber Index balanced at 49.9, remaining in contraction territory despite a 0.3 percentage point improvement from November.

China - Timber/Logs Imports



Source: GAC, Doric Research

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