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China: Three things in China

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Three quick highlights from China:

- **March fiscal spending slowed:** While China's fiscal revenue growth accelerated from 0.7% yoy in January-February to 6.9% yoy in March, fiscal expenditure growth slowed from 3.6% yoy to 1.0% yoy. Three factors may have contributed: (1) Lunar New Year timing distortions, (2) increased off-budget expenditures, and (3) policymakers deliberately slowing spending after strong January-February data. As a result, our estimate of the augmented fiscal deficit narrowed slightly on a 3mma basis.

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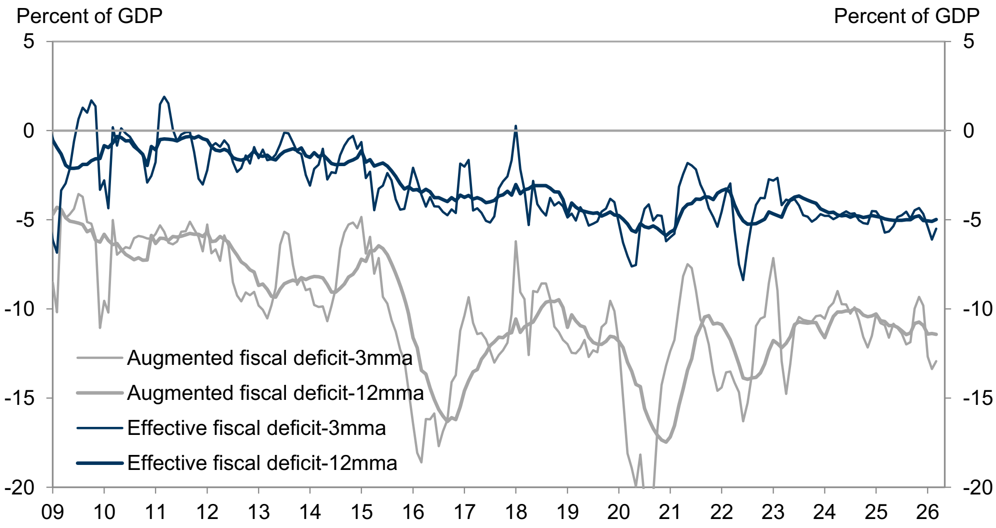

Source: CEIC, Wind, Goldman Sachs Global Investment Research

- **Low expectations for April Politburo meeting:** The top leadership will hold the April Politburo meeting this week to discuss economic policies for the coming months. We expect policymakers to express greater concerns about the global energy shock and rising geopolitical uncertainties. However, with Q1 real GDP growth at the upper bound of the "4.5-5.0%" target for this year, we do not anticipate additional easing beyond what was planned at the "Two Sessions." For now, the focus remains on policy implementation and risk management while awaiting more clarity on the Middle East situation.

- **Service industry to reach RMB100tn by 2030:** Last week, the State Council published "*Opinions on Promoting the Expansion and Quality Improvement of the*

Service Industry," projecting China's service industry to reach RMB100tn by 2030. This implies 4.3% annualized nominal growth during the 15th Five-Year Plan (2026-2030), lower than the 6.5% realized annualized nominal growth in 2019-2025. The opinions emphasize producer services as much as consumer services. China's long-term strategy of shifting from construction and real estate to manufacturing and business services remains unchanged.

Recent GS China macro research

Thematic research and CIO tour takeaways:

China Matters: Stability Premium, 24 April 2026

China Data Insights: Power Consumption a Better Cyclical Signal Than Power Generation, 17 April 2026

Asia in Focus: China Exports Under Energy Shock: Demand Drag, Green Upside, Fading Disinflation, 14 April 2026

China: Macro CIO Tour Takeaways, 13 April 2026

Data comments and trackers:

China: Fiscal revenue growth accelerated in March, while expenditure growth slowed, 24 April 2026

AEJ Week Ahead: China PMIs and Politburo meeting, Korea exports, BOT meeting, 24 April 2026

China Economic Activity and Policy Tracker: April 24, 24 April 2026

China Consumer Dashboard: 2026Q1: Household spending showed divergence, 22 April 2026

China: 70-city average primary property price decline narrowed in March, 16 April 2026

China: Q1 GDP and March industrial production above expectations, while retail sales missed, 16 April 2026

China: SAFE data suggest small FX outflows in March, 15 April 2026

China: Later-than-usual Lunar New Year weighed on March export growth, 14 April 2026

China: Money and credit data surprised to the downside in March, 13 April 2026

Team presentation materials and webinar replays:

Macro & Strategy | Global Macro, Activity Data, Exports, Market Views (in Mandarin), 20 April 2026

GS China Economic Outlook: March 2026 [Presentation], 26 March 202

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