



Bi-annual Report on the Consumer & Retail Sector in China, 2025 H2

Coverage of China's
macro-economic
environment, sector
trends, deal scenarios
and tax updates



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Summary

China's economy faced both domestic and global challenges in 2025, yet responded with proactive and effective macroeconomic policies. As the 14th Five-Year Plan concluded, these measures strengthened economic fundamentals, supporting a year-on-year GDP growth of 5.0%, and driving a shift toward higher-quality development. A series of policies aimed at expanding domestic demand, stabilising employment, and countering excessive competition have taken effect, driving sustained expansion and structural optimisation in China's consumer market. The rise of innovative consumption models accelerated this, setting the stage for 2026 to unlock further consumption potential.

Stable energy and food prices kept headline CPI nearly unchanged year-on-year, while core CPI saw a modest rebound. In the second half of the year, CPI showed a clear upward trend, with core CPI growth remaining above 1% for four consecutive months, signalling the start of stable price recovery. Meanwhile, U.S. CPI and PPI broadly moderated, but underlying inflationary pressures persisted.

China's consumer market is expanding in both scale and quality, with strong momentum across key subsectors. The luxury and fashion segment is experiencing steady growth, with footwear and apparel companies generating momentum through product innovation, business model transformation, and value chain optimisation. Vibrant IPO activity in Hong Kong is energising the beauty sector, where health-conscious, natural, and anti-aging products constitute a core portion of consumer demand. Low-alcohol beverages are emerging as a major growth driver in the food and beverage sector, propelled by design innovation and diverse consumer preferences. The restaurant industry, driven by capital consolidation, consumption upgrades, and technology integration, is accelerating its expansion into lower-tier cities and adopting sophisticated, digital operations.

Investor sentiment is focused on long-term value, despite retail momentum remaining strong throughout 2025. Institutions are cautious in allocating capital, prioritising lower-risk projects that offer stable returns. China's luxury and fashion investment landscape is rebounding, largely due to rising precious metals prices that boost corporate financing.

As proactive macro policies continue to stimulate China's consumer sector, identifying new growth drivers is critical for corporate success and growth. Companies that innovate in line with core strategic priorities are well-positioned to capture significant opportunities along this growth trajectory.

Sub-sectors covered in this report



Luxury & fashion



Apparel & footwear



Health & beauty



Food & beverage



Restaurants

Macro-economic landscape



During the 14th Five-Year Plan, China's economy achieved four consecutive years of growth, reaching a new milestone of RMB 140 trillion in total output in 2025. GDP rose by 5.0% year-on-year, with per capita disposable income keeping pace with economic progress, reflecting a clear trend of steady improvement and positive momentum.

Final consumption expenditure contributed to over 50% of economic growth, as household spending shifted to balance both goods and services. Retail sales of consumer goods exceeded RMB 50 trillion, while service consumption grew 5.5% year-on-year. Emerging sectors such as the silver economy, winter sports, and new products drove consumption growth, opening up new opportunities. Policies for equipment rental and consumer goods trade-in (the "Two New" policies) are boosting domestic demand alongside steps to curb excessive competition, and fiscal and financial stimulus packages. These measures are delivering tangible results, laying the foundation to unlock further consumption.

Looking ahead to 2026, despite heightened external uncertainties, several favourable factors point to resilient consumption growth in consumer spending. The market is well-positioned for continued expansion.



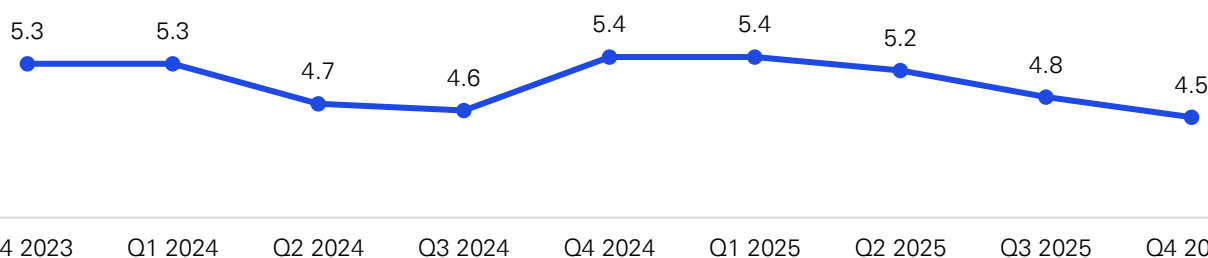
Economic scale reaches new heights as service consumption unleashes vitality



GDP

2025 marked the conclusion of the 14th Five-Year Plan, with China successfully achieving all major targets. For the first time, GDP exceeded RMB 140 trillion, rising by 5.0% year-on-year. Quarterly data indicates an economic trajectory characterised by a strong start to the year followed by moderation, achieving 4.5% GDP growth in Q4 2025. This trend was largely driven by the “Two New” policies in the first half of the year, which accelerated equipment upgrades and consumer goods trade-ins. In the second half, growth slowed due to policies countering excessive competition and continued weakness in domestic demand. Looking ahead to 2026, proactive macro policies – focused on expanding domestic demand, curbing “involutionary” practices, and stabilising employment – are expected to drive development. The consumer market is poised for steady growth as the economy continues its stable, positive trajectory¹.

China's GDP growth, Q4 2023-Q4 2025 (%)



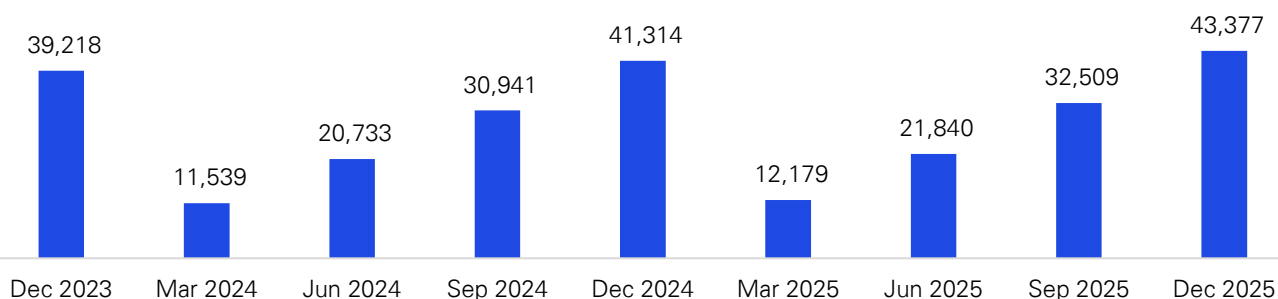
Source: National Bureau of Statistics, KPMG analysis



Per capita disposable income

In 2025, China's per capita disposable income reached RMB 43,377, up 5.0% year-on-year in both nominal and real terms. Supported by a series of employment-stabilising policies, the job market remained broadly stable. The average urban surveyed unemployment rate was 5.2%, outperforming the target of around 5.5%². Employment confidence remained steady, with the Wind Info's index rising only 4.1 points year-on-year to 76.6 by December 2025. Notably, employment confidence metrics consistently exceeded prior-year levels throughout H2 2025. As consumer sentiment improves, domestic demand is expected to strengthen. In 2026, policymakers will prioritise an employment-centric growth model, implement initiatives to stabilise, expand and enhance employment opportunities, and bolster policy support and service efficiency. These efforts will help ensure that household income growth keeps pace with broader economic expansion³.

Disposable income per capita, Dec 2023-Dec 2025 (RMB)



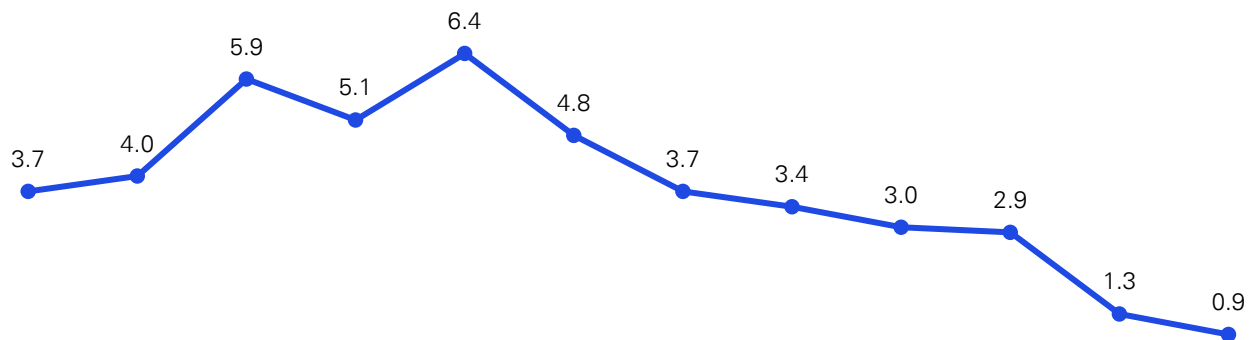
Source: National Bureau of Statistics, KPMG analysis



Retail sales growth

Driven by the “Two New” policies and efforts to expand service consumption, consumer spending has become the main engine of economic growth. In 2025, China’s total retail sales of consumer goods surpassed RMB 50 trillion, up 3.7% year-on-year and 0.2-percentage-points higher than in 2024, reinforcing China’s position among the world’s largest retail markets¹. However, growth momentum slowed toward the end of the year, with November and December sales increasing by just 1.3% and 0.9% respectively, reflecting weaker demand for high-value goods and reduced impact from trade-in policies. Service consumption emerged as the standout feature of 2025’s economic landscape. Commercially, service sector retail sales rose 5.5% year-on-year—outpacing goods retail growth by 1.7 percentage points—while capturing a growing share of total retail sales. From the consumer perspective, service expenditure accounted for 46.1% of per capita household spending, injecting fresh momentum into the service industry¹. New consumption models, including unmanned stores, warehouse membership shops, AR/VR experiences, winter sports, and new product launches, gained momentum to meet increasingly personalised and diverse consumer demands.

YoY retail sales growth, Dec 2024-Dec 2025 (%)



Dec 2024 Jan/Feb 2025 Mar 2025 Apr 2025 May 2025 Jun 2025 Jul 2025 Aug 2025 Sep 2025 Oct 2025 Nov 2025 Dec 2025

Source: National Bureau of Statistics, KPMG analysis



Consumer markets expand and upgrade through economies of scale

Holiday momentum and aggressive promotions reignited gold, silver, and jewellery consumption, with October's year-on-year growth reaching 37.6%—the highest monthly increase in 2025. However, rising gold prices and slower income growth have made consumers more cautious to buy jewellery, intensifying competition across retailers⁴. Retail sales of clothing, footwear, hats, and knitwear climbed steadily in the third quarter, with October's year-on-year growth at 6.3%. The early launch of "Double Eleven" shopping festival pre-sales effectively boosted consumer engagement, while the growing popularity of winter sports further fuelled demand for cold-weather apparel. Cosmetics retail sales achieved positive year-on-year growth for six consecutive months, with stronger momentum in the second half of the year. The sector grew by 5.1% for the full year, reversing the negative growth of -1.1% seen in 2024 and signalling a clear industry recovery⁵. Sales of essential goods, including grain, oil, food, and beverages, remained stable, maintaining the steady increase in product consumption. The restaurant industry showed steady improvement, with annual growth of 3.2%⁵. Sector confidence rose in the second half of the year, largely due to policies countering excessive competition⁵, which curbed disorderly price wars and established a healthier market environment for the restaurant industry.



Luxury and fashion

Retail sales of gold and silver jewelry, Dec 2024 to Dec 2025 (RMB 100 million, %)

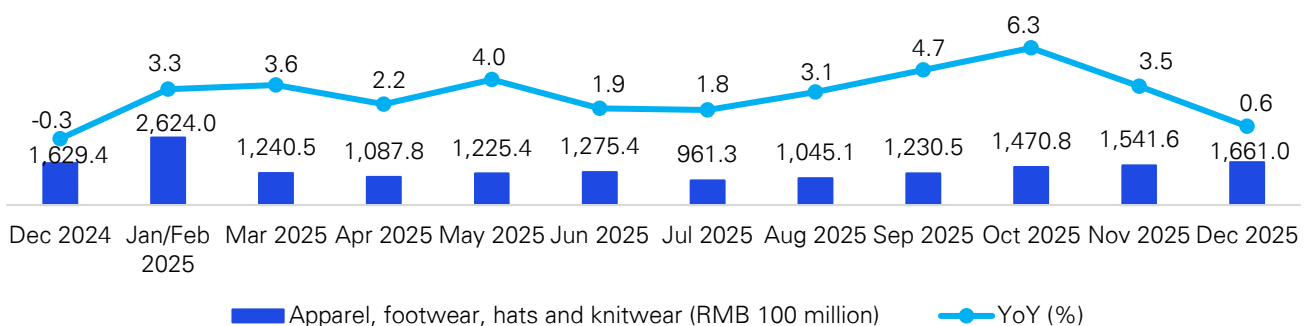


Source: National Bureau of Statistics, KPMG analysis



Apparel and footwear

Retail sales of apparel, footwear, hats and knitwear, Dec 2024-Dec 2025 (RMB 100 million, %)

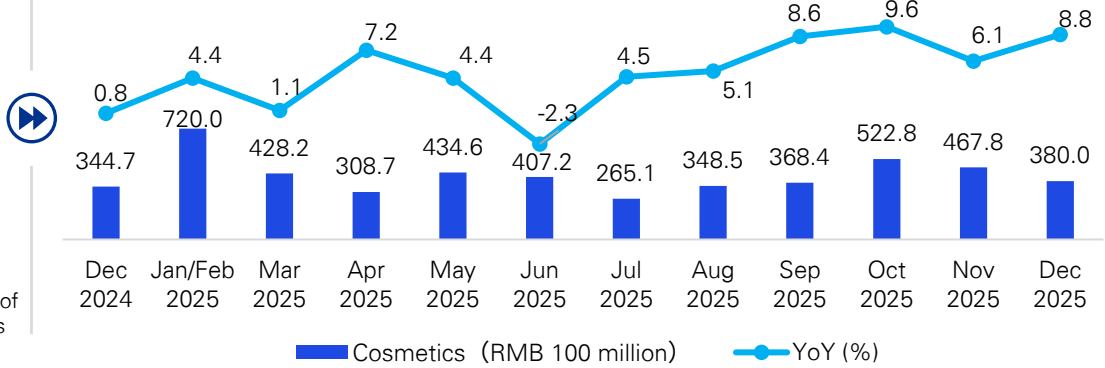


Source: National Bureau of Statistics, KPMG analysis



Health and personal care

Retail sales of cosmetics, Dec 2023-Dec 2024 (RMB 100 million, %)

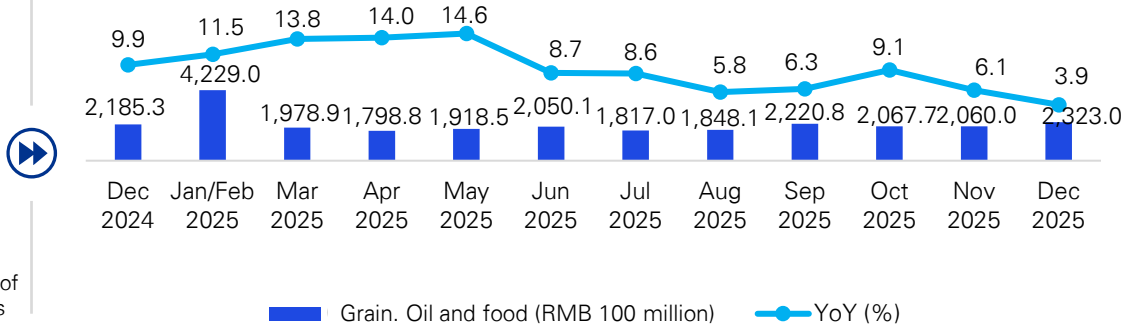


Source: National Bureau of Statistics, KPMG analysis



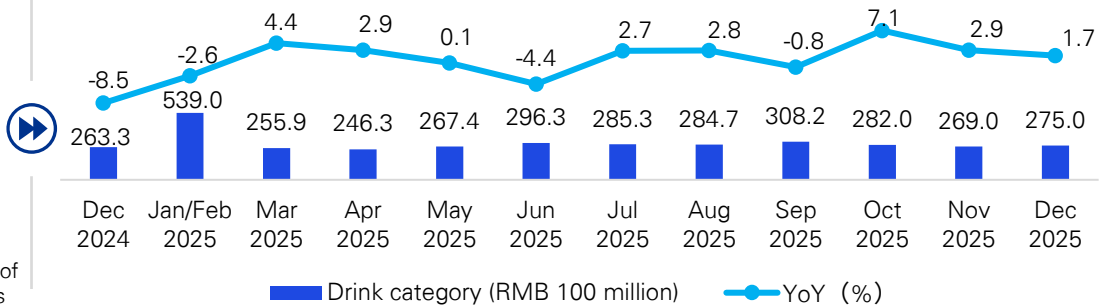
Food and beverage

Retail sales of grain, oil and food, Dec 2024-Dec 2025 (RMB 100 million, %)



Source: National Bureau of Statistics, KPMG analysis

Retail sales of the drink category, Dec 2024-Dec 2025 (RMB 100 million, %)

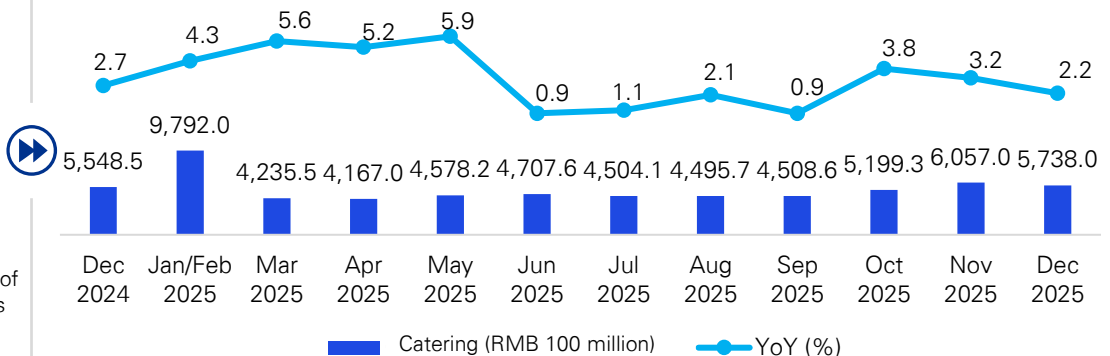


Source: National Bureau of Statistics, KPMG analysis



Restaurants

Retail sales of catering, Dec 2024-Dec 2025 (RMB 100 million, %)

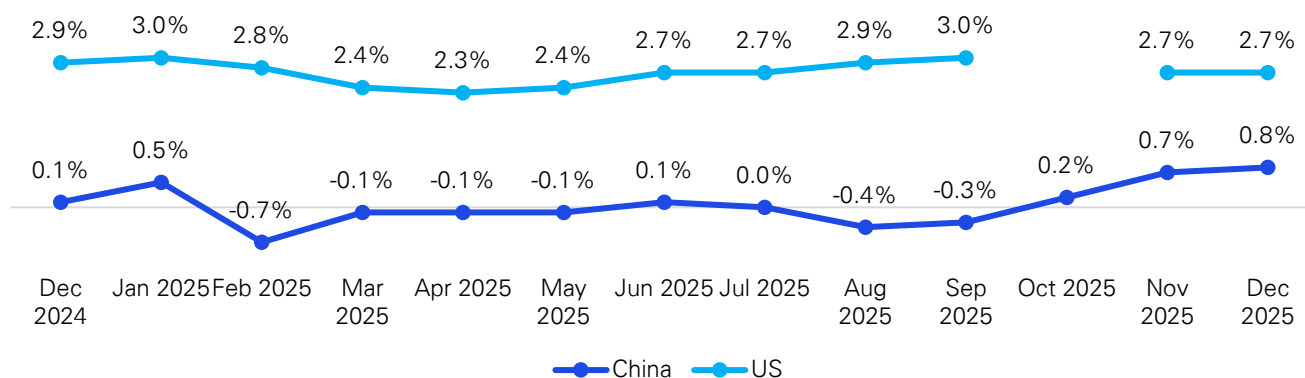


Source: National Bureau of Statistics, KPMG analysis

China is actively supporting healthy price rebounds, while the US still faces risks of stagflation

In 2025, China maintained overall price stability, with the IMF projecting an inflation rate of just 0.5%. Meanwhile in the US, inflation eased, employment growth slowed, and fiscal policies shifted towards monetary easing.

China and US CPI YoY growth (%), Dec 2024-Dec 2025



Source: National Bureau of Statistics of China, U.S. Bureau of Labor Statistics, KPMG Analysis

*Note: U.S. October CPI data is unavailable due to the government shutdown.

China's CPI remained flat year-on-year, with monthly fluctuations showing signs of recovery. Key highlights include¹ :

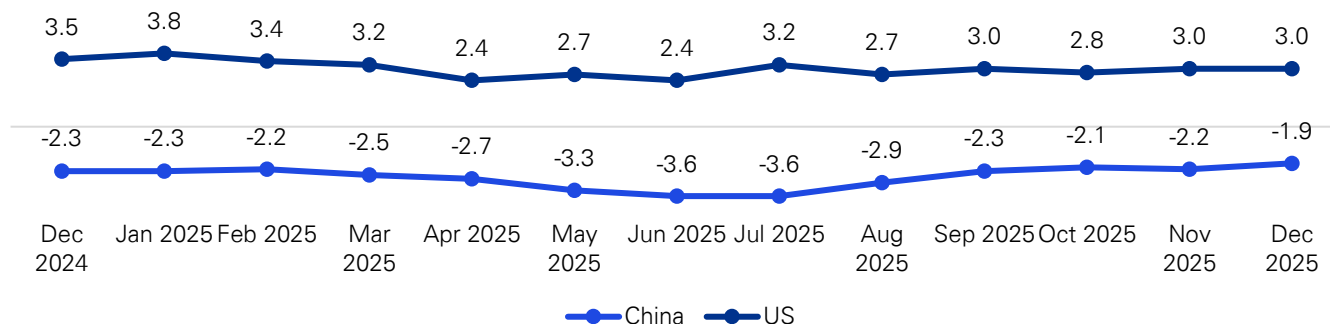
- **Food and energy prices declined significantly, exerting downward pressure on the overall CPI.** Food prices remained low, falling by 1.5%—a decline 0.9 percentage points more than last year—reducing the CPI by approximately 0.3 percentage points. Energy prices also declined, dropping by 3.3% for the year as international oil prices softened, leading to lower domestic energy costs and an approximately 0.2 percentage point reduction in CPI.
- **Core CPI demonstrated a moderate recovery.** Supported by the “Two New” policies and effective capacity management in certain industries, supply and demand improved in some sectors, resulting in price increases for related products. Excluding food and energy, core CPI rose by 0.7% year-on-year, 0.2 percentage points higher than last year. Notably, from September to December, core CPI maintained growth above 1% for four consecutive months.
- **Factors supporting a moderate rebound in CPI are gradually increasing.** On the policy front, the rollout of targeted measures such as coordinated fiscal and monetary packages to stimulate domestic demand could increase consumer expenditure, laying the foundation for price stability and further consumption growth.

In the U.S., CPI remained unchanged at 2.7% year-on-year in December compared to November. Key highlights include⁶:

- **The energy index rose 2.3% for the year.** Electricity surged 6.7%, natural gas jumped 10.8%, while gasoline declined 3.4%.
- **Food prices increased 3.1% year-on-year.** Household food prices rose 2.4%, while meat, poultry, fish, and eggs climbed 3.9%. Non-alcoholic beverages increased 5.1%, but dairy products decreased 0.9%. Dining out also costs rise 4.1% compared to 2024.
- **Excluding food and energy, the core CPI index advanced 2.6%, driven primarily by a 3.2% increase in housing costs.** Compared to 2024, Healthcare, household goods, recreation, and personal care expenditures saw notable growth of of 3.2%, 4.0%, 3.0%, and 3.7% respectively. Notably, the recreation index rose 1.2% in December—its largest monthly increase since records began in 1993.

In 2025, China's PPI began to recover from earlier lows, while the U.S. PPI showed a downtrend trend with fluctuations, though underlying inflationary pressures are building.

China and US PPI YoY growth (%), Dec 2024-Dec 2025



Source: China National Bureau of Statistics, U.S. Bureau of Labor Statistics, KPMG Analysis

China's PPI fell 2.6% year-on-year, but the rate of decline slowed in the second half. Key drivers included⁷:

- Targeted policies to address industrial overcapacity and promote fair competition are driving price increases in key sectors, demonstrating the positive impact of ongoing rationalisation measures. Supply-demand balance improved as a result, with the strong price recovery for the "new trio" products—solar equipment/components, lithium-ion batteries, and new energy vehicles—starting in September, with their rate of decrease year-on-year narrowing by 4.2, 1.1, and 0.3 percentage points respectively compared to the first half.
- Global factors drove sectoral price divergence. Rising global prices for non-ferrous metals, combined with China's accelerated electrification and green transition, pushed up prices in related sectors. Meanwhile, international oil prices trended downward, leading to lower prices in domestic petroleum-related industries. Uncertainty in global trade also affected export expectations, resulting in year-on-year price declines of 2.3% in textiles, 1.5% in general equipment manufacturing, and 1.3% in specialised equipment manufacturing.
- Industrial development drove price increases in select sectors. Rapid AI advancements drove up prices for integrated circuit packaging/testing, external storage components, control micro-motors, and wearable smart devices. The deepening green transition drove sustained price increases in the comprehensive waste resource utilisation sector, which saw four consecutive months of growth after ending its decline in September.

U.S. PPI grew 3.0% year-over-year, with December's month-on-month increase of 0.5% marking the largest gain in three months. Core indicators reached yearly highs. Specifically⁸:

- Prices for final demand services increased 0.7% in December, fueled by rising costs. This was primarily driven by a 1.7% surge in margins for final demand trade services, led by a 4.5% jump in wholesale machinery and equipment margins.
- Prices for final demand goods remained flat in December, despite declines in food and energy. However, prices of core goods increased, lifting the index for final demand goods excluding food and energy by 0.4%. Over the full year, the core index excluding food, energy, and trade services rose 3.5%, marginally below the 3.6% recorded in 2024.

Sector impact of recent market developments



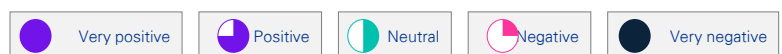
In the second half of 2025, the Chinese government intensified efforts to boost consumption, accelerating the market's shift toward service-oriented, experience-driven, and digital models. The offshore duty-free sector saw a surge in activity, with the Hainan Free Trade Port reporting duty-free sales of RMB 4.86 billion in its first month after customs closed—a 46.8% year-on-year increase. Luxury sales performed strongly, with the Tmall Luxury Festival achieving double-digit sales growth, and multiple brands exceeding 30% sales growth.

Apparel emerged as a key driver of e-commerce performance during festivals, as holiday demand and outdoor trends pushed demand for high-performance footwear and equipment. Travel continued to fuel demand in the beauty market, with over 100 cosmetics brands launching on Meituan's Instant Retail platform. Portable foods and lightweight snacks saw a boost in sales amid family travel and the new popularity of camping. Health-related consumption deepened, with wellness products becoming a major growth point for e-commerce platforms. At the same time, restaurants expanded into county-level markets and community stores, adopting diverse channels that align with consumers' daily routines. They are continuously enriching the consumption experience with innovative models such as "dining + cultural tourism" and "dining + digitalisation".



The luxury and fashion sector continues to face pressure, yet excels in duty-free retail and e-commerce festivals

Market trends	Luxury and fashion	Impact ^a
Economic activities 	<ul style="list-style-type: none"> China's economy in 2025 demonstrated solid fundamentals, diverse strengths, resilience, and long-term potential. <ul style="list-style-type: none"> Consumption remained a significant driver of economic growth, with final consumption expenditure accounting for 52% to GDP growth in 2025 – and rising to 52.9% in the fourth quarter¹. In December, total retail sales of consumer goods hit RMB 4,513.6 billion, marking a 0.9% year-on-year increase. For the full year, retail sales totalled RMB 50,120.2 billion, rising 3.7% from 2024. Excluding automobiles, retail sales of consumer goods reached RMB 45,141.3 billion, up 4.4% from the previous year⁵. 	
Travel 	<ul style="list-style-type: none"> South Korea officially issued a visa-free trial for Chinese group tourists from 29 September 2025 to 30 June 2026, boosting inbound tourism. However, duty-free industry performance fell short of expectations. According to data released by the Korea Tourism Organization in January 2026, South Korea welcomed approximately 17.42 million foreign tourists from January–November 2025, a 15.4% increase year-on-year. Despite this growth, figures from the Korea Duty Free Shop Association show that duty-free sales during the same period totalled KRW 11.4145 trillion, a 12% decline compared to the previous year⁹. 	
Duty-free 	<ul style="list-style-type: none"> Hainan Free Trade Port reported offshore duty-free shopping sales totalling RMB 4.86 billion in its first month of full customs closure (18 December 2025 – 17 January 2026). This represents a year-on-year increase of 46.8%, with a 30.2% increase in shoppers to 745,000, as well as a 14.6% increase of purchased items to 3.494 million¹¹. China's departure duty-free market developed steadily. By the end of November 2025, 12,252 tax refund shops operated across 28 provinces/regions, with 9,151 of these newly established in 2025. Over 7,000 stores now offer instant tax refund services. In the first eleven months of 2025, departure tax refund stores sold products in 329 categories—an increase of 84 categories compared to the same period in 2024, representing nearly 40% year-on-year growth¹⁰. Shanghai has built a comprehensive network of tax refund points—including 9 citywide centers, 17 centralised hubs, and numerous individual store locations—achieving full coverage of “instant refunds” and driving the growth of its tax-free shopping market for departing tourists. According to data from the Shanghai Municipal Taxation Bureau, the number of international visitors claiming tax refunds in Shanghai from January to November 2025 surged by 156.3% year-on-year, while sales of tax-refundable goods and the total refund amount both rose by approximately 80%¹². 	
Festival celebrations 	<ul style="list-style-type: none"> In the second half of 2025, the luxury segment delivered standout results during the Double Eleven shopping festival, with transaction volumes increasing steadily. Data from Tmall's first-phase Double Eleven revealed that luxury brands overall achieved double-digit growth in sales, with iconic brands such as Burberry, Canada Goose, Max Mara, and Moncler all recording double-digit gains on the platform. Similarly, flash-sale e-commerce leader Vipshop reported over 30% year-on-year sales growth for multiple luxury brands¹³. 	
Government functions and policies 	<ul style="list-style-type: none"> The 15th Five-Year Plan recommends developing international consumer hub cities and expanding inbound consumption. In September 2025, the Ministry of Finance and the Ministry of Commerce announced plans to select around 15 pilot cities nationwide to develop an internationalised consumer environment. To advance higher-level opening-up and better meet travellers' diverse shopping needs, Hainan's offshore duty-free policy will undergo new adjustments starting November 1, 2025. Duty-free categories will expand from 45 to 47, and eligibility to enjoy duty-free benefits will broaden to include outbound travellers, to boost the share of international duty-free shoppers. The Central Economic Work Conference held on 10–11 December 2025 emphasised prioritising domestic demand to build a strong domestic market. Initiatives include rolling out consumption-boosting campaigns, implementing urban-rural income growth plans, scaling up premium goods and services supply, refining the Two New policies, removing unreasonable consumption restrictions, and unleashing service consumption potential. 	



Note: a. KPMG analysis

The footwear and apparel market continues its upward trajectory, with quality and value driving consumer purchasing decisions











Market trends	Apparel and footwear	Impact ^a
<p>Economic activities</p> 	<ul style="list-style-type: none"> In 2025, the retail market for clothing and footwear maintained steady growth, fueled by rapid expansion in online consumption. <ul style="list-style-type: none"> According to data from the National Bureau of Statistics, retail sales of apparel, footwear, hats, and textiles at major retailers grew by 3.2% year-on-year. National online retail sales reached RMB 15.97 trillion, up 8.6% year-on-year, with wearable goods rising 1.9%⁵. Customs statistics show stable performances for China's textile and apparel exports in 2025, totalling USD 293.77 billion—a slight year-on-year decline of 2.4%. Textile exports rose 0.5% to USD 142.58 billion, while apparel exports fell 5.0% to USD 151.18 billion¹⁴. Notably, apparel exports to the European Union grew by 3.7%²¹. 	
<p>Shifts in trends</p> 	<ul style="list-style-type: none"> In 2025, several fast-fashion giants expanded into sportswear, while outdoor brands championed green consumption, fuelled by AI-driven innovation in apparel manufacturing. <ul style="list-style-type: none"> The Economic Observer's <i>November 11 Fashion & Skincare Consumer Report 2025</i> reveals a decisive shift: ingredients, fabrics, and technical specs now dominate purchase decisions. Over 90% of consumers prioritise garment materials, with 48.6% ranking fabric among the top three quality determinants—making measurable performance metrics critical to closing sales¹⁵. Fast-fashion players are broadening their reach into the sports category, blurring lines between sport and leisure, and combining urban style with outdoor functionality. Leveraging agile supply chains, they fuse technical features like wind resistance and lightweight design into city wear, directly addressing demand for the "light outdoor lifestyle"¹⁶. Domestic sportswear leaders are accelerating sustainable innovations. A major Chinese brand is spearheading eco-innovation—pioneering recycled materials to drive the industry's green transformation. This commitment positions them as both a product maker and a sustainability ambassador²². New-generation AI technologies like AIGC are transforming traditional design models in the textile industry. Automated style generation, pattern design, colour matching, and digital sample creation are dramatically speeding up the design process. AI is also shifting production from experience-driven to data-driven, boosting manufacturing efficiency²³. 	
<p>Festival celebrations</p> 	<ul style="list-style-type: none"> During the Double 11 shopping festival, apparel drove overall growth, fuelled by its essential nature and seasonal demand. Functional clothing gained strong consumer traction as shoppers became increasingly sophisticated and pragmatic¹⁷. <ul style="list-style-type: none"> According to Fudan University's Consumer Big Data Lab report <i>Data-driven Insights on Online Consumption during the November 11 Shopping Festival of 2025</i>, JD.com led the apparel sector with a 27.0% year-over-year sales during Double Eleven. Douyin, Taotian, and Pinduoduo followed with growth rates of 23.2%, 12.2%, and 16.3%, respectively. JD.com also topped both the apparel (30.7% growth) and footwear (26.8% growth) categories¹⁸. Meritco Services data revealed that during Phase 1 of the Double Eleven festival, Taobao & Tmall captured 57.5% of apparel GMV across key platforms, beating out Douyin (26%) and JD.com (17%). Taobao & Tmall not only claimed the largest market share but also expanded its dominance¹⁷. TikTok Shop's Southeast Asia cross-border e-commerce business saw explosive growth during the Double Eleven mega-sale. Data reveals the platform's total GMV in the region surged 2.3 times compared to last year, with apparel conversion rates in social commerce channels outpacing traditional product pages by 2 to 3 times²⁰. 	
<p>Travel</p> 	<ul style="list-style-type: none"> Holiday spending and outdoor adventures became key drivers for apparel and footwear sales, while winter sports demand fuelled purchases of specialised gear. Consumer preferences visibly shifted from basic warmth retention to high-performance equipment upgrades. <ul style="list-style-type: none"> November's consumer spending report from "Smzdm" highlights three core themes: autumn outings, cold-weather protection, and outdoor activities. GMV for "autumn outings" jumped 70.84% year-over-year, children's windbreakers saw a 26.92% GMV increase. "Warmth" related purchases climbed 10.33%, with down jacket sales rising 17.63%¹⁹. Skiing emerged as a major social and commercial trend, propelling GMV for ski socks and quick-dry apparel up 56.41% and 26.25% respectively¹⁹. 	



Note: a. KPMG analysis

Beauty industry firms across the supply chain are pushing to be listed on the Hong Kong stock exchange, while AI is deeply reshaping consumer decision-making









Market trends	Health and beauty	Impact ^a
<p>Economic activities</p> 	<ul style="list-style-type: none"> Supported by pro-consumption policies, retail sales of cosmetics at large retailers nationwide reached RMB 465.3 billion in 2025, rising 5.1% year-on-year and reversing the decline seen throughout 2024⁵ Health-related consumption continues to gain momentum, especially with emerging trends like proactive health spending, digital health solutions, and TCM-inspired wellness. Per capita health-related expenditure reached RMB 2,573 in 2025, an increase of 8.7% year-on-year, reflecting consumers' growing commitment to health-centric lifestyles²⁴. Investment and financing activity remains active in the beauty sector. In 2025 alone, over 41 beauty-related companies—spanning raw material suppliers, packaging manufacturers, brands, and operators^b—filed for IPOs. Among them, Forest-Cabin debuted on the Hong Kong exchange in December, while domestic brands like CHANDO and PROYA have kickstarted their plans to list on the Hong Kong stock exchange²⁵. 	
<p>Travel</p> 	<ul style="list-style-type: none"> Travel-driven demand continues to unlock growth for instant beauty retailers, with the sector's market size projected to surpass RMB 1 trillion in 2025, a 29% year-on-year leap, according to MOFCOM research. Compared to traditional beauty stores, instant retail fulfillment hubs offer lower labour and rental costs. Competitive pricing further amplifies their appeal, delivering a cloud-mall experience to consumers. However, the market still adopts a wait-and-see approach toward the long-term prospects of beauty fulfillment hubs²⁶. <ul style="list-style-type: none"> In October 2025, Meituan announced its "Brand Flagship Lightning Warehouse" initiative, providing brands with infrastructure for warehousing, delivery, and digital systems. Over 100 brands like PROYA, MAOGEPING, and LAIFEN have already joined the platform since its launch²⁷. 	
<p>Shift in trends</p> 	<ul style="list-style-type: none"> Demand for children's cosmetics continues to rise. According to the Children's Cosmetics Safety and Development White Paper, the market is projected to hit RMB 24 billion by 2025²⁸. <ul style="list-style-type: none"> Reporting in August 2025 revealed kids' makeup demand is increasingly personalised and diverse, with uses expanding beyond stage performances, to gifting and celebrations. This is attracting brands like Red Elephant, Bodorme, and Leosotoo into the segment²⁸. China's haircare market is showing huge potential (forecasted to reach RMB 66.8–69.1 billion in 2025), with key growth drivers in demand segmentation, premium ingredients, and usage-specific innovation²⁹. <ul style="list-style-type: none"> In a November 2025 report, a leading multi-brand beauty conglomerate acquired Italy's haircare brand Foltène—integrating cutting-edge tech to deliver science-backed scalp and hair solutions to broader consumer groups³⁰. New beauty concept stores are reinventing offline shopping through immersive experiences and interactive activities. Their low-cost, high-efficiency model makes them the preferred channel for emerging beauty brands³³. <ul style="list-style-type: none"> An October 2025 report highlights how BEAUTY CHOICE, a newly opened beauty store at Canton Tower Plaza, captivated shoppers with its music-themed concept³². 	
<p>Festival celebrations</p> 	<ul style="list-style-type: none"> According to November 2025 reports, personal care and beauty products ranked fourth in sales during the Double Eleven shopping festival, with sales reaching approximately RMB 138.99 billion³¹. <ul style="list-style-type: none"> Across the four major platforms—Taobao Tmall, Douyin, JD.com, and Kuaishou—the top-selling beauty and skincare brands were Proya, Han Shu, Lancôme, and THE WHOO, respectively. The rankings for brands in positions 2-5 shifted notably, with SkinCeuticals breaking into Tmall's top five for the first time, while Helena Rubinstein, Guyu, and Chando quickly rose on Douyin, and Sulwhasoo emerging as a new frontrunner on Kuaishou. This reflects a shift in the beauty and personal care market to a landscape featuring both top brands and high-growth newcomers³¹. Throughout Double Eleven, AI deeply shaped consumer decision-making and business operations. Consumers leveraged AI to calculate discounts and optimise their purchases. Meanwhile, Tmall, JD.com, and Douyin issued AI-powered shopping assistants, embedding the technology across the entire consumer journey³¹. 	



Note: a. KPMG analysis. b. Upstream of the beauty industry chain primarily involves raw material suppliers, packaging providers, and contract manufacturers; midstream encompasses brand owners and distributors; downstream includes retail outlets and consumers.

Food and Beverage consumers are shifting from trusting brands to trusting ingredients—innovation and emotional connection are key drivers of brand growth











Market trends	Food and beverage	Impact ^a
<p>Economic activities</p> 	<ul style="list-style-type: none"> In 2025, China's large-scale beverage retail sales reached RMB 329.5 billion, up 1% year-on-year, while retail sales of grain, oil, and food products by major enterprises surged to RMB 2,399.1 billion, up 9.3% year-on-year⁵. Consumer demand for goods continued to increase, with daily essentials like grain and oil driving rapid growth³⁸. The Chinese liquor industry pivoted greatly in 2025. On one hand, the sector is transitioning from rapid expansion to a new phase of deep restructuring—focused on competition for market share and premiumisation. On the other hand, shifting consumption trends toward younger demographics and lower-alcohol products forces traditional players to innovate. <ul style="list-style-type: none"> Data from the China Alcoholic Drinks Association revealed that inventory levels across 20 listed liquor companies totalled RMB 170.7 billion in the first three quarters of 2025, up 11.32% year-on-year³⁹. Platforms like Taobao, JD.com, and Meituan expanded their liquor delivery services, making “30-minute delivery” the new norm. Meituan's liquor delivery brand, Waima, projects its 2025 transaction volume to exceed RMB 6 billion³⁹. 	
<p>Festival celebrations</p> 	<ul style="list-style-type: none"> In the second half of 2025, the combined Mid-Autumn Festival and National Day holidays created a “golden window” for unleashing consumer potential. During this period, beverages and alcoholic drinks emerged as key growth drivers, while sales of traditional gift boxes and mooncakes came under pressure³⁵. Family travel fuelled a surge in portable food sales, and camping scenarios sparked demand for “lightweight” snacks. According to Syntun data, total sales across e-commerce platforms during the Double Eleven in 2025 reached RMB 1.695 trillion, up 14.2% year-on-year. Within this, the food and beverage sector accounted for 5.7%, ranking seventh in sales³⁴. 	
<p>Shifts in trends</p> 	<ul style="list-style-type: none"> A wave of trends—including the rise of health consciousness, the growing emphasis on emotional value, socially-conscious packaging, community-driven consumption, and novelty-driven purchasing—is reshaping the food and beverage landscape. <ul style="list-style-type: none"> NielsenIQ's 2025 Consumer Insights and Decision-Making Report for the Food & Beverage Industry reveals a shift in consumer behaviour: consumers are moving from “brand trust” to “ingredient scrutiny”, and transitioning from “seeking health” to “understanding wellness”. A significant 71% of consumers now deeply research ingredients, origin, and nutritional value before purchasing food and drinks³⁶. Meituan platform data highlights a spike in demand for health-focused products during Double Eleven in 2025, positioning them as critical growth drivers for e-commerce. Searches for Foods for Special Medical Purposes (FSMP) surged by nearly 40% month-over-month, while interest in health-boosting tonics jumped over 30%³⁷. Brand growth increasingly relies on both innovation and emotional connection, with interaction on social media platforms reshaping the decision-making process and boosting sales. <ul style="list-style-type: none"> Channel integration crafts seamless shopping experiences. Emerging formats like instant retail, community group buying, and live-stream commerce rapidly penetrate markets, as consumers expect to shop “anytime, anywhere, on demand”. NielsenIQ's 2025 Food & Beverage Consumer Insights and Decision Journey Whitepaper found that 65% of consumers engage with new launches on social platforms, while 26% make purchases specifically to share with their social circles³⁶. 	
<p>Government functions and policies</p> 	<ul style="list-style-type: none"> In March 2025, China's National Health Commission and other departments jointly issued 59 national food safety standards and amendments, explicitly prohibiting the use of claims such as “no additives” or “zero additives” on prepackaged foods. In September, the commission had introduced an additional 32 national food safety standards and two more amendments. These included one general standard, two standards for nutritional and special dietary foods, four production and operation specifications, two standards for food-related products, 11 quality specifications for food additives and nutritional fortifiers, 12 testing method standards, as well as amendments to standards for Sterilised Milk and Raw Milk. This further strengthened the national food safety standard system, covering the entire farm-to-table chain, every stage from raw materials to finished products, and all consumer groups from the general public to specific populations. In September 2025, China's National People's Congress Standing Committee amended the Food Safety Law of the People's Republic of China. The newly revised law now requires licensing for the bulk road transport of key liquid food products and, for the first time, mandates registration-based management for infant formula liquid milk. This expansion ensures regulatory coverage of critical product categories and emerging market segments. 	



Note: a. KPMG analysis

The restaurant industry is embracing transformation, with innovation driving resilient growth and leaps in value

Market trends	Restaurants	Impact ^a
<p>Economic activities</p> 	<ul style="list-style-type: none"> China's restaurant revenue reached RMB 5.7982 trillion in 2025, up 3.2% year-on-year and accounting for 11.6% of total retail sales—up 0.2 percentage points from the previous year⁴². Growth stabilised in the latter half of the year, shaping the market's trajectory with steady growth, with early momentum, structural optimisation, and frequent breakthroughs amid market volatility. <ul style="list-style-type: none"> "First-to-market momentum" and holiday consumption emerged as key growth engines. Brands leveraged flagship stores and product launches to draw crowds, while festivals like Spring Festival, Labour Day, and National Day ignited family gatherings and tourism-driven dining—propelling the sector forward. Businesses actively pursued innovation, expanding into "dining+" multi-scenarios. Restaurants enriched the consumer experience by developing new products, leveraging holiday marketing, and integrating cultural elements, combining models such as "food + cultural tourism," "food + digitalisation," and "food + local livestreaming." 	
<p>Festival celebrations</p> 	<ul style="list-style-type: none"> As the Golden Week holiday coincided with the National Day and Mid-Autumn Festival in 2025, dining markets across China witnessed a surge in consumption, with various food festivals and culinary events. According to big data from the Ministry of Commerce, sales at key retail and dining enterprises nationwide grew by 2.7% year-on-year⁴⁰. The Double Eleven shopping festival further boosted consumption through integrated online and offline promotions, with restaurants expanding their reach via pre-sales and livestreaming campaigns. Data from the National Bureau of Statistics showed that China's restaurant revenue reached RMB 605.7 billion in November 2025, up 3.2% year-on-year, while revenue from large-scale establishments rose by 1.2% to RMB 138 billion⁴¹. 	
<p>Shifts in trends</p> 	<ul style="list-style-type: none"> Capital consolidation accelerated industry reshuffling. The second half of 2025 marked a peak in M&A activity and IPOs across the sector, with companies scaling rapidly through acquisitions—like Haidilao's takeover of Jugaogao and Starbucks' local partnerships—while bubble tea and fast-food brands raced to go public. Some brands even pursued U.S. listings for global branding, such as by Hong Kong's Ga Sai Tong filing for a US IPO⁴³. Channel restructuring: The battle for takeaway and delivery, as well as the "flight from high-end malls", set off a fierce battle for market share between giants like JD.com, Alibaba, and Meituan, igniting a subsidy war worth billions, but ultimately scaled back due to profit pressures, leading the takeaway market to return to rational competition after a period of aggressive spending. Simultaneously, restaurant brands are pivoted away from high-end malls in favour of diverse, consumer-centric locations—B1/B2 floors, county-level markets, and neighbourhood stores—to embed themselves into daily life. Cross-sector ecosystem building and core business breakthroughs. Facing growth bottlenecks in their main operations, food and beverage players are aggressively diversifying, leveraging their supply chain strengths to extend the value chain at low cost and build multi-faceted ecosystems for full-scenario market penetration. For instance: Juewei Food launched fast-food chain "Juewei Bao Bao" in office districts. Bubble tea giants like Guming and CoCo are joining the trend, adding desserts like peach gum milk desserts to their menus. 	
<p>Government functions and policies</p> 	<ul style="list-style-type: none"> In the second half of 2025, relevant authorities introduced a series of policies to foster a more regulated and orderly environment for the restaurant industry, guiding businesses toward healthy and sustainable operations. <ul style="list-style-type: none"> In December 2025, the <i>Fundamental Requirements for Online Food Delivery Platform Services and the Internet Platform Pricing Conduct Guidelines</i> were released, standardising food delivery practices and online promotions and ensuring fair competition. In January 2026, nine ministries including the Ministry of Commerce issued the Green Consumption Promotion Initiative, supporting the development of green catering, encouraging businesses to source green foods and organic agricultural products, and advancing green practices throughout the supply chain. In January 2026, the State Council's Food Safety Commission drafted <i>National Standards for Prepared Dishes and Terminology & Classification for Prepared Dishes</i>, aiming to protect consumer rights and promote high-quality industry development. 	



Note: a. KPMG analysis

Sub-sector trends :



Luxury and fashion

The global luxury market entered a period of steady growth in 2025. Industry data projected worldwide luxury spending across all segments to have reached approximately EUR 1.4 trillion, remaining largely unchanged from last year as the market gradually improves.

Despite a significant drop in gold and jewellery demand amid surging prices, China's gold, silver, and jewellery retail sales recorded strong growth in 2025.



The Global luxury market remains resilient, with Chinese consumers driving the sector's growth

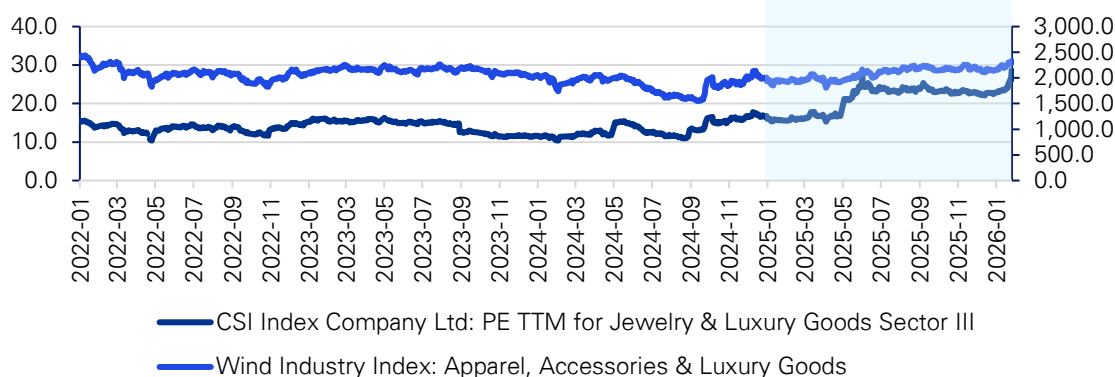
Research shows that the global luxury industry finally emerged from the pandemic's shadow into a phase of steady expansion in 2025. While the Chinese market continues to navigate macroeconomic complexities and subdued consumer confidence, its vast consumer base ensures that Chinese shoppers remain key buyers in global luxury purchases and a top priority for major luxury brands.



In the second half of 2025, the global luxury goods industry entered a period of steady growth.

- The joint report by Bain & Company and Italy's Altgamma Luxury Association, Global Luxury Market Study 2025, highlights that despite challenges from economic and geopolitical uncertainties, as well as shifts in consumer preferences, the global luxury market continued to demonstrate strong resilience. The report projects that by 2025, global luxury spending across all segments will reach approximately EUR 1.4 trillion, largely unchanged from 2024 (at constant exchange rates, with variance of no more than 1%), indicating a gradual improvement in market conditions. Within this landscape, the Chinese market is forecasted to contract by 3% to 5% (at constant exchange rates) ⁴⁴.
- According to the Wind Industry Index, the luxury sector maintained stable in 2025, even showing a slight upward trend in the third and fourth quarters. This positive momentum has continued into January 2026.

Performance of luxury industry-related indices from 2022 to January 2026



Source: Wind, KPMG analysis

Note: PE TTM refers to the ratio of a company's current market capitalisation divided by its net profit over the last four quarters, used to gauge stock valuation levels.

- Structurally, Chinese consumers' core demand for luxury goods remains unchanged. However, amid complex macroeconomic conditions, they have become more cautious. In this market, luxury brands must adapt their product and channel strategies by customising offerings to the unique preferences and experience expectations of different consumer segments.
 - **High-net-worth individuals:** With strong purchasing power, this group remains a primary customer base for luxury brands. To better serve them, brands are opening more spacious stores and VIP lounges/exclusive salons in China. Some luxury houses are even implementing deliberate premiumisation strategies to maintain brand and product exclusivity, reinforcing prestige to align with this segment's pursuit of elevated social standing.
 - **Middle-class and young consumers:** While their purchasing power is lower than that of high-net-worth individuals, their sheer numbers make them an important segment. Many luxury brands are focusing on entry-level luxury products such as premium beauty, fragrances, and eyewear, catering to their preference for "affordable indulgence." Additionally, some premium contemporary and accessible-luxury brands are lowering prices to encourage purchases from this group.



Soaring gold prices drive up gold jewelry sales

According to the World Gold Council, China’s gold jewellery demand in the first half of 2025 was only 194 tonnes—the lowest level since 2010 and the first time below the 200-tonne mark. However, total consumer spending on gold jewellery during this period reached approximately RMB 137 billion, remaining largely unchanged from 2024 and only RMB 26 billion apart from the record high set in the first half of 2013, despite demand being 382.7 tonnes lower. This indicates that the growth in China’s gold jewellery retail sales during H1 2025 was primarily attributed to the significant increase in gold prices.

Gold jewellery demand and value, H1 2009–2025 (in tonnes/RMB billion)

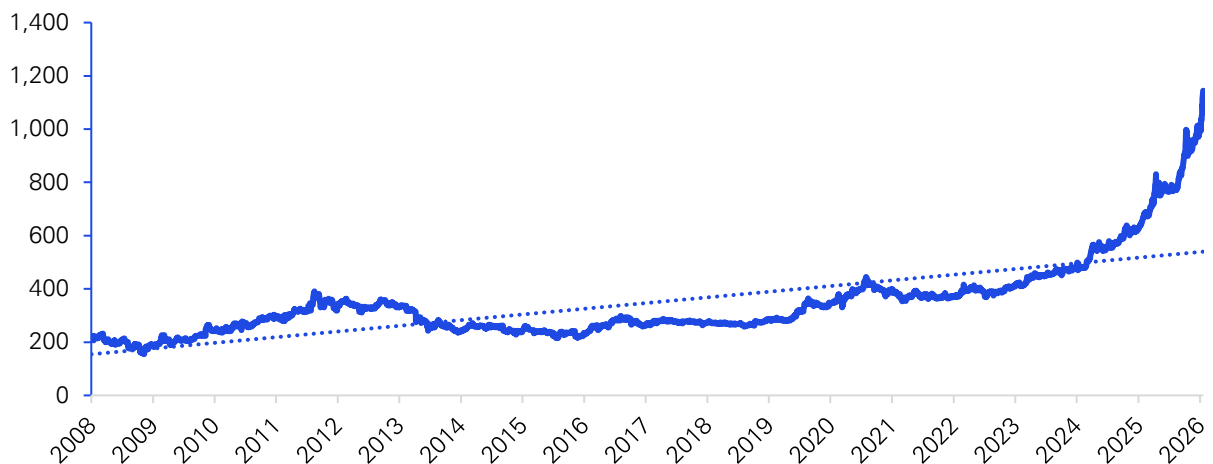


Source: World Gold Council, KPMG analysis

Additionally, according to data released by the National Bureau of Statistics, retail sales of gold, silver, and jewellery at large retailers reached RMB 373.6 billion in 2025, up 12.8% year-on-year. Despite this annual growth, this expansion was largely driven by rising gold prices, with the industry still facing notable sales pressure with the highest annual surge in gold prices in 46 years, making the end-consumer market relatively sluggish amid persistently high gold prices. Data reveals that the price of gold futures on the Shanghai Futures Exchange has trended upward over the medium to long term, entering a phase of accelerated growth over the past two years, characterised by significant price volatility and sustained high levels.

From a retail perspective, current gold jewellery consumption is primarily concentrated in essential demand scenarios, such as wedding jewellery, holiday gifts, and commemorative items. For non-essential gold jewellery, ordinary consumers have adopted a cautious stance in the high-price environment, dampening demand growth in the end market.

Shanghai Futures Exchange gold futures closing price, 2008–January 2026 (RMB/g)



Source: Wind, KPMG analysis

Sub-sector trends:



Apparel and footwear

In 2025, the footwear and apparel industry transitioned from traditional manufacturing to a technology-driven, value-focused business model. Despite persistent demand pressures, the sector is creating new growth momentum through product innovation, business model evolution, and supply chain reinvention. Market performance increasingly varied, with athletic footwear and apparel emerging as clear standout performers. The coordination of physical stores and instant online retail is becoming a strong growth driver. Looking forward, technology integration, sustainability, and “ageless” design will become key highlights, so brands must be proactive in adapting to secure strategic advantage.



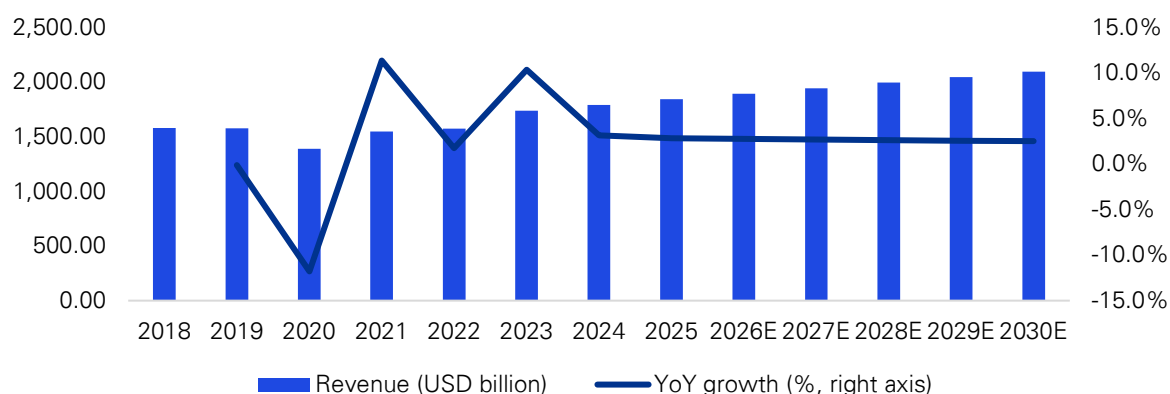
Reshaping the footwear and apparel industry : channel innovation, tech-driven sustainability, and age- inclusive trends



The Sector navigates pressure with steady progress

- Statista's latest data projected the global apparel market to hit USD 1.8 trillion in 2025—up nearly 3% year-on-year—with revenues expected to surpass USD 2.1 trillion by 2030⁴⁵, demonstrating robust industry resilience.

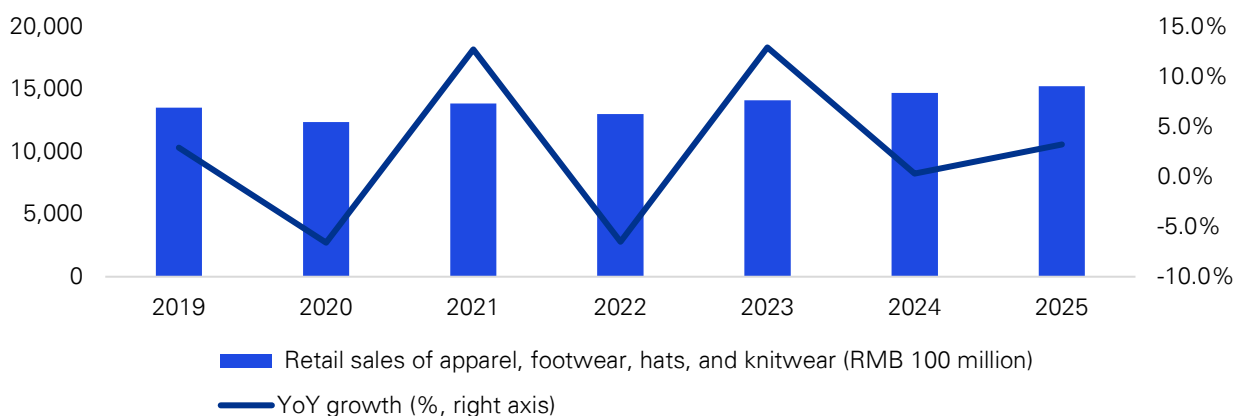
Global apparel industry revenue and growth rate (2018-2030) (USD billion, % YoY growth)



Source: Statista, KPMG Analysis

- Despite facing significant pressure, the footwear and apparel industry continues to demonstrate resilience, navigating both challenges and opportunities. According to National Bureau of Statistics (NBS) data, revenue for major garment enterprises declined by 4.63% year-on-year in the first three quarters of 2025, while total profits fell even further, down 16%. Losses affected 27% of these companies reported losses, highlighting the challenging environment across the sector⁴⁶. Despite challenges, China's footwear and apparel retail sector set a new record with sales exceeding RMB 1.5 trillion in 2025—a 3.2% year-on-year increase⁵.

China retail sales of apparel, footwear, hats, and knitwear, 2019-2025 (RMB billion, %)



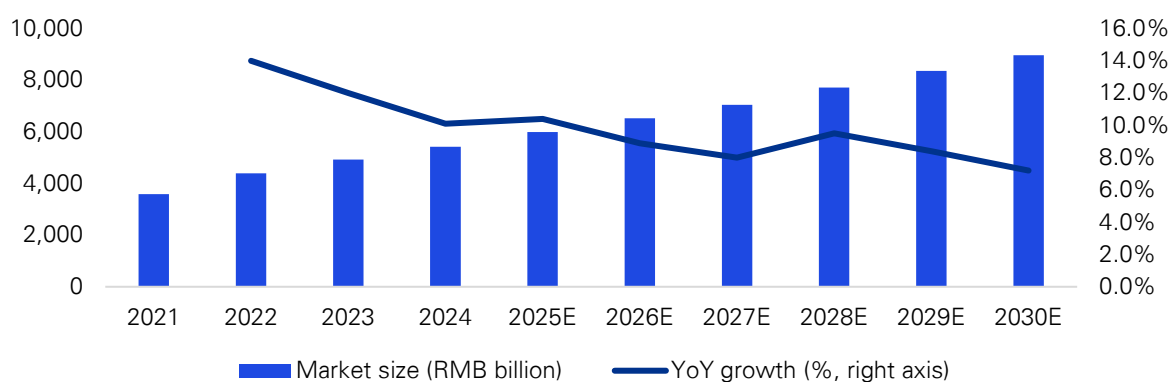
Source: National Bureau of Statistics, KPMG analysis



The industry landscape is becoming increasingly polarised, with divergent growth trajectories across sectors.

- The footwear and apparel market is transforming from incremental growth to a phase of intensified competition over market share. Industry concentration continues to rise, and leading players are solidifying their dominant positions. Simultaneously, the sportswear and footwear segment demonstrates exceptional resilience, emerging as the core driver of market evolution. Traditional apparel markets, however, struggled as market share gradually shifts towards specialised, youth-oriented brands.
 - Defying broader market trends, the outdoor and athletic footwear/apparel segment is expanding. In 2024, China’s sports industry reached a total output value of RMB 3.8 trillion⁴⁷, and is projected to exceed RMB 7 trillion by 2030⁴⁸. As the industry scales, sportswear and footwear increasingly leads the sector, with established companies like Li-Ning and Xtep International have forged a stable structure of “one leader with multiple strong competitors” in the Chinese market. According to the latest iiMedia Research data, China’s sportswear and footwear market reached RMB 542.5 billion in 2024, and is projected to grow to RMB 896.3 billion by 2030⁴⁹.
 - The traditional apparel market is navigating transformation challenges and growth opportunities, forcing brands to urgently explore innovative development paths. While segments like outdoor and sportswear continue expanding, mass-market casual wear faces challenges, especially for established brands. For example, HLA have maintained net profit margins between 5% and 13%⁵⁰ over the past five years⁵⁰, yet experienced significant fluctuations and volatility, reflecting mounting pressure across the sector. Notably, domestic players like Zulijian are expanding into new sectors—such as organic food—which is not just proactive diversification but a strategic push into untapped markets to unlock growth potential.

China’s sports apparel and footwear market size and forecast, 2021–2030 (RMB billion, %)



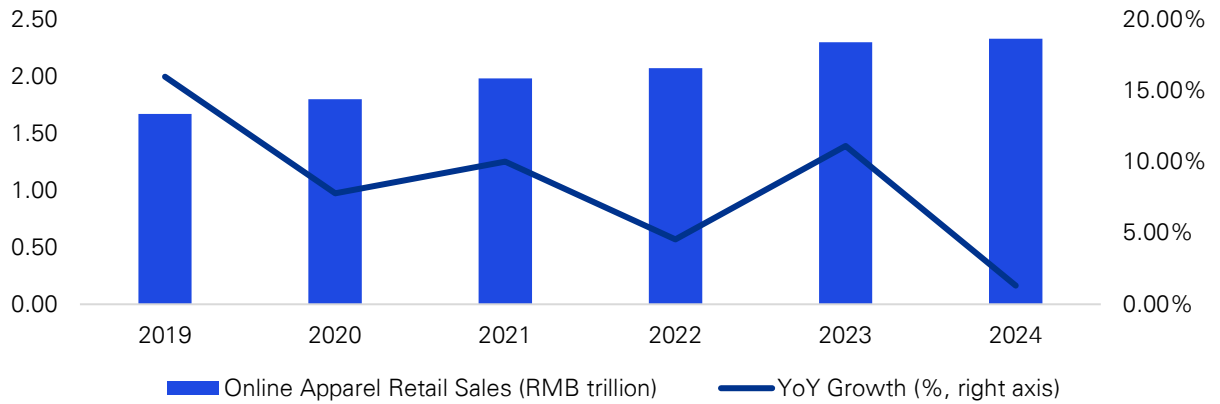
Source: iiMedia Research, KPMG analysis



Industry transformation and channel revitalisation: synergy between offline megastores and online instant retail

- In recent years, the footwear and apparel sector has witnessed two seemingly different but ultimately complementary channel trends to serve consumer needs: experiential and large-scale upgrades in physical stores, alongside explosive growth in online instant retail. These channels work together, transforming traditional outlets into “front warehouses + experience centres”, creating a comprehensive omnichannel retail network for brands.
 - Opening large stores has become the norm for leading brands, with physical locations evolving from conventional “sales floors” into “brand experience hubs”. Fast-fashion players are launching flagship megastores in Tier 1 cities, while sportswear giants are opening “superstores”. The focus is no longer on the number of outlets, but rather on operational efficiency—closing underperforming small units while investing in expansive concept stores.
 - Instant retail emerges as a new growth channel for footwear and apparel. Official statistics reveal China’s online retail sales surged to RMB 15.9 trillion in 2024, up 8.6% year-on-year⁵—extending the nation’s 12-year reign as the world’s largest e-commerce market⁵¹. Apparel e-commerce sales alone hit RMB 2.33 trillion, fuelled by the rise of short videos and mini-programs, as consumer habits are rapidly evolve and making instant retail a mainstream way to shop.
 - By spring 2025, over 50 footwear and apparel brands had joined Taobao’s flash-sale platform, while Topsports—China’s largest sportswear retailer—announced a partnership with Meituan to bring nearly 2,000 stores onto the platform⁵². For brands, this seamlessly integrates online-offline traffic, engages potential local customers, and diversifies sales scenarios.

China's Online Apparel Retail Sales and Growth Rate, 2019-2024 (RMB trillion, %)



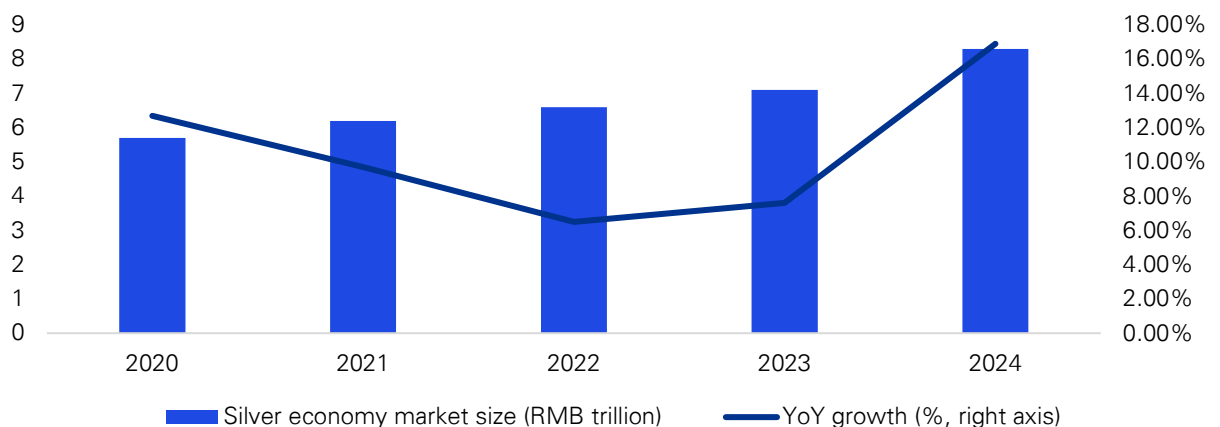
Sources: China National Textile and Apparel Council Information Department; Circulation Branch; KPMG analysis



Future footwear and apparel industry: where tech, sustainability, and age-inclusive designs converge

- The footwear and apparel industry is advancing toward a greener, smarter, and more personalised future, driven by breakthroughs in technology and sustainability. From transforming industrial CO₂ emissions into polyester fibers and utilising graphene for enhanced performance, to adopting 3D printing for zero-waste customised production, innovation is redefining every stage of the value chain.
 - The industry is prioritising technological and ecological innovation at unprecedented levels. **In materials development**, carbon capture technology **transforms waste materials into valuable resources**—converting CO₂ from industrial emissions into sustainable polyester. Concurrently, advanced fibers such as graphene enhance product performance with exceptional durability and intelligent thermoregulation. **In manufacturing**, 3D printing is revolutionising production with seamless, glue-free footwear construction that minimises waste while improving comfort. Furthermore, smart wearables now integrate health monitoring and real-time data feedback, while AI-driven design shortens development cycles.
- The silver economy is transitioning from an “senior-exclusive” approach to an “ageless” paradigm, employing functional design to attract consumers across all demographics, eliminating age-related barriers while addressing diverse needs.
 - This evolution from “senior-exclusive” to “ageless” reflects significant demographic shifts: In 2024, people aged 60 and above accounted for 22% of China’s population, up from 13.7% in 2011. This drove the silver economy to reach RMB 8.3 trillion in 2024 and is projected to grow to RMB 106 trillion by 2050, making China the world’s largest potential market for age-inclusive products⁵³. However, positioning products as “senior-exclusive” is a self-imposed market limitation. The essence of developing the silver economy lies in moving toward agelessness. For example, Skechers launched a “comfort” campaign in August, introducing easy-on walking shoes, while Tread’s jackets feature triple-protection fabrics and removable waist supports. By emphasising core functionality, brands attract consumers of all ages, breaking age boundaries so that people choose products based on needs, interests, and scenarios—not age.

China's silver economy market size and growth rate, 2020-2024 (RMB trillion, %)



Sources: CCID Consulting, KPMG analysis

Sub-sector trends:

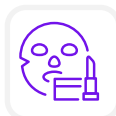


Health and beauty

The beauty industry is undergoing a profound transformation—redirecting its focus from external trends to self-discovery, from mass-market solutions to personalised experiences, and from immediate results to sustained value creation. Brands are leveraging this transformation through innovative R&D and precise market positioning, differentiating themselves by focusing on the emotional value of their products, while still addressing core consumer demands, such as wellness, natural formulations, and anti-aging efficacy. Meanwhile, the enthusiasm for Chinese brands to expand overseas remains strong, making it crucial to win the hearts of international consumers. Overseas market strategies have expanded beyond traditional advertising and distribution channels, and now have a deeper emphasis on culture, aesthetics, and visual identity. By targeting specific consumer segments, brands can establish competitive advantages.



China's beauty market ignites a new consumption wave: homegrown brands are going global for growth



The "love yourself" mindset is emerging: experiences, self-indulgence, and wellness-driven consumption is fueling growth

For increasingly sophisticated consumers, tech innovation and cultural convergence are increasingly bigger needs in the beauty and personal care sector. Today's buyers prioritise authentic product value and pursue quantifiable, traceable health benefits. **Long-term commitment, efficacy, and minimalist routines** are defining features of this shift, driving the industry toward integrated health-focused categories. Looking ahead, experience-driven, self-rewarding, and health-oriented beauty consumption will become pivotal engines for sustained growth.

- Core consumer demands are centric around health, natural ingredients, and anti-aging—while emotional resonance and social value have equal importance. JD.com research reveals 44.4% of respondents prioritise "long-term skincare regimens", with 39.0% seeking "holistic, inside-out radiance", underscoring health routines as the trend fueling the next wave of growth⁵⁴.
 - With rising health consciousness, a growing number of domestic beauty brands are transforming "pharmaceutical-level R&D" into tangible "safety and efficacy" for consumers. For example, Cogi has been targeting Chinese women's skin health, launching sunscreens suitable for sensitive skin⁵⁵.
 - Many Chinese beauty brands are building unique competitive advantages through innovative R&D and precise market positioning. For example, Simpcare released China's first comprehensive research on sensitive skin across all skin types, pioneering the core concept of "skin-specific customisation" to achieve brand differentiation in the beauty industry⁵⁶.

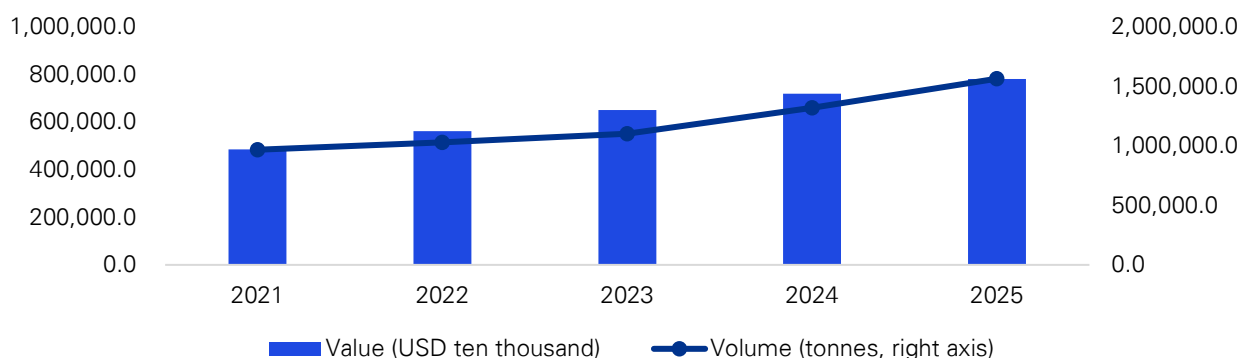


Capturing Global Consumers: Building Brand Recognition Through Localised Strategies

According to Chinese customs data, beauty and personal care exports surged to \$7.82 billion in 2025, up 9.1% year-on-year, with shipment volumes up 18.6% to 1.57 million tonnes. As Chinese beauty brands expand overseas, they shift from channel expansion and traditional advertising, toward content-driven strategies, aesthetics, and storytelling to win consumer loyalty.

- Leading brands are strengthening their brand image globally through cultural narratives, iconic visuals, and community building. For example, FlowerKnows has scaled rapidly by leveraging social ecosystems, direct-to-consumer sites, and marketplaces like Amazon. After establishing a presence in Japan, Korea and England, Flower Knows officially launched in the US at ULTA Beauty, the country's largest premium beauty retailer⁵⁸.
- Recognising diverse user preferences abroad, many Chinese beauty brands have established overseas R&D centres, local teams, and factories to better meet local consumer needs. Judydoll and Joocyee, under Joy Group, have developed locally tailored products for overseas markets—such as the 15 new lip mousse shades tailored to global skin tones⁵⁷.

Export value and volume of chinese cosmetics, beauty and personal care products, 2021-2025 (USD ten thousand, tonnes)



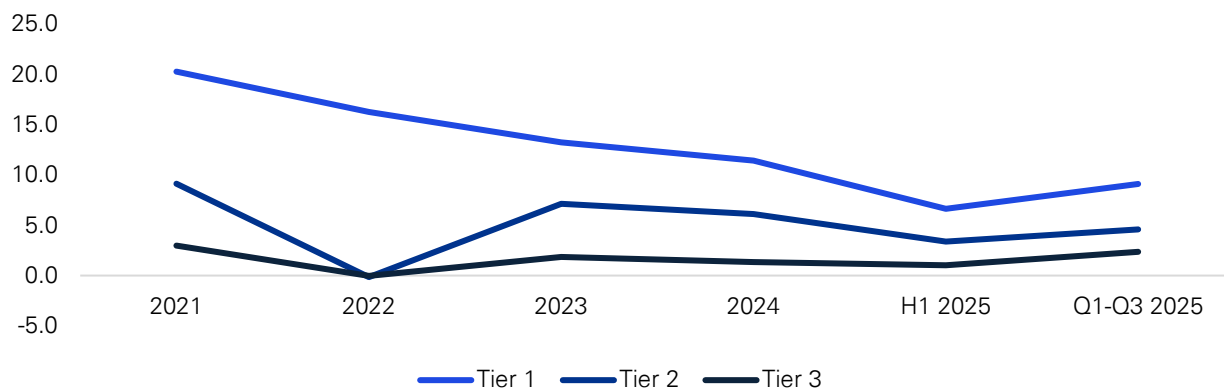
Source: General Administration of Customs, KPMG analysis



Signs of Recovery Emerge in the Beauty and Personal Care Sector

Overall, the ROIC for the beauty and personal care sector showed a divergent trend in 2025. Affected by economic uncertainty and insufficient demand, the top-tier players have seen a steady decline over the past five years. However, with policy support and innovation, ROIC rebounded to 9.1% in the first three quarters of 2025, up 2.5 percentage points from the first half, demonstrating strong profit resilience. After a rebound in 2023, second tier brands experienced a volatile downward trend through 2024 to 2025, with ROIC edging up slightly to 4.6% in the third quarter of 2025. Cash flow for this group is expected to gradually improve. Although the lower-tier group's ROIC has remained low for an extended period, signs of recovery appeared in 2024. In the first three quarters of 2025, ROIC reached 2.4%—the highest level in three years—indicating a steady recovery in profitability and financial strength for these companies.

Average ROIC of the beauty and personal care segment from 2021 to Q3 2025 (%)



Source: Wind, KPMG analysis

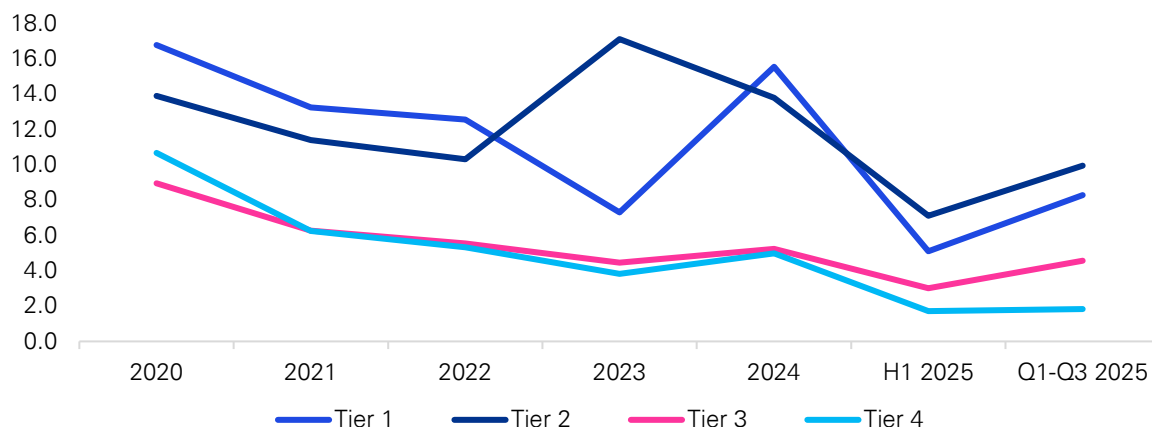
Note: The classification is based on market value according to Shenwan Hongyuan's beauty and personal care segment data, after removing the highest and lowest values. Each tier includes 10 companies.



The healthcare sector is characterised by high volatility, a downward trend, and a layered structure.

Overall, the health industry sector's ROIC (Return on Invested Capital) has shifted noticeably lower compared to 2020, but structural differentiation is evident. Both the first and second tiers have shown resilience and potential for recovery amid market fluctuations. After facing pressure in the first half of 2025, ROIC for first tier brands rebounded to 8.3% in Q3—up 3.2-percentage-points—highlighting strong adaptability. The second tier outperformed the leaders in 2023 with an ROIC of 17.1%, reflecting breakthroughs in niche segments, or channel efficiency by select mid-to-upstream players, who continue to sustain their competitive edge. However, the third and fourth tiers operated at persistently low ROIC levels, dropping to 3.0% and 1.7% in H1 2025, respectively. Despite minor Q3 improvements, recovery remained limited—highlighting the clear challenges SMEs face amid slowing demand, price competition, and capital efficiency constraints.

Average ROIC of the health sector from 2021 to Q3 2025 (%)



Source: Wind; KPMG analysis

Note: Based on data on the constituent stocks of the CSI Health Index, the sector is divided into four tiers: the first tier includes the top 25 in terms of capitalisation, the second tier includes those ranking 26-45, the third tier includes those ranking 46-75, and the fourth tier includes those ranking 76-99.

Sub-sector trends:



Food and beverage

In 2025, China's traditional alcoholic beverage categories—such as baijiu (a traditional Chinese liquor), beer, and wine—faced structural adjustment pressures, while low-alcohol trendy drinks rapidly emerged as a new growth engine, driven by youthful design and diverse consumer demand. Meanwhile, the food and beverage industry is accelerating its embrace of health and functionality trends, upgrading both packaging and supply chains, and deeply integrating online and offline channels. Together, these shifts are shaping a new and demand-driven industry landscape powered by technological and scenario-based innovation. This transition from established players to innovative newcomers is reshaping the future trajectory of China's food and beverage industry.



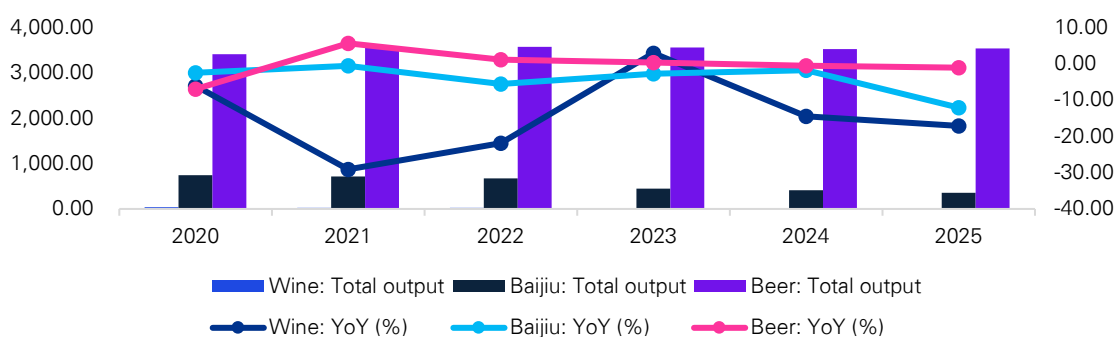
Health, digitalisation, and personalisation are driving omnichannel integration and innovation in China's food and beverage industry



Traditional alcohol categories are under pressure as low-alcohol beverages emerge as new growth drivers

- Baijiu: Output contracts amid intensifying structural divergence, with industry leaders showcasing resilience.**
 - In 2025, baijiu production reached 3.549 million kilolitres, down 12.1% year-on-year—marking six consecutive years of decline since 2020. The sector remains in an inventory-clearing and restructuring phase. Despite these pressures, leading players achieved countercyclical growth through brand strength and distribution channel changes. Wind data reveals Kweichow Moutai's revenue rose 6.4% YoY in the first three quarters of 2025, while Shanxi Xinghuacun Fen Wine maintained a steady 5.0% growth, highlighting regional market resilience.
- Beer: Marginal output decline accompanies structural differentiation and profit recovery.**
 - In 2025, beer output was 35.360 million kilolitres, down 1.1% year-on-year. December's monthly output fell 8.7% YoY to 22.27 million kiloliters⁵⁹. Though volume and pricing face pressure, top breweries boosted profitability through product upgrades and cost discipline. Yanjing Beer led revenue growth by deepening regional penetration and premiumising offerings, according to Wind data.
- Wine: Ongoing output decline and tough transformation**
 - China's wine output fell to 97,000 kilolitres in 2025, down 17.1% year-on-year. While December saw a 6.7% rebound with 16,000 kilolitres⁵⁹, the sector remains in deep restructuring as domestic producers are struggle with imported wines and shifting consumer preferences.
- Low-alcohol beverages: Diverse demand from younger consumers reshapes market**
 - Innovative brands are disrupting the "low-end" perception through craft brewing and Gen-Z aesthetics. Wuliangye's 29% ABV "Love at First Sight" topped RMB 100 million in two-month sales, while Gujing Gongjiu's "Qing Du Gu 20" and Jin Shiyuan's 22% ABV "Duo Shao" gained notable traction³⁹. The China Alcoholic Drinks Association projects the infused liquor market will surpass RMB 200 billion by 2030⁶⁰, rapidly evolving from a niche category to a mainstream staple.

China's alcoholic beverage output from 2020-2025 (10k KL, %)



Revenue of selected baijiu producers

Baijiu producers	Q1-Q3 2025 (RMB 100 million)	Q1-Q3 2024 (RMB 100 million)	YoY Growth (%)
Kweichow Moutai	1,284.54	1,207.76	+6.36%
Shanxi Xinghuacun Fenjiu	329.24	313.58	+5.00%
Luzhou Laojiao	231.27	243.04	-4.84%

Revenue of selected beer producers

Beer producers	Q1-Q3 2025 (RMB 100 million)	Q1-Q3 2024 (RMB 100 million)	YoY Growth (%)
Yanjing Beer	134.33	128.46	+4.57%
Tsingtao	293.67	289.59	+1.41%
Chongqing Beer	130.59	130.63	-0.03%

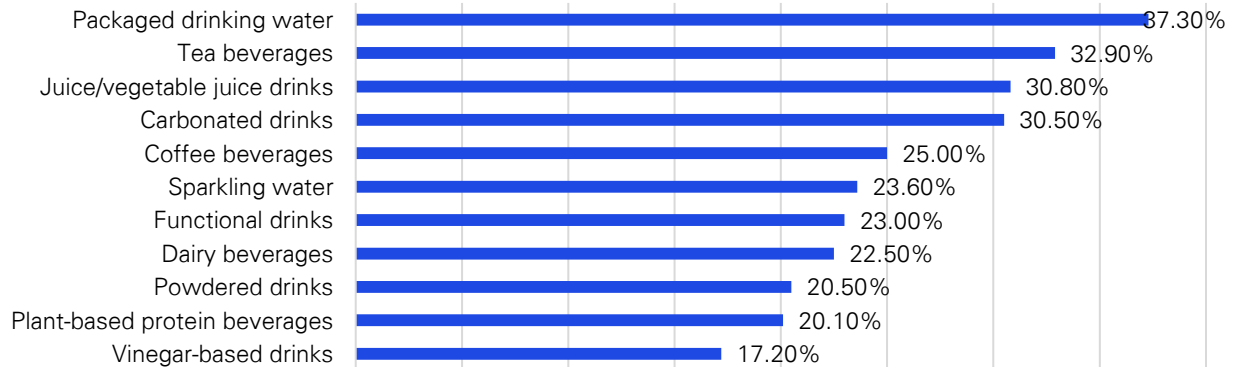
Source: Wind, relevant enterprises' performance reports for the first three quarters of 2025, KPMG analysis



Health and functional trends gain popularity in the food and beverage sector, with category boundaries blurring and innovation accelerating.

- Drinks (30.8%) and plant-based protein beverages (20.1%), are both growing steadily as a result of the “light on the body” concept, while carbonated drinks ranked fourth at 30.5%. Coffee beverages, sparkling water, functional drinks, dairy beverages, powdered drinks, and plant-based protein beverages all captured shares between 20.0% and 25.0%, while vinegar-based drinks trailed at just 17.2%⁶¹.

Beverage preferences among Chinese consumers in 2025 (%)



Source: iMedia Consulting, KPMG analysis

- The healthy snack market continues to expand, driven by plant-based, high-protein, and functional trends, with the “clean label” concept becoming a core growth driver. Consumers increasingly favour simple, natural, additive-free snacks and show strong interest in high-protein, high-fibre products. This shift has prompted retail giants like Sam’s Club, FRESHIPPO, and Dingdong to accelerate their push into low-GI foods, driving sustained sales growth in the category.



Packaging and supply chain evolution: integrating green compliance with operational efficiency

- **Packaging innovation: integrating eco-friendliness, compliance, and application requirements**

Sustainability now drives industry transformation, with biodegradable materials such as PLA and moulded pulp replacing conventional plastics. Companies such as Want Want Group are using lightweight designs and closed-loop recycling systems in their Frozen Treats Green Chain Initiative. Through lightweight packaging, easy-tear features, and a “one-cent-per-sale” donation programme, the initiative incentivises consumer recycling⁶². Amid tightening global regulations, label compliance, and material safety, certifications have become non-negotiable market entry prerequisites. Concurrently, application-specific packaging—leak-proof bottles for outdoor use, national-trend IP collaborations, and AR-enabled interactions—leverage functional innovation with emotional engagement to transform packaging into a carrier of brand value.

- **Supply chain transformation focuses on efficiency, resilience, and collaborative value**

Supply chains are evolving from “cost centers” to “strategic hubs”, with companies reducing costs through centralised procurement and optimisation while enhancing regional production and capacity coordination. For instance, Tengxin Foods navigated raw material price volatility via strategic sourcing adjustments, brands like Yili strengthened cold chain infrastructure, and Eastroc implemented precision replenishment through its proprietary SKU coding system.



Immersive Experiences and Instant Retail Drive a Seamless Omnichannel Sales Transformation

Digital marketing has emerged as a core strategic imperative, with brands leveraging content platforms and short video livestreams to build end-to-end consumer journeys—from interest cultivation to purchase conversion—to precisely meet consumer demand.

- **Offline: Experience-centric immersive scenarios.** Brands are developing interactive experiences—such as DIY tea workshops and baijiu tasting salons—where users engage directly with products, enhancing conversion rates through tangible experiences.
- **Online: Precision-driven operations enable efficient conversions.** Livestream commerce has become the primary growth driver for online sales, especially for food category sales on platforms like Douyin and Kuaishou. Authentic recommendations from Key Opinion Consumers (KOCs) are now more effective than celebrity endorsements. Instant retail platforms such as Meituan and JD Daojia are also expanding urban coverage through 30-minute delivery services, addressing consumer demand for convenience.
- **Online-offline integration: Seamless closed-loop consumer journeys.** O2O models connect physical experiential stores—where users interact with products—to digital purchasing platforms. For example, after sampling tea or premium baijiu at physical locations, consumers seamlessly place orders via mini-programs or e-commerce platforms for expedited delivery⁶³. This integrated approach not only elevates user experience but establishes high-efficiency consumption cycles, driving retention and purchase frequency.

Sub-sector trends:



Restaurants

China's restaurant industry is undergoing a structural shift—moving beyond expansion toward systematic development. Powered by capital consolidation, premiumisation, and tech disruption, the sector is pivoting toward penetrating untapped markets, sharpening operational precision, and embracing smart solutions. Companies are scaling up rapidly through merger and acquisition activities and strategic initial public offers while catering to evolving consumer demands via multi-scenario offerings and hyper-localised operations. Digital intelligence now fuels the entire value chain, enhancing efficiency and reimagining experiences.



China's restaurant market thrives as expansion and digital transformation reshape the market



The restaurant sector is in a phase of slower, more structured, and efficiency-focused growth.

Over the past five years, national restaurant revenue showcased a pattern of “gradual normalisation following dramatic swings”. Initially influenced by low-base effects, the sector experienced extreme highs and deep contractions in year-on-year growth, with sharp monthly volatility. This rollercoaster trajectory highlighted the industry’s strong sensitivity to offline foot traffic and mobility. By 2025, propelled by resurgent consumption and domestic demand, China’s foodservice market steadily returned to normalised growth aligned with consumer purchasing power and willingness. In H2, national catering revenue grew 3.2% year-on-year, contributing 11.6% of total retail sales—an increase of 0.2 percentage points year-over-year⁴². Looking ahead, industry growth will rely on consumption upgrades, scenario innovation, and refined operations, rather than sheer volume expansion.



Source: Wind, KPMG analysis



Capital ignites multi-dimensional growth: reshaping markets through expansion and lower-tier penetration

In 2025, leading brands in China’s restaurant industry accelerated their reach through standardised models and local adaptation, leveraging mergers, acquisitions, and public listings to optimise resources and expand their brands. Meanwhile, lower-tier markets emerged as critical growth engines, with the “industrial symbiosis” model injecting fresh vitality into county-level economies.

M&As: from solo players to ecosystem integrators

Companies are acquiring established brands to “buy time” and quickly enter new segments. A prime example is hotpot giant Haidilao snapping up hotpot chain Jugaogao, instantly dominating the value segment and bypassing the lengthy process of organic growth. Furthermore, cross-sector acquisitions (like beverage chain Mixue’s purchase of liquor brand Fulujia) and regional consolidation strengthened their business portfolios and fortified competitive moats⁶⁴.

IPO surge: Hong Kong leads, US a key player

The investor-friendly, low-profit-threshold market made Hong Kong the IPO destination of choice. Brands like Mixue, Guming, and Chagee debuted on the HKEX, followed by Bama Tea in late 2025. US listings provided a different route, with Chagee pioneering as NASDAQ’s first new tea player⁶⁵.

Tapping into lower-tier markets: industrial symbiosis fuels growth

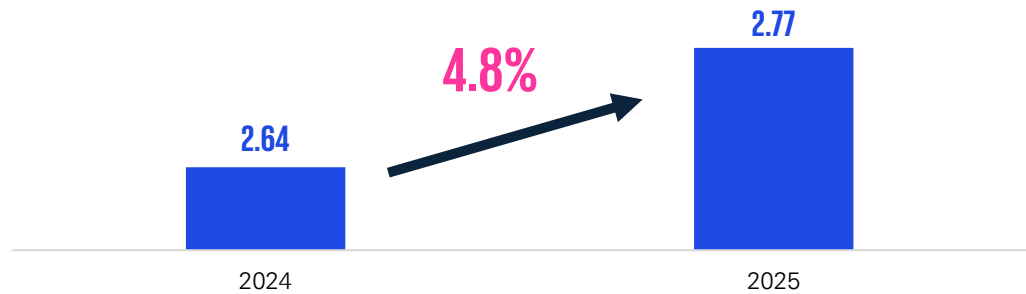
Chains have aggressively expanded into lower-tier cities, opening stores on B1 and B2 floors with lower rents and stable foot traffic to reduce operating costs. They are also moving into county-level commercial complexes with less competition but strong consumption potential. Brands are diversifying their presence through community stores, campus outlets, and transport hub locations, aligning closely with consumer routines and boosting market penetration.



Steady expansion in franchising: quality franchise model emerges as the industry standard

China’s restaurant sector is rapidly evolving amid policy shifts, technological innovation, and changing consumer demands— leading to the need for compliance, specialisation, and ecosystem integration. According to canyin88, the franchise market is projected to hit nearly RMB 3 trillion by 2025, growing 4.8% year-on-year⁶⁶. Meanwhile, quick-profit “flash franchising” schemes are fading out, making way for the “quality franchise” model that prioritises brand value and operational excellence.

China franchise market size: 2024–2025 (RMB trillion)



Source: canyin88, KPMG analysis



Diverse consumer demands reshape dining trends

Consumers now seek health-focused, premium, and versatile experiences—propelling brands to innovate. exploring both “full-scale” and “lightweight” store models, and actively expanding multi-scenario consumption to unlock new growth opportunities.

- The **shift from “eating full” to “eating well”** fuels demand for nutrient-rich, low-carb options. Rising standards for ingredient and service quality are pushing brands to specialise and diversify offerings.
- **Full scale and light-asset:** Full-scale stores boost revenue with multi-category, all-day, omnichannel operations; asset-light models scale rapidly through delivery, food kiosks, and shop-in-shop setups, to reduce costs.
- **Hybrid experiences:** Brands fuse dining with culture and tourism for immersive experiences, deploy digital tools for smarter operations, and leverage hyperlocal livestreams to drive online-to-offline conversions—building integrated consumption ecosystems.



Digital transformation: from fragmented applications to end-to-end integration

Technology is revolutionising China’s restaurant landscape—evolving from ordering/payment systems to seamless, full-chain digitisation. This powers efficiency gains, food safety assurance, and precision operations.

Smart supply chains

As the industry shifts from experience-driven to data-driven, IoT, AI forecasting, and blockchains converge to create intelligent procurement-warehousing-logistics hubs. For example, Haidilao uses a smart climate-control system to optimise storage for its ingredients across 1,000+ global stores, with real-time inventory monitoring⁶⁷.

Transparent food safety

Rising consumer concern for food safety demands farm-to-table traceability. “IoT sensors + blockchain” enables digital trust systems—like Freshippo’s blockchain traceability, where customers scan to view salmon’s journey from Norwegian waters to their plate, verified by AI vision tech at every checkpoint⁶⁸.

Immersive dining experiences

Service is evolving from human-led to human-machine symbiosis. AI interaction, robotics, and big data enable hyper-personalised, real-time engagement. For example, HeyTea’s mini-program handles orders, gives new product alerts, and processes custom requests while auto-generating personalised cup labels with QR-code-linked details⁶⁹.

Investment and Transactions

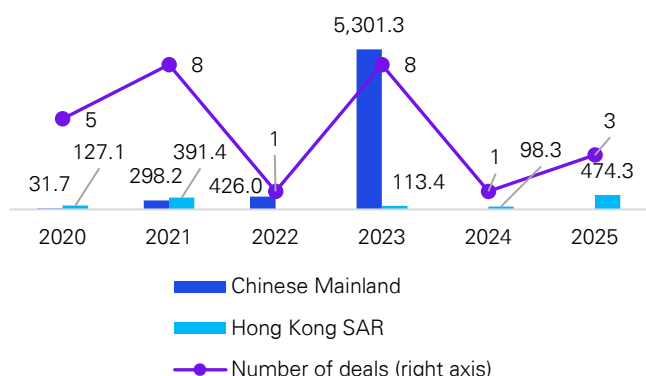
Since 2020, the consumer and retail industry has faced pressure across its five key subsectors in investment, financing, and M&A activity, but signs of recovery are emerging, with each sector showing promising signs of resurgence.

The luxury sector has seen the most notable improvement in investment and financing, with surging precious metal prices making “hard luxury” companies especially attractive to capital. Both the number of IPOs and total transaction value have reached their highest levels in five years. In the apparel and footwear sector, both M&A and IPO activity improving significantly compared to 2024. Most M&A deals have taken place on the mainland, while IPOs have been concentrated in Hong Kong—marking the first time in five years that Hong Kong has led Greater China in both IPO count and value. In the health and beauty segment, domestic beauty brands have attracted strong interest from both consumers and investors, with M&A and IPO activity reaching a five-year high. In the food and beverage segment, while overall M&A transaction amounts declined, deal sizes saw a significant increase, with industry giants leveraging their scale to make bold acquisitions, bolstering their positions and reigniting confidence across the sector. Finally, the restaurant sector has shown encouraging signs of recovery, with transaction amounts rising across all financing channels—particularly in PEVC investments. To further support growth, government initiatives to reduce corporate financing costs are creating a more favourable environment for the sector’s long-term development.



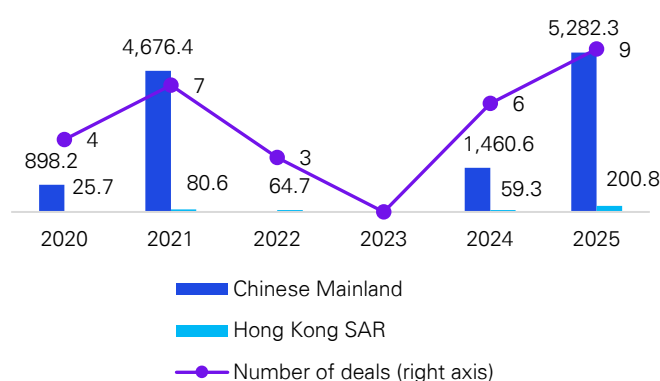
Luxury & fashion: Investment and financing markets show strong recovery, IPO volume and amount hit recent highs

China luxury & fashion sector M&As (by value and number of deals), 2020-2025 (RMB million)



Source: Capital IQ

China luxury & fashion sector IPOs (by value and number of deals), 2020-2025 (RMB million)

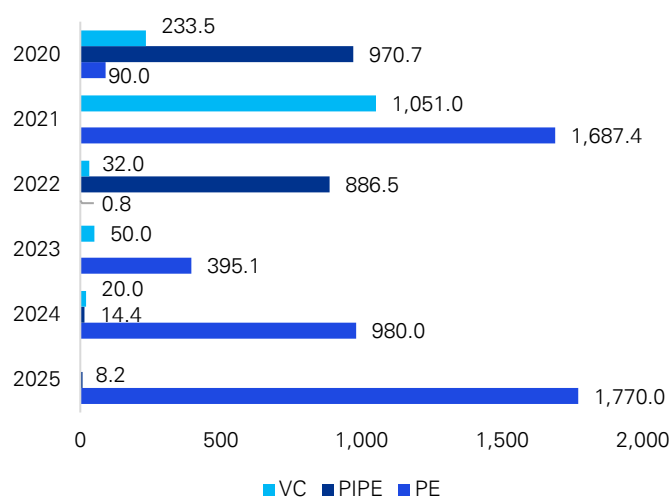


Source: Capital IQ

In 2025, the investment and financing market for China's luxury and fashion industry bounced back strongly, with IPO activities reaching new heights. A total of 9 IPOs were completed throughout the year, raising RMB 5.28 billion, a new high in both the number of IPOs and fundraising volume in the past five years. In the primary market, while venture capital and PIPE financing remained relatively subdued, private equity financing still reached RMB 1.77 billion, climbing to near-five-year highs.

Notably, the sustained rise in precious metal prices drove standout financing performance among related enterprises, making it a key driver of growth in overall industry financing. For example, Laopu Gold's IPO on the Hong Kong Stock Exchange raised HKD 2.69 billion (approximately RMB 2.51 billion), with other IPO projects also concentrated in the jewellery and precious metals segments.

China luxury & fashion sector PE/VC and PIPE investments (by deal value), 2020-2025 (RMB million)



Source: Capital IQ

Recent announced transactions in China's luxury & fashion sector

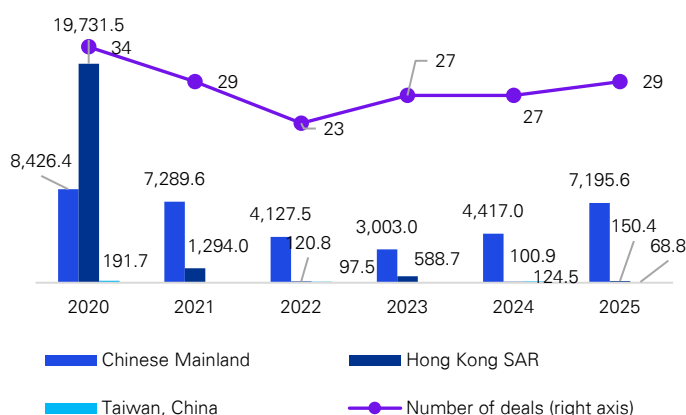
Date	Target	Investor	Deal value (RMB million)
2025-12-17	Eternity Investment Limited	-	17.9

Note: a. Deal value only includes transactions where the amount was disclosed. b. PIPE refers to transactions where buyers purchase shares of a listed company at a price below the current market value.

Apparel & footwear: IPOs and M&As show a broad recovery, though a PE/VC inflection point remains to be seen



China apparel & footwear sector M&As (by value and number of deals), 2020-2025 (RMB million)

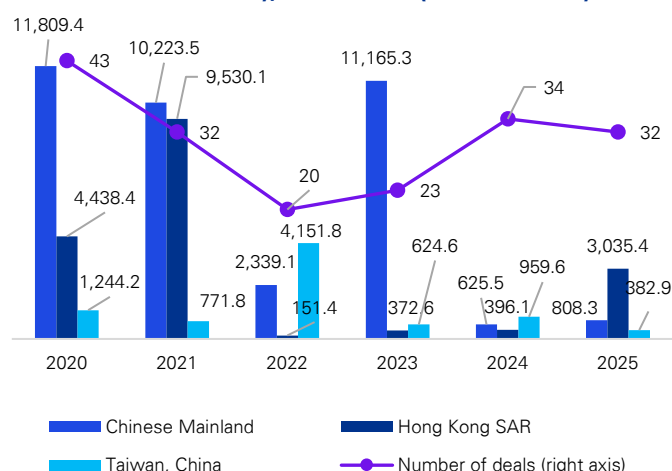


Source: Capital IQ

In 2025, the financing environment for China's apparel and footwear industry continued its recovery. There were 61 M&A and IPO transactions throughout the year, matching the previous year's total. However, the overall financing amount saw a significant increase. Hong Kong's IPO market was particularly strong, with total funds raised reaching approximately RMB 3.04 billion—surpassing the combined total of the previous three years. Meanwhile, the private equity and venture capital markets continued to face challenges, although PIPE investments exhibited early signs of recovery. This structural shift reflects a more risk-averse approach among institutional investors favouring more stable deals.

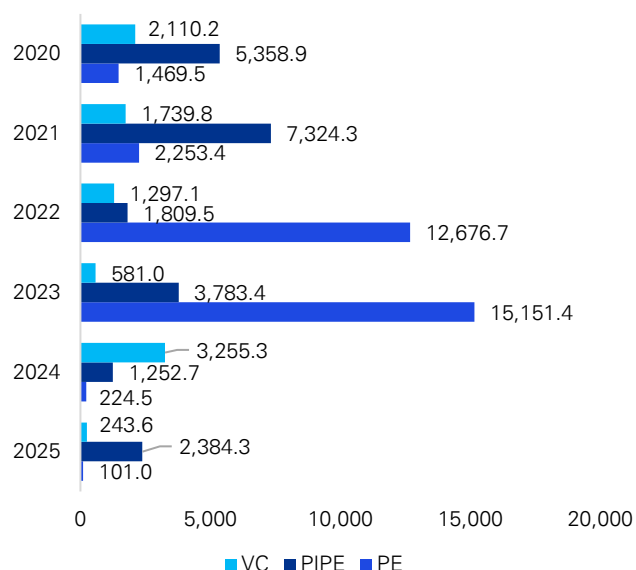
It is also noteworthy that both M&A and IPO activity in the sector included several large-scale deals exceeding RMB 2 billion each, indicating that capital is increasingly concentrating on top-quality projects. Despite lingering market uncertainty and cautious investor sentiment, mature enterprises with established track records continue to attract significant capital interest, reinforcing their position as preferred investment targets in the current landscape.

China apparel & footwear sector IPOs (by value and number of deals), 2020-2025 (RMB million)



Source: Capital IQ

China apparel & footwear sector PE/VC and PIPE investments (by deal value), 2020-2025 (RMB million)



Source: Capital IQ

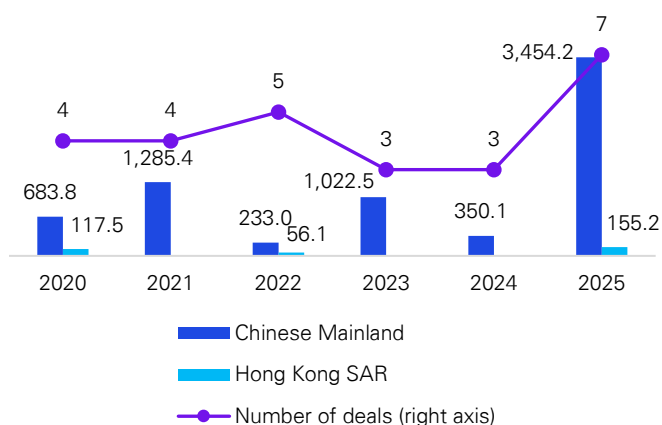
Recent announced transactions in China's apparel & footwear sector

Date	Target	Investor	Deal value (RMB million)
2025-12-29	Sterling Group Holdings Limited)	-	6.2

Note: a. Deal value only includes transactions where the amount was disclosed. b. PIPE refers to transactions where buyers purchase shares of a listed company at a price below the current market value.

Health & beauty: M&A activity surges while IPOs and PE/VC remain stable

China health & beauty sector M&As (by value and number of deals), 2020-2025 (RMB million)

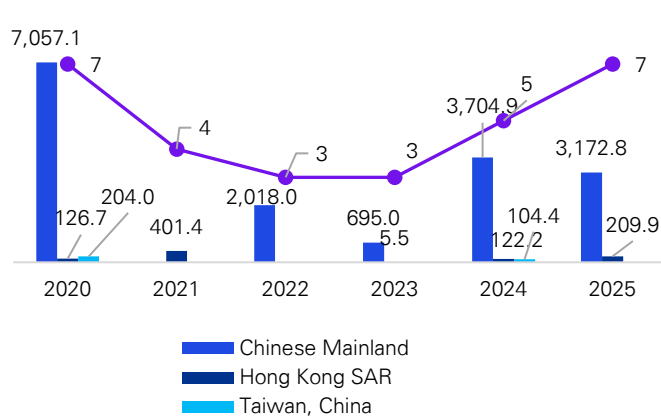


Source: Capital IQ

China's health and beauty sector saw a rebound in 2025, with both deal value and volume hitting a five-year high. Mainland M&A deals reached RMB 3.45 billion, reflecting robust demand for industry consolidation and resource synergy. IPO activity reached a five-year high with 7 listings. Though deal value and PE/VC investments dipped slightly year-on-year, IPO fundraising held well above the 2021–2023 trough. PE/VC deal value, however, has yet to rebound meaningfully, reflecting investors' cautious stance and shift toward higher-certainty exit channels.

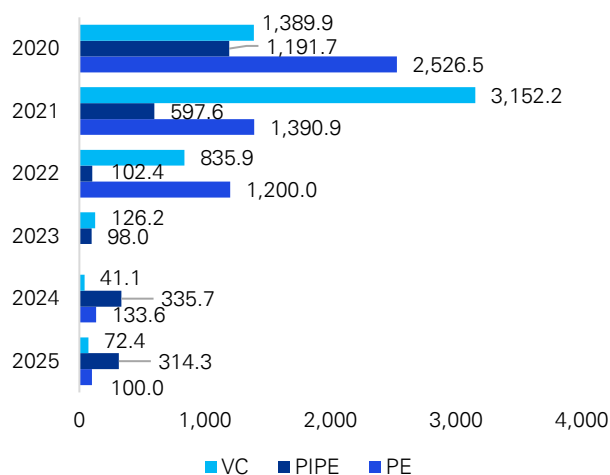
Notably, homegrown beauty leader Forest Cabin made a splash with its Hong Kong IPO, raising nearly RMB 1 billion in its initial offering. This signals reviving confidence in premium Chinese brands with strong equity, profitability, and sustainable growth potential.

China health & beauty sector IPOs (by value and number of deals), 2020-2025 (RMB million)



Source: Capital IQ

China health & beauty sector PE/VC and PIPE investments (by deal value), 2020-2025 (RMB million)



Source: Capital IQ

Recent announced transactions in China's health & beauty sector

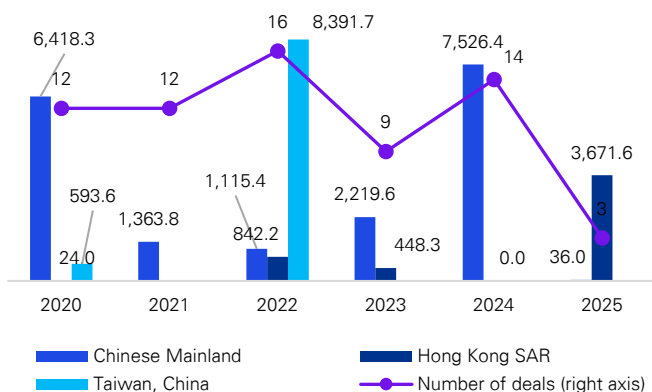
Date	Target	Investor	Deal value (RMB million)
2025-12-18	Shanghai Forest Cabin Cosmetics Group Co. Ltd	FIL Investment Management (Hong Kong) Limited	978.8

Note: a. Deal value only includes transactions where the amount was disclosed. b. PIPE refers to transactions where buyers purchase shares of a listed company at a price below the current market value.

Food & beverage: Steady financing with emerging growth segments



China food & beverage sector M&As (by value and number of deals), 2020-2025 (RMB million)

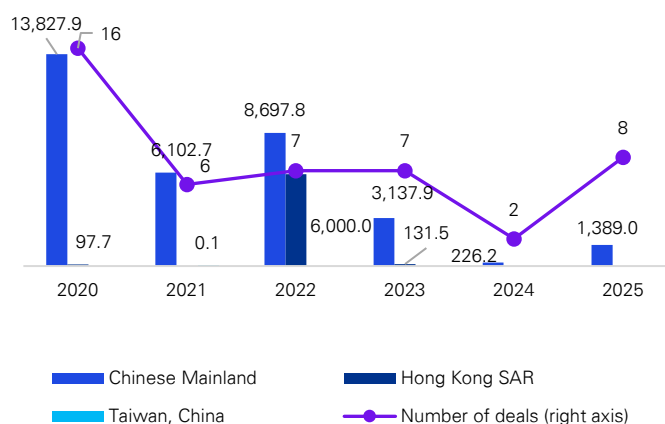


Source: Capital IQ

In 2025, financing activity in the food and beverage sector remained generally stable. While the number of M&A deals declined significantly year-on-year, the average deal size increased sharply, reaching RMB 1.22 billion per transaction. This resulted in the M&A market showing alternating periods of growth and adjustment. Regionally, Hong Kong accounted for about 99% of total annual M&A value, totalling RMB 3.67 billion—well above the five-year average. Both IPO and PE/VC markets showed material improvement in deal count and value, indicating recovery in capital market risk appetite.

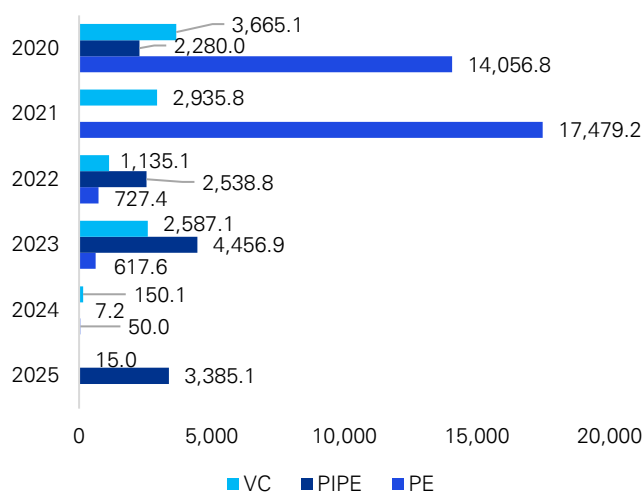
Notably, the surge in Hong Kong’s food and beverage M&A value was primarily driven by a single large-scale transaction—JD.com’s RMB 3.67 billion acquisition of a 70% stake in Moretide Investment Limited. This move strengthens JD.com’s omni-channel presence in F&B while enhancing its supply chain capabilities and competitive edge.

China food & beverage sector IPOs (by value and number of deals), 2020-2025 (RMB million)



Source: Capital IQ

China food & beverage sector PE/VC and PIPE investments (by deal value), 2020-2025 (RMB million)



Source: Capital IQ

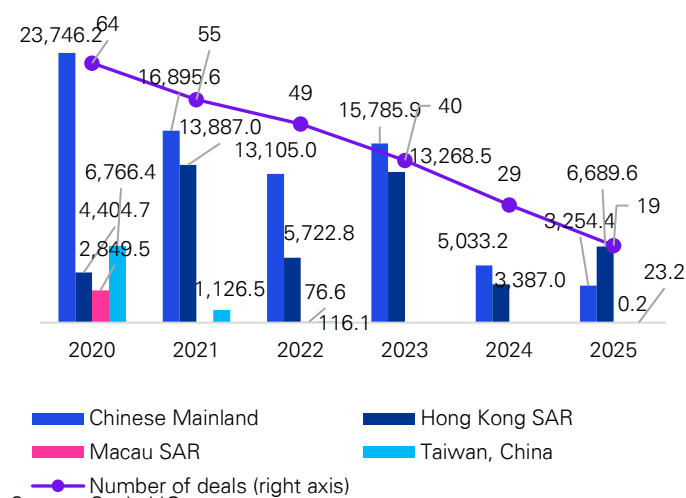
Recent announced transactions in China’s food & beverage sector

Date	Target	Investor	Deal value (RMB million)
2025-11-18	Wunong Net Technology	-	284.3

Note: a. Deal value only includes transactions where the amount was disclosed. b. PIPE refers to transactions where buyers purchase shares of a listed company at a price below the current market value.

Restaurants & hotels: Financing rebounds as policy support restores industry confidence

China restaurant & hotel sector M&As (by value and number of deals), 2020-2025 (RMB million)

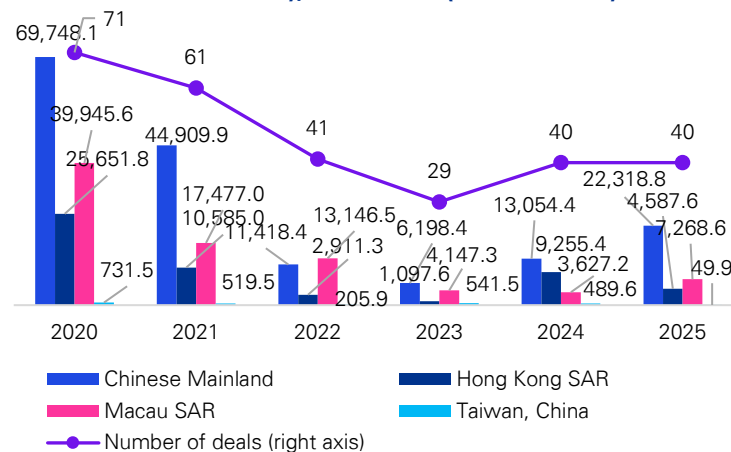


Source: Capital IQ

China's restaurant and hotel sector saw a funding resurgence in 2025, with deal values increasing across major financing channels. In the M&A space, the trend of "quality over quantity" continued: deal count dipped, but total transaction value climbed to RMB 9.97 billion (up from RMB 8.4 billion in 2024), highlighting capital concentration in premium assets and market leaders. For IPOs, activity was same as the previous year with 40 deals, while fundraising and PE/VC exit values saw significant increases compared to the past two years, indicating a renewed risk appetite for the catering sector in capital markets.

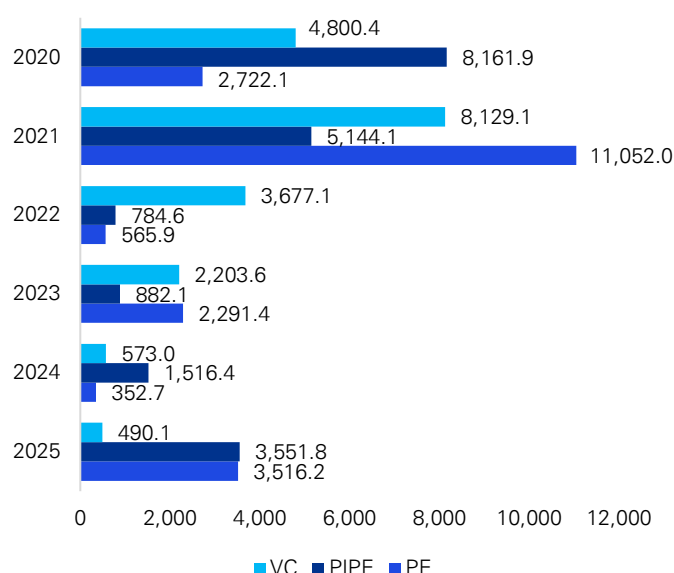
On the policy front, the sector gained more targeted support as policymakers focused on domestic demand expansion. Four ministries, including the Ministry of Finance, issued fiscal subsidies for restaurant and hotel businesses with optimised loan interest discount policies. This move lowers financing costs and eases cash flow pressures. With operating conditions improving, the sector is expected to regain investor interest and enter into a positive growth cycle.

China restaurant & hotel sector IPOs (by value and number of deals), 2020-2025 (RMB million)



Source: Capital IQ

China restaurant & hotel sector PE/VC and PIPE investments (by deal value), 2020-2025 (RMB million)



Source: Capital IQ

Recent announced transactions in China's restaurant & hotel sector

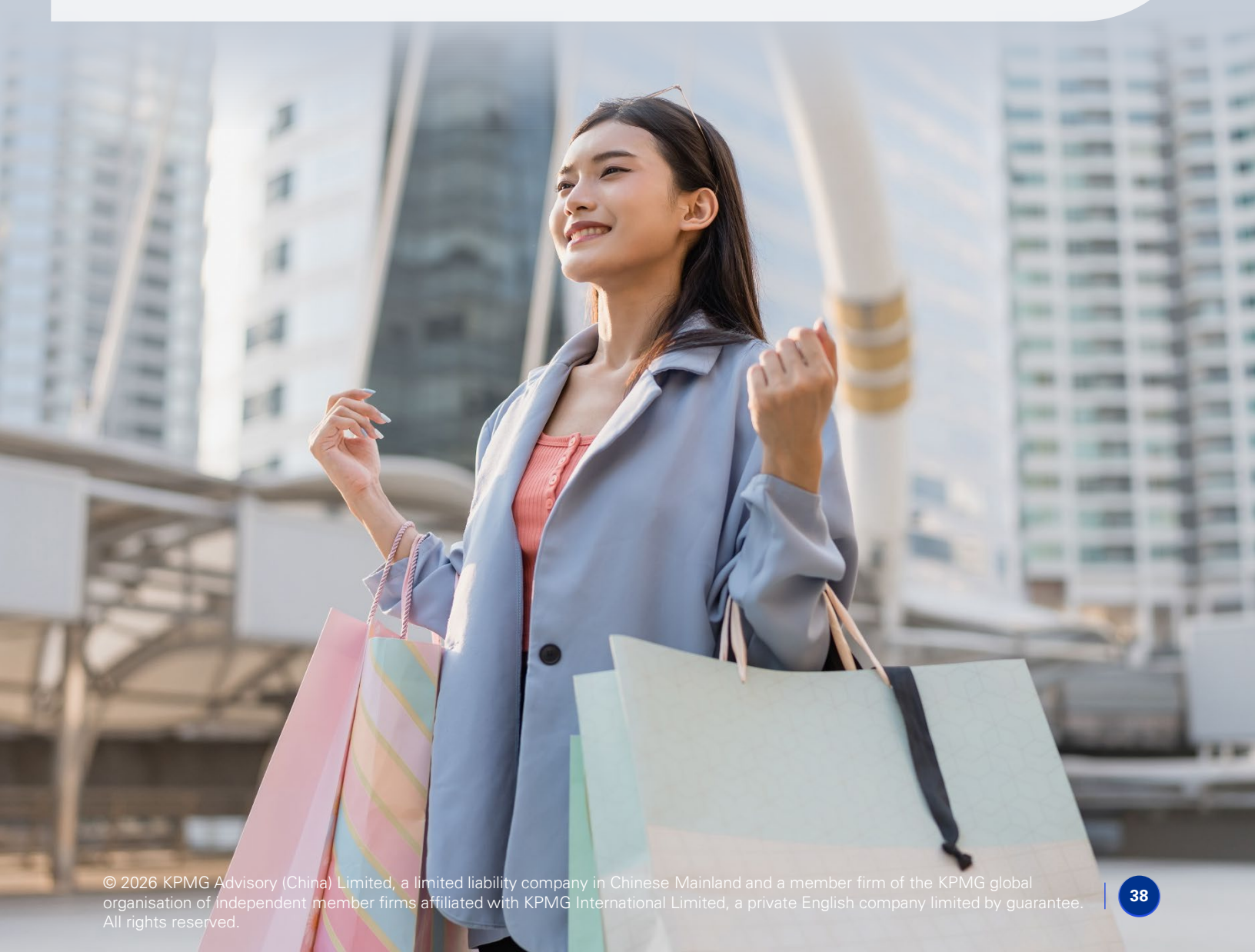
Date	Target	Investor	Deal value (RMB million)
2025-12-02	Zhejiang Narada Hotel Management Co., Ltd.	Hubei Cultural Tourism Group Limited	1,499.3

Note: a. Deal value only includes transactions where the amount was disclosed. b. PIPE refers to transactions where buyers purchase shares of a listed company at a price below the current market value.

Buzzwords among Chinese consumers



Hot consumer buzzwords are constantly emerging, reflecting new market aspirations. This report highlights trending terms across the five subsectors. From the emergence of digital virtual fashion to premiumisation of experiences and services; from virtual fitting rooms to wearable technology; from technological and ingredient innovation to aromatherapy and emotional wellness; from sustainable packaging materials to health and wellness; and from lower-tier market penetration to the restaurant sector's IPO surge – each trend sheds light on the evolving landscape in China's consumer industry.



Apparel & footwear: Cultural-conscious consumers now actively seek personalised and functional experiences.

Key buzzwords and related terms



1 Light Outdoor & Functional Scenarios

Weatherproof Jackets & Pants, Workwear Chic, Techwear Edge, Outdoor Leisurewear, Athleisure Fusion, Lightweight Down Wear, Softshell Layers, 3-in-1 Fabrics, Urban Outdoor Lifestyle

2 Performance-Driven Specs

Fabric Composition, Down Fill Power, Waterproof Ratings, UPF Sun Protection, Fabric Weight, Premium Down Cluster Content

3 Rise of China-Chic

Cultural IP Collabs, Craft Reimagined, Neo-Chinese Aesthetics, Heritage Craft Elements, Traditional Embroidery, Chinese-style Accessories, Iconic Motifs, Festival-themed Fashion, Innovative Ethnic Apparel, Homegrown Designer Labels

4 Personalisation

Customer-to-Manufacturer, Tailored-to-Order, Interactive Design, Modular Clothing, Custom Printing, Personalised Cutting, Custom Footbeds, User-Co-created Design, Personalised Color Matching

5 Tech-Powered Innovation

Aerogel-Infused Outerwear, Graphene-Enhanced Vests, Solar-Blocking Cooling Textiles, Plant-based Leathers, Smart Thermoregulating Underwear, 3D Pattern Making, 3D Garment Sample, Smart Footwear



The rise of light outdoor activities and functional scenarios is driving brands toward multifunctional and scenario-based development. Brands need to capture market trends and leverage technological innovation, cultural empowerment, and personalised services to create products with distinct competitive edges.

Willi Sun

Head of Advisory, Consumer & Retail, KPMG China



Recent tax updates in China



To stimulate consumption, expand domestic demand, and develop new productive forces, authorities are continuously refining tax systems and optimising preferential policies in key areas like VAT, corporate income tax, and custom duties. For example, in the October 2025 release of the Notice on Improving Duty-Free Shop Policies to Support Consumption Growth by the Ministry of Finance and four other ministries, the duty-free regulatory framework was upgraded to enhance administration of domestic goods' tax refund and exemption schemes, authorise both port departure and downtown duty-free shops to sell Chinese brands, expand permitted product categories in duty-free outlets, decentralise approval authority, and enhance consumer shopping experiences and diversify purchasing options.



The government introduces new tax policies to boost economic recovery, ramping up tax incentives for SMEs



Recent tax updates in China (1/5)^a

Dec 2025

- **Corporate income tax**
- **Pre-tax deduction**

In December 2025, the Ministry of Finance and the State Taxation Administration issued a joint notice detailing pre-tax deductions for advertising and promotional expenses. The notice clarifies that for enterprises engaged in the manufacturing or sale of cosmetics, pharmaceuticals, and beverages (excluding alcohol), advertising and business promotion expenses up to 30% of annual sales (or operating) revenue are deductible. Any amount exceeding this may be carried forward and deducted in subsequent tax years. For tobacco companies, advertising and business promotion expenses are not deductible when calculating taxable income.

Jul 2025

- **Corporate income tax**
- **Tax credits**

In July 2025, the State Taxation Administration issued *the Announcement on Tax Credit Policies for Foreign Investors Utilising Distributed Profits for Direct Investment*. The policy, effective from 1 January 2025, specifies two scenarios for calculating the tax credit amount when foreign investors make reinvestments: First, qualifying enterprises may select a calculation method for tax credits—either 10% of the reinvested amount, or a lower dividend tax rate stipulated under applicable tax treaties (or arrangements). Once chosen, this rate becomes binding; investors cannot subsequently apply a more favourable treaty rate upon divestment. Second, if the same foreign investor makes multiple qualifying reinvestments in China, the tax credit amount should be calculated separately for each profit-distributing enterprise.

Jun 2025

- **Corporate income tax**
- **Tax credits**

In June 2025, China's Ministry of Finance, State Taxation Administration, and Ministry of Commerce jointly issued a tax credit policy for foreign investors reinvesting distributed profits. The announcement states that, from 1 January 2025 to 31 December 2028, if a foreign investor uses profits distributed by a Chinese resident enterprise for eligible direct investment within China, they can offset 10% of the reinvested amount against their tax liability for that year. Any unused credit can be carried forward to subsequent years. If a tax treaty between the People's Republic of China and a foreign government specifies a dividend or equity investment income tax rate lower than 10%, the treaty rate will prevail.

Apr 2025

- **Corporate income tax**
- **Tax system**

In April 2025, the State Taxation Administration unveiled the *Guidelines for the 2025 "Tax Service Spring Breeze Initiative"*, outlining nine key measures across four key areas. The document highlights tailored industry-specific tax policies and risk alerts for large enterprises to help them better navigate regulations and streamline compliance. It also introduced the *Full-Cycle Tax Service Guide for Key Foreign Investment Projects* to upgrade the tax support framework for foreign businesses. To strengthen credit restoration mechanisms, taxpayers who rectify overdue tax filings, payments, or documentation submissions within three days of statutory deadlines can now restore 100% of impacted credit score points. Additionally, the policy aims to refine incentive and disciplinary systems for tax service providers, ramp up efforts to crack down on violations by tax service providers, and expose high-profile cases to deter misconduct—driving industry-wide adherence to compliance standards.

Feb 2025

- **Corporate income tax**

In February 2025, China's Ministry of Finance and State Taxation Administration jointly issued the Notice on *Extending Preferential Corporate Income Tax Policies for the Hainan Free Trade Port*. This notice keeps the tax incentives originally outlined in the 2020 policy (Cai Shui [2020] No. 31) firmly in place, extending their validity through 31 December 2027.

Note: a. The updates covered are indicative and not exhaustive.

Introduced tax relief measures provide comprehensive support for steady business growth, including exemptions on VAT, customs duties, and stamp duties



Recent tax updates in China (2/5)^a

Dec 2025

- **Customs tariffs**
- **Tariff schedule**

In December 2025, the Customs Tariff Commission of the State Council issued *Announcement 12 of 2025 on the Customs Import and Export Tariff Schedule of the People's Republic of China (2026)*. This updated tariff schedule came into effect on 1 January 2026, covering three core sections: Rules and Explanations, Import Tariffs, and Export Tariffs. The Import Tariffs section defines product classification rules and details tax rates encompassing Most-Favoured-Nation rates, Agreement rates, Preferential rates, General rates, Tariff-Rate Quota (TRQ) rates, and provisional rates—with the applicable countries and regions specified. Export Tariffs outline how export duties and provisional rates apply. Detailed provisions are in place governing: Tax rate application hierarchy; Duty valuation methods; Calculation methodologies; Rules of origin; TRQ administration; Anti-dumping and countervailing duties; Safeguard tariffs; Retaliatory tariffs. TRQ management continues for key commodities including wheat, corn, rice, sugar, wool, cotton, and fertilisers. Select imports originating from Hong Kong (SAR), China, Macau (SAR), China, and Chinese Taipei qualify for zero tariffs or for preferential agreement rates.

Dec 2025

- **VAT**
- **Implementation regulations**

In December 2025, China's State Council issued *the Implementation Regulations for the Value-Added Tax Law of the People's Republic of China*. Effective from January 1, 2026, these regulations sharpen definitions and scope for VAT law, clearly outlining classifications for goods, services, intangible assets, and real property. They establish a general taxpayer registration system and define criteria for small-scale taxpayers, while detailing procedures for issuing special VAT invoices, claiming input tax credits, and handling sales discounts or returns. The rules specify input tax deduction mechanisms for long-term assets, setting a RMB 5 million threshold based on original value. For tax incentives, the regulations carve out exemptions covering agricultural producers, medical institutions, childcare centres, senior care facilities, disability service providers, and educational institutions. For administration, they standardise taxpayer registration, invoice issuance, the timing of tax liabilities, export tax refund/rebate claims, and restrictions on opting out of refunds. They also clarify tax authorities' rights to access information and enforce anti-avoidance measures.

Dec 2025

- **Tariffs**
- **Tariff adjustments**

In December 2025, China's Customs Tariff Commission released its Circular on the 2026 Tariff Adjustment Plan. Effective 1 January 2026, the plan adjusts import tariff rates and categories for select goods. Key adjustments include: applying provisional import tariffs to 935 items; maintaining tariff-rate quotas for 8 categories like wheat; fertiliser quotas carry a 1% rate, while out-of-quota cotton imports face sliding-scale duties; imposing export duties on 107 items, including ferrochrome, with 68 items subject to provisional export rates; revising customs categories and national subheadings, totalling in 8,972 national subheadings and 201 notes; implementing preferential rates under 24 free trade agreements and arrangements with 34 partners, further cutting tariffs on specific goods; continuing duty-free treatment on all taxable items for 43 Least Developed Countries, while extending preferential rates to certain ASEAN members.

Nov 2025

- **Tariffs**
- **Imposition of tariffs by the US**

Acting on the consensus reached in China-U.S. economic and trade consultations, and in accordance with the Tariff Law of the People's Republic of China, the Customs Law of the People's Republic of China, the Foreign Trade Law of the People's Republic of China, as well as the fundamental principles of international law, and approval of the State council, the Customs Tariff Commission of the State Council announced that the additional tariffs imposed under Commission Announcement No. 2 of 2025 on selected U.S. imports will be discontinued, effective from 10 November 2025 at 13:01.

Note: a. The updates covered are indicative and not exhaustive.



Recent tax updates in China (3/5)^a

Nov 2025

- VAT
- Tax on gold

In November 2025, the Ministry of Finance and the State Taxation Administration jointly issued an announcement concerning tax policies related to gold. The announcement specifies that member entities or clients trading standard gold through the Shanghai Gold Exchange or the Shanghai Futures Exchange are exempt from VAT when acting as sellers. Where no physical delivery and withdrawal takes place, the exchange is exempt from VAT; where physical delivery and withdrawal takes place, VAT policies shall apply in accordance with relevant regulations.

Oct 2025

- Tariffs
- Duty-free

In October 2025, five government departments including the Ministry of Finance jointly issued the *Notice on Improving Duty-Free Shop Policies to Support Consumption Revitalisation*, effective from 1 November 2025. Key provisions include: optimising tax refund/exemption policies for domestic goods to support duty-free shops in selling domestic products and simplifying customs clearance procedures, with domestic products occupying no less than 25% of sales floor space; expanding product categories to include mobile phones, drones, sporting goods, health foods, over-the-counter drugs, and pet food; decentralising approval authority for establishing and operating port duty-free shops to support local optimisation of layouts; and enhancing convenience measures by enabling online reservations and port pickup for downtown duty-free purchases to improve the shopping experience.

Oct 2025

- VAT
- Policies discontinued

In October 2025, China's General Administration of Customs announced the termination of import VAT incentives for two categories of products, effective from 1 November 2025: Platinum imports: The VAT exemption policy on imports in place since 2003 (core provisions under former Circulars Caishui [2003] Nos. 86 and 87) has been terminated. Platinum imports are now subject to a uniform 13% VAT rate; Diamond imports: Special policies for the Shanghai Diamond Exchange introduced in 2006 (under former Circular Caishui [2006] No. 65) have been terminated. This includes the VAT exemption for rough diamonds and the "levy-and-refund" mechanism for polished diamonds (where VAT exceeding 4% was refunded immediately). All diamond imports are now taxed at a 13% VAT rate.

Oct 2025

- Tariffs
- Duty-free

In October 2025, China's General Administration of Customs released the revised *Regulations of the People's Republic of China on Customs Supervision over Duty-Free Shopping for Island-Departing Travellers in Hainan (2025 Revision)*. Compared to the previous version, the 2025 revision introduces multi-dimensional upgrades across five key areas: flexibility in pickup options, scope of eligible travellers, product diversity, process facilitation, and regulatory coverage. These changes address travellers' evolving needs—from basic shopping to premium consumption—through enhanced pickup convenience, expanded traveller eligibility, and a more diverse product range. Meanwhile, features like "duty-free domestic goods" and "benefits extendable upon departure" aim to connect domestic and international markets. This paves the way for Hainan's post-customs-closure tax reforms and further strengthens Hainan's position as a "free trade port" for offshore duty-free shopping.

Oct 2025

- Tariffs
- Duty-free

In October 2025, the Ministry of Finance, the General Administration of Customs, and the State Taxation Administration jointly issued an announcement to adjust the duty-free shopping policy for outbound travellers from Hainan, aiming to steadily advance the construction of the Hainan Free Trade Port and further meet consumers' diverse shopping needs, effective from 1 November 2025. Key adjustments include: 1. expanding the range of duty-free goods by adding pet supplies, portable musical instruments, mini drones, and small household appliances. The optimised duty-free categories will increase from 45 to 47; 2. allowing domestic products such as clothing, footwear, hats, ceramics, scarves, coffee, and tea to be sold in off-island duty-free stores, exempted from VAT and consumption tax; 3. raising the minimum age for duty-free shopping eligibility from 16 to 18 years old; 4. permitting departing travellers to enjoy the duty-free policy. Purchases made by travellers leaving both Hainan Island and mainland China will count toward their annual duty-free shopping quota of RMB 100,000, with no purchase frequency limit; 5. allowing island residents with departure records within a calendar year to make unlimited duty-free purchases throughout that year, subject to requirements for the "pick-up upon purchase" method.

Aug 2025

- VAT
- VAT credit refund

In August 2025, the Ministry of Finance and the State Taxation Administration jointly issued the *Announcement on Improving the Policy for Refunding Excess Input VAT Credits*, effective from 1 September 2025. The announcement specifies that taxpayers in four sectors, including manufacturing, may apply for monthly refunds of excess input VAT credits. Taxpayers in real estate development and other sectors may apply based on six consecutive months of accumulated excess credits, with refund rates set at 60% or 30%. Eligible taxpayers must hold a tax credit rating of A or B and have no record of tax fraud or violations in the past 36 months. The announcement details provisions on sales proportion thresholds, refund calculation formulas, input tax composition ratios, and refund procedures for export and cross-border businesses. Previous relevant policies were simultaneously repealed.

Note: a. The updates covered are indicative and not exhaustive.

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Recent tax updates in China (4/5)^a

Aug 2025

- VAT
- Interest income

In August 2025, the Ministry of Finance and the State Taxation Administration jointly issued *Announcement No. 4 of 2025 on VAT Policies Concerning Interest Income from Government Bonds and Other Debt Securities*. According to the announcement, starting from 8 August 2025, interest income from newly issued government bonds, local government bonds, and financial bonds will once again be subject to value-added tax (VAT). For government bonds, local government bonds, and financial bonds issued before this date – including portions subsequently issued after 8 August 2025 – interest income will remain tax-exempt until the bonds reach maturity.

Jul 2025

- Tariffs
- Exemption from tariff

In July 2025, China's General Administration of Customs issued the *Provisional Measures for Tax Collection and Administration on Processing Value-Added Duty-Free Goods in the Hainan Free Trade Port*. The measures state that, for goods produced by encouraged industry enterprises within the Hainan Free Trade Port that contain imported materials and achieve at least 30% value-added processing in the port, such goods entering the Chinese mainland from the Hainan Free Trade Port will be exempt from import duties, though import VAT and consumption taxes remain subject to standard levies.

Apr 2025

- VAT
- Tax refund for overseas tourists

In April 2025, the State Taxation Administration unveiled its revised *Trial Measures for Tax Refunds on Shopping by Overseas Tourists Departing China*, introducing four market-friendly upgrades: relaxing registration requirements for tax-refund stores, delegating store registration authority to lower administrative levels, lowering minimum purchase thresholds for refundable items, and increasing cash refund limits. The revisions also align with the nationwide rollout of fully digitalised e-invoices.

Apr 2025

- VAT
- Tax refunds for overseas tourists

In April 2025, six ministries including the Ministry of Commerce issued a joint notice to refine the tax refund scheme for overseas visitors and boost inbound spending. The notice proposes to optimise the distribution of tax-refund stores by ramping up their presence across major commercial hubs, pedestrian streets, tourist attractions, resorts, cultural venues, airports, ferry terminals, and hotels. It also eases store registration requirements—now welcoming Class M taxpayers alongside the current Class A and B—allowing newly opened shops to operate as tax-refund outlets if they meet other relevant criteria. Most notably, the minimum spending threshold for tax refunds has been lowered: International travellers can now apply for a tax refund if they spend at least RMB 200 on eligible goods at the same store on the same day, provided other requirements are met.

Apr 2025

- VAT
- Tax refunds for overseas tourists

In April 2025, the State Taxation Administration released the *Announcement on Promoting the 'Instant Refund' Service for Tax-Free Shopping by Overseas Tourists Upon Departure*. The announcement states that overseas tourists purchasing tax-refundable goods at "instant refund" stores can immediately receive the full refund amount on-site after completing a credit card pre-authorisation. Upon departure, customs officials will verify the traveller's identity and the purchased items. Once the tax refund agent confirms the shopping and refund details are correct, the credit card pre-authorisation will be released instantly, finalising the tax refund process. The announcement also clarifies that stores interested in offering the "instant refund" service may become designated outlets upon mutual agreement with local tax refund agencies.

Mar 2025

- Stamp duty
- Offshore trade

In March 2025, China's Ministry of Finance and the State Taxation Administration jointly issued the *Notice on Continuing Preferential Stamp Duty Policies for Offshore Trade*. The notice exempts stamp duty on sales contracts executed by enterprises registered in major free trade zones—including the China (Shanghai) Pilot Free Trade Zone and its Lingang Special Area, Suzhou Area of China (Jiangsu) Pilot Free Trade Zone, China (Zhejiang) Pilot Free Trade Zone, Xiamen Area of China (Fujian) Pilot Free Trade Zone, Qingdao Area of China (Shandong) Pilot Free Trade Zone, China (Guangdong) Pilot Free Trade Zone, as well as the Hainan Free Trade Port—engaged in offshore merchanting trade. The term "offshore merchanting trade" refers to transactions where a resident enterprise purchases goods from a non-resident enterprise and resells those goods to another non-resident enterprise, without the goods ever physically entering or leaving China's customs territory.

Note: a. The updates covered are indicative and not exhaustive.



Recent tax updates in China (5/5)^a

Jan 2025

- VAT
- Cross-border e-commerce

In January 2025, China's State Taxation Administration unveiled an announcement clarifying tax rebate (exemption) policies for cross-border e-commerce exports via overseas warehouses. The document outlines procedures for exporters shipping goods under customs code "9810" (overseas warehouse model). Exporters can claim tax rebates (exemptions) immediately after goods clear customs by submitting export declarations and supporting documents. Operational approaches vary based on sales status:

1. For goods already sold upon claim submission, follow standard rebate procedures.
2. For unsold goods, adopt the "pre-tax-refund-upon-departure, post-sale reconciliation" approach (i.e. claim preliminary rebates using export declarations, then settle taxes later upon actual sales).

Jan 2025

- Tariffs
- Raw materials and auxiliary materials

In January 2025, the Ministry of Finance, General Administration of Customs, and State Taxation Administration jointly issued the *Notice on Adjusting the Duty-Free Policy for Raw Materials and Auxiliary Materials in Hainan Free Trade Port*. Key upgrades include:

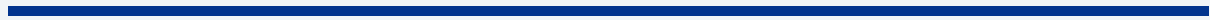
1. Expanded duty-free coverage: An additional 297 items—including green coffee beans, ethylene, and machinery parts—have been added to the eligible list of duty-free raw materials and auxiliary materials.
2. Relaxed eligibility rules: Businesses undergoing lawful bankruptcy proceedings can now transfer duty-free materials tax-exempt. Raw materials consumed during maintenance of duty-free yachts and self-use production equipment are fully exempt from import tariffs, VAT, and consumption taxes.

Existing provisions under the original duty-free policy (Cai Guan Shui [2020] No. 42) remain in effect for all other operational aspects.

Note: a. The updates covered are indicative and not exhaustive.



Forward-looking policies to boost consumption



Government steps up consumption subsidies and rate cuts to revitalise domestic spending



Stimulating consumption with subsidies^a

Beyond nationwide tax incentives, both central and provincial governments have introduced measures and stimulus packages to boost consumer confidence and increase household consumption.



Big-ticket purchases like furniture and automobiles often rely on government subsidies or trade-in programs to drive demand. Policies include optimising support scope and standards, prioritising trade-ins for home appliances, electronics, and automobiles. This encourages purchases of energy-efficient products, and enhances public purchasing power.

- In December 2025, China's National Development and Reform Commission (NDRC) and the Ministry of Finance jointly issued the Notice on Implementing Large-Scale Equipment Renewal and Consumer Goods Trade-In Policies for 2026. The 2026 Two New initiative refines support in three key areas. First, it expands eligible coverage. Second, it overhauls subsidy criteria. For consumer trade-ins: automobile subsidies shift from fixed amounts to being price-linked (with an unchanged cap); Home appliance trade-ins now only apply to top-tier energy/water efficiency models, offering a 15% rebate capped at RMB 1,500 per item. There are no changes to digital and smart product subsidies. Third, the policy streamlines implementation mechanisms.
- In December 2025, eight departments, including the Ministry of Commerce, jointly issued the 2026 Auto Trade-In Subsidy Implementation Rules. This 24-measure document covers six core areas: 1. Scrapping old vehicles: Individuals scrapping eligible passenger vehicles and buying new ones receive a one-off subsidy in 2026; 2. Trade-ins: Individuals selling old passenger vehicles and purchasing new eligible models qualify for a one-off subsidy in 2026; 3. Subsidy verification and payout; 4. Fund management; 5. Oversight and compliance; 6. Supplementary provisions.
- In December 2025, seven ministries, including the Ministry of Commerce, jointly unveiled guidelines to enhance the 2026 consumer trade-in program. The policy features 13 targeted measures across five sections, refining subsidy frameworks and funding mechanisms. Starting 2026, four sectors will adopt uniform national subsidies: Scrapping old vehicles for new purchases, trading in used cars for upgrades, replacing six major appliances (refrigerators, washers, TVs, AC units, computers, water heaters), and buying new digital/ smart products (phones, tablets, smartwatches, smart glasses).
- In December 2025, five ministry offices released detailed subsidy rules for appliances and electronics. Effective 1 January 2026, consumers qualify for rebates when purchasing tier-1 energy/water-efficient appliances from the six categories and four types of digital/smart devices (phones, tablets, smart wearables, smart glasses) with a price not exceeding RMB 6,000. Key incentives include 15% cash rebate on final price after all discounts, with a limit of one item per category per person. Appliance rebates capped at RMB 1,500/item, while digital product rebates are limited to RMB 500/item.

Note: a. The policies covered are indicative and not exhaustive.



Supportive measures, policies and campaigns to boost the economy (1/2)^a

China has launched multiple initiatives to boost the economy, actively promoting festive commerce and exhibitions, while crafting long-term strategies to boost domestic consumption.



Multiple ministries, including the Ministry of Commerce, are focusing on digital and service consumption, while increasing financial support and introducing multiple measures to meet diverse consumer needs.

- In August 2025, eight government bodies including the Ministry of Commerce jointly released the Guiding Opinions on Accelerating Digital Consumption to Create a Better Life in the Digital Era. This tackles both supply and demand sides through 14 actionable tasks across four key areas:
 - Firstly, **enriching digital consumption supply**—expanding digital product consumption, elevating digital services, innovating digital content, and broadening sales channels to unleash fresh demand. Secondly, **cultivating and empowering digital commerce players**, enhancing innovation capabilities while enabling SMEs' digital transformation. Thirdly, **strengthening the support ecosystem**: building robust digital consumption platforms, refining logistics networks, and boosting payment convenience. Fourthly, **fostering a good environment for digital consumers** through promotional campaigns, international collaboration, and balanced regulation—aligning domestic and global standards to drive high-quality digital consumption forward.
- In September 2025, nine ministries including the Ministry of Commerce issued the Policy Measures on Expanding Service Consumption, outlining 19 initiatives across five key areas. The plan starts with building robust service consumption platforms, followed by boosting the supply of premium services and igniting fresh demand growth in service consumption. Beyond that, it also introduced bolstered fiscal and financial support. Finally, the measures improve statistical tracking systems, and accelerate regional service retail sales calculations to better gauge local service consumption momentum.
- In December 2025, the Ministry of Commerce, People's Bank of China, and National Financial Regulatory Administration jointly issued the Circular on Strengthening Business-Finance Synergy to Rev Up Consumption. This circular focuses on core areas such as goods consumption, presenting 11 policy measures across three areas. It first **deepens systemic collaboration**, guiding local authorities to establish coordination mechanisms, enhance regular communication, refine support measures, and align fiscal, commercial, and financial policies. Secondly, it **increases financial support** by expanding and improving products and services, strengthening scenario integration and ecosystem convergence, boosting consumer sector adaptability, and fuelling further goods consumption. Thirdly, it **expands partnership channels**, encouraging joint promotional campaigns, exploring diverse information-sharing formats, and amplifying outreach efforts.



The Ministry of Industry and Information Technology (MIIT), and other government bodies, are driving technological innovation, cultivating new consumption scenarios, optimising market conditions, and strengthening fiscal and financial support to promote consumption growth.

- In November 2025, MIIT and six other departments jointly issued the Implementation Plan for Enhancing Supply-Demand Alignment in Consumer Goods and Further Stimulating Consumption. The plan outlines 19 key tasks across five strategic areas:
 1. Expand new growth — Accelerate innovation of new technologies and business models by pioneering next-gen sectors, scaling agile manufacturing systems, and integrating AI-driven solutions.
 2. Unlock existing potential — Expand the supply of premium and innovative product offerings by promoting eco-friendly products, boosting rural consumption, developing premium leisure/sports goods, driving innovating in health products, revitalise heritage brand influences, and broadening the supply of diverse interests.
 3. Target niche markets — Precisely match the needs of consumer segments with the right products, including expanded infant supplies, premium student products, trendy fashion items, and age-friendly designs.
 4. Activate new scenarios — Cultivate cutting-edge consumption formats with flagship product launches, structured platform-based consumption, and regulated sharing economy models.
 5. Fortify market foundations — Create a favourable development environment by strengthening fiscal and financial support, organising signature promotional campaigns, and maintaining market governance.

Note: a. The policies covered are indicative and not exhaustive.



Supportive measures, policies and campaigns to boost the economy (2/2)^a

China has launched multiple initiatives to boost the economy, actively promoting festive commerce and exhibitions, while crafting long-term strategies to boost domestic consumption.



The Ministry of Finance is providing support to pilot cities to pioneer consumption innovations, fine-tune duty-free shop policies, and enhance convenience to unlock consumption potential.

- In September 2025, the Ministry of Finance and Ministry of Commerce jointly released the Circular on Pilot Initiatives for New Consumption Formats, Models, and Scenarios, selecting approximately 50 prefecture-level and above cities for trials. Key support areas include:
 1. Backing first-launch economy service systems: Establishing flagship platforms like premier launch centres to attract global brands to open high-impact debut stores and flagship stores.
 2. Spearheading diversified service consumption: Supporting innovation in business formats to create new integrated consumption scenarios that blend business, tourism, culture, sports, and health, and building clusters for service consumption.
 3. Fuelling premium brand-IP collaborations: Developing IP merchandise, opening themed immersive concept stores, and combining Chinese animation/film IPs with traditional cultural resources to forge comprehensive lifestyle destinations.
- In October 2025, five government bodies, including the Ministry of Finance, jointly issued the Notice on Refining Duty-Free Shop Policies to Boost Consumption. The circular ramps up support for domestic goods by [streamlining duty-free and tax-refund policies](#), encouraging port departure shops and downtown duty-free stores to feature more homegrown products. It [further widens the range of duty-free merchandise](#), bringing in more portable consumer items. To fuel growth, [approval processes are eased](#), with flexibility in floor space arrangements for port departure and arrival stores, empowering local authorities to tailor layouts to regional needs. The notice also [enhances shopper convenience](#) by permitting pre-orders with port pickups at departure, arrival, and downtown duty-free shops, allowing travellers reserve goods downtown and collect them at entry ports.

Note: a. The policies covered are indicative and not exhaustive.





Province-level measures to improve consumption(1/2)^a

In addition to a range of national-level measures aimed at revitalising and expanding consumption, provinces and cities across the country have also introduced policies to accelerate the recovery of consumer spending.



Beijing: upgrading consumption supply, promoting the integration of business, tourism, and sports, and fuelling consumption enthusiasm with financial support

- In July 2025, the Beijing Municipal People's Government issued the *Beijing Action Plan for Deepening Reform and Boosting Consumption*. The action plan aligns with the trend of consumption upgrading and addresses popular consumer demands, proposing measures such as enriching new business models in the **silver-haired economy**, expanding the supply of innovative home services, cultivating new drivers for beauty and wellness consumption, setting new benchmarks for digital consumption, pioneering **green consumption** models, leading the trend of **domestic-brand consumption**, and building a dynamic ecosystem for **debut launches and fashion**, all aimed at further optimising and upgrading Beijing's consumer supply.
- In November 2025, the Management Committee of the Beijing Economic-Technological Development Area issued the *Three-Year Action Plan for High-Quality Development of Industrial and Technological Tourism in the Beijing Economic-Technological Development Area (2025-2027)*. The Plan aims to build up a **comprehensive regional tourism development framework**, promote **integrated development of culture, commerce, tourism**, and sports across the region, create a cultural tourism matrix for the **Yizhuang New City**, and drive the alignment and integration of cultural tourism resources among **Beijing, Tianjin, Hebei**, and top-tier national development zones nationwide.
- In November 2025, the Beijing Branch of the People's Bank of China and eleven other departments jointly released the *Implementation Plan for Financial Support to Boost and Expand Consumption in Beijing*. The Plan proposes to **scale up credit support for consumer goods**, actively **expand auto loan services** by setting reasonable loan-to-value ratios, repayment periods, and interest rates, while appropriately reducing or waiving penalty fees incurred from early loan settlements during trade-ins. It guides financial institutions to optimise and innovate financial products for different car purchase scenarios (e.g., first-time buyers, trade-ins, used cars) and boost financial backing for automobile consumption—particularly for new energy vehicles.



Guangdong: issuing consumption vouchers and subsidies to encourage big-ticket purchases and energise the consumer market

- In November 2025, the Guangdong Provincial Government issued the *Winter Warmth, Wonder Guangdong Consumption Season Initiative*, effective from 1 November 2025 until late March 2026. Under this campaign, the province will distribute "Guangdong Premium Shopping" **consumer vouchers** to drive big-ticket purchases and energise the consumer market. **One-off subsidies** will be offered to individual consumers purchasing:
 - New energy passenger vehicles or fuel-powered passenger vehicles meeting National VI emission standards,
 - Eight categories of home appliances like televisions and refrigerators,
 - Four types of locally featured premium products,
 - Five categories of electronics including smartphones and tablets (including educational tablets),
 - Six kinds of sports equipment such as treadmills and elliptical trainers.
- In October 2025, the Guangzhou Municipal Government released the *Implementation Plan for the Special Action to Boost Consumption in Guangzhou*, outlining 33 concrete measures across eight key areas. The plan highlights initiatives such as vigorously **developing sports consumption**, **innovating the silver economy**, and actively **expanding inbound consumption**. Under the big-ticket consumption upgrade initiative, the plan emphasises expanding **trade-in programs for consumer goods**, better meeting **consumers' housing demands**, and enhancing the **automotive consumer experience**. Specifically for automotive consumption, the plan proposes actively pursuing pilot reforms in auto retail and distribution, advancing automotive cultural projects, and aggressively pursuing opportunities to host international auto racing events.



Tianjin: advancing high-quality development of the first-launch economy through three key initiatives

- In July 2025, the Tianjin Municipal Bureau of Commerce and seven other departments jointly issued the *Measures to Boost High-Quality Development of Tianjin's First-Launch Economy*. The measures outline 16 actionable steps across three strategic areas:
 1. **Building a first-launch economy ecosystem** by establishing certification standards and evaluation systems, aggregating professional service resources, amplifying promotion and audience engagement, attracting and nurturing brands through integrated cultivation, extending industrial chains, and upgrading supporting infrastructure.
 2. **Creating first-launch economy platforms** by cultivating first-launch economy clusters, scaling up online platforms, enhancing event platforms, strengthening exhibition, competition, and performance platforms, and expanding open platforms.
 3. **Enabling first-launch economy growth** by refining full lifecycle enterprise services, streamlining event approval processes, reinforcing intellectual property protection, building talent pipelines for the first-launch economy, and strengthening organisational leadership and execution.

Note: a. The policies covered are indicative and not intended to be exhaustive.



Province-level measures to improve consumption(2/2)^a

In addition to a range of national-level measures aimed at revitalising and expanding consumption, provinces and cities across the country have also introduced policies to accelerate the recovery of consumer spending.



Hainan: accelerating the development of an international tourism consumption hub to unlock tourism consumption potential

- In August 2025, the People’s Government of Hainan Province issued the *Three-Year Action Plan for Accelerating the Development of a Modern Industrial System with Hainan Characteristics and Advantages (2025–2027)*. The plan emphasises developing Hainan as a key hub for advancing new quality productive forces, aligned with the strategic vision of building a free trade port with the “three zones and one centre” positioning. The overall goal is to advance the development of an international tourism consumption hub to continuously unlock tourism consumption potential, accelerate the integration of producer services with advanced manufacturing, elevate consumer services toward higher quality and diversified offerings, and increase the added value of modern services to nearly 30% of GDP.



Zhejiang: four-pronged strategy to develop the exhibition economy to boost consumption

- In August 2025, Zhejiang’s Department of Commerce and 17 other provincial departments jointly released *Measures to Accelerate Exhibition Economy for Consumption Growth*. The measure outlines 16 policies focused on four core goals—[drawing in consumers](#), [crafting consumption scenarios](#), [igniting consumption vitality](#), and [strengthening consumer safeguards](#)—forming a comprehensive framework to energise the market. The core logic is to scale up consumer-focused exhibitions to directly stimulate spending, transforming exhibition spaces into dynamic consumption hubs. The document is divided into two parts: Part I focuses on innovating the “Exhibitions + Domestic-Foreign Trade Integration” model by hosting high-impact product launches, debuts, and premieres at exhibitions. Part II focuses on extending consumption chains via cross-industry synergy by accelerating integrated development across cultural tourism, business events, performances, and sports to amplify spending opportunities.



Liaoning: crafting unique ice & snow tourism destinations to unlock consumer spending

- In November 2025, the Liaoning Provincial Department of Culture and Tourism issued the *Measures for High-Quality Integration of Sports, Culture, and Tourism During the 2025–2026 Winter Season in Liaoning*. The measures outline plans to bundle ice-snow resources with hot springs, wellness retreats, intangible cultural heritage, museums, and dining experiences. By linking winter sports events with scenic tours, cultural landmarks, Lunar New Year celebrations, lantern festivals, winter fishing, hot spring experiences, performances, and concerts, Liaoning will create premium [ice-snow tourism destinations](#) for historical and cultural exploration—catering to diverse, multi-tiered market demands. Key initiatives include: launching special incentives for visitors to [boost inbound tourism](#), establishing multilingual winter service hubs at Shenyang and Dalian airports for seamless traveller support, and deepening collaboration with Jilin, Heilongjiang, and Inner Mongolia to [co-develop cross-province](#) premium routes and unique ice-snow resources, jointly building the “Northeast China Ice and Snow” brand.



Sichuan: four-pronged strategy to boost high-quality service consumption

- In December 2025, twelve provincial departments including the Sichuan Department of Commerce jointly released the *Implementation Plan for Promoting High-Quality Development of Service Consumption in Sichuan*. The plan outlines 19 measures across four key dimensions—[enhancing quality and expanding scale in essential service consumption](#), [unlocking growth potential in upgraded service consumption](#), [strengthening development momentum](#), and [optimising the service consumption ecosystem](#). Sectors such as hospitality (dining, accommodation), elderly/childcare, home services, and cultural tourism will see improved quality and expanded capacity. It will also amplify new consumption scenarios, innovative business models, and dynamic drivers—including event-driven demand, brand influence, and green low-carbon initiatives.



Wuhan: three-year action plan to accelerate its development as an international consumption hub

- In December 2025, the Wuhan Municipal Government unveiled its *Three-Year Action Plan (2025–2027) for Building an International Consumption Centre*. The plan outlines a multi-pronged approach to fast-track Wuhan’s rise as a global consumption powerhouse in central China, serve the nation, and connect with international markets, by:
 - [creating a new global consumption hub to strengthen worldwide supply chain links](#),
 - [developing landmark destinations to elevate the city’s international profile](#),
 - [designing diverse consumption scenarios that blend culture, tourism, and commerce](#),
 - [fostering trendsetting business models to drive innovative consumer experiences](#),
 - [forging a collaborative ecosystem for synergistic regional growth](#), and
 - [cultivating a world-class consumption environment with streamlined regulations and global standards](#).

Note: a. The policies covered are indicative and not exhaustive.



Interest rate reductions to encourage spending^a

In addition to the policies issued by various government departments, the PBOC and other financial regulators have adjusted interest rates to stimulate consumption based on national economic conditions.



Loan interest rates

Loan Prime Rate (LPR) Announcement by National Interbank Funding Center

- On 22 December 2025, the People's Bank of China, the National Interbank Funding Center released the LPR. The 1-year LPR stands at 3.0%, while the 5-year and above LPR is set at 3.5%. These rates will remain effective until the next LPR release.



Deposit interest rates

Long-Term Deposit Products off the market amid Sweeping Deposit Rate Cuts

- In May 2025, six major state-owned banks led the adjustment of RMB deposit rates. Demand deposit rates were slashed by 5 basis points to 0.05%, short-term fixed deposits (3–12 months) saw cuts of 15 basis points, while longer-term products (3-year and 5-year) dropped by 25 basis points each. Joint-stock and regional banks swiftly followed suit, implementing even steeper and more frequent reductions. For example, Fujian Huataong Bank aggressively cut deposit rates five times in the first half of the year. Shanghai Huarui Bank lowered its 3-year fixed deposit rate from 2.8% to 2.15%, and the 5-year rate plunged from 2.8% to 2.1%.
- Meanwhile, longer-term deposit products are rapidly phasing out. Among private banks, several have already de-listed five-year fixed-term deposit products. Although state-owned megabanks have not fully withdrawn long-term lump-sum deposit products, the availability of three-year and five-year large-denomination certificates of deposit (CDs) has shrunk significantly. Currently, none of the six major state-owned banks offer five-year CDs on their mobile banking apps. Joint-equity banks including China Merchants Bank, CITIC Bank, China Industrial Bank, and China Zheshang Bank have also halted sales of five-year CDs.



Medium-term lending facility (MLF)

MLF Tender in December 2025

- To bolster banking system liquidity, the People's Bank of China conducted a fixed-quantity MLF operation on 25 December 2025. The central bank issued RMB 400 billion in one-year MLF funds through a multi-price interest rate tender.

Note: a. The policies covered are indicative and not exhaustive.

Appendix



- **Consumer & retail brand index**
- **Source citations**



Consumer & retail brands (1/5)

Brand ^a	Headquarters	Sub-sector ^b	Description
Burberry	UK	Luxury and fashion	Engaged in the design, production, and sale of high-end fashion apparel, leather goods, perfumes, accessories, and watches
Canada Goose	Canada	Luxury and fashion	Engaged in the design, production and sale of luxury apparel for men, women, teenagers, and children
Max Mara	Italy	Luxury and fashion	Engaged in the women's clothing, bags, footwear and accessories
Moncler	Italy	Luxury and fashion	Engaged in the down jacket products
Laopu Gold	Chinese Mainland	Luxury and fashion	Engaged in the Chinese traditional handmade gold ware
Eternity Investment Limited	Hong Kong, China	Luxury and fashion	Engaged in the sale of jewellery products
Li-Ning	Chinese Mainland	Apparel and footwear	Engaged in the research and development, design, and sale of professional and casual sports shoes, clothing, equipment, and accessories under the Li-Ning brand
XTEP (CHINA)	Chinese Mainland	Apparel and footwear	Engaged in the the design, research and development, manufacturing, and marketing of sports shoes, clothing, and accessories
HEILAN GROUP	Chinese Mainland	Apparel and footwear	Engaged in the men's clothing and accessories
Henan Zulijian	Chinese Mainland	Apparel and footwear	Engaged in the the research and development and manufacturing of elderly care products, covering clothing, shoes, hats, medical equipment, etc.
Taobo	Chinese Mainland	Apparel and footwear	Engaged in the design, production and sale of sportswear and related products; acting as a main agent for brands such as Nike and Adidas
Sketch	US	Apparel and footwear	Engaged in the design, production and sale of footwear, clothing products, etc.
Toread	Chinese Mainland	Apparel and footwear	Engaged in the research and development and sale of outdoor products, as well as chip business
Sterling Group	Hong Kong, China	Apparel and footwear	Engaged in the manufacturing and trade of clothing products

Note: a. Includes companies mentioned in the report; b. Defines the sub-sector in relation to which the company is discussed in the report.

Consumer & retail brands (2/5)

Brand ^a	Headquarters	Sub-sector ^b	Description
Linqingxuan	Chinese Mainland	Health and beauty	Engaged in the research and development, production, and sale of high-end skincare products (with camellia essence as the core component)
CHANDO	Chinese Mainland	Health and beauty	Products include skincare products, cosmetics, masks, personal care products, etc.
Proya	Chinese Mainland	Health and beauty	Engaged in the research and development, production and sale of cosmetics
Mao Geping	Chinese Mainland	Health and beauty	Engaged in the research and development, production, and sale of skincare products, as well as makeup skills training
Leifen	Chinese Mainland	Health and beauty	Engaged in the research and development, production, and sale of skincare products and personal care appliances (such as facial cleansers, electric toothbrushes, hair dryers, etc.)
Baby Elephant	Chinese Mainland	Health and beauty	Products include baby care products, maternity care products, and related maternal and infant health products
BODORME	Chinese Mainland	Health and beauty	Focusing on products such as shampoo, shower gel, moisturiser, and hip cream for children aged 0-12
Leosotoo	Chinese Mainland	Health and beauty	Products include essential oils, cosmetics, baby moisturisers, and other care products
Joy Group	Chinese Mainland	Health and beauty	Engaged in the incubation, research and development, production, and sale of cosmetics brands, covering the fields of cosmetics, scientific skincare, and hair care comprehensively
Foltène	Italy	Health and beauty	A professional anti hair loss brand, with core products covering anti hair loss bottles, men's and women's anti hair loss shampoo, eyebrow essence, etc.
Hanshu	Chinese Mainland	Health and beauty	Engaged in the production and sale of cosmetics, including skincare, makeup, and other products
LANCÔME	France	Health and beauty	Focusing on the high-end market, with products covering all categories of skincare, makeup, and perfume
THE WHOO	South Korea	Health and beauty	Focusing on women's skincare with the concept of "Korean formula", combining traditional Korean herbal ingredients with modern technology to provide high-quality skincare products
SKINCEUTICALS	US	Health and beauty	A professional and scientific skincare brand focusing on skin antioxidant research

Note: a. Includes companies mentioned in the report; b. Defines the sub-sector in relation to which the company is discussed in the report.

Consumer & retail brands (3/5)

Brand ^a	Headquarters	Sub-sector ^b	Description
Helena	France	Health and beauty	A brand focused on personal care products, mainly covering shampoo, hair conditioner, body lotion, cleaning products, etc.
Guyu	Chinese Mainland	Health and beauty	Focusing on hydrating, moisturising, and repairing skincare products, with a emphasis on natural plant ingredients and herbal extraction technology
Sulwhasoo	South Korea	Health and beauty	Focusing on herbal skincare research with ginseng as the core ingredient
New Cogi	Chinese Mainland	Health and beauty	Focusing on hydration, anti-aging, and skin repair
Simpicare	Chinese Mainland	Health and beauty	Focusing on the research and development of sensitive skin care and functional skincare products
FlowerKnows	Chinese Mainland	Health and beauty	Focusing on cost-effective makeup products, with an emphasis on lipstick, blush, eye shadow, etc.
ULTA Beauty	US	Health and beauty	Products include cosmetics, skincare products, perfumes, hair care products, etc.; provision of services such as nail salons, hair dye salons, etc.
Judydoll	Chinese Mainland	Health and beauty	Mainly focusing on eye makeup, cheek colours, base makeup, and lip tints
Joocyee	Chinese Mainland	Health and beauty	Advocating to observe the facial features of Chinese women through design thinking and providing customised makeup solutions for skin measurement
Kweichow Moutai	Chinese Mainland	Food and beverage	Engaged in the production and sale of Maotai liquor and Maotai sauce-flavoured series liquor
Fen Liquor	Chinese Mainland	Food and beverage	Engaged in the production and sale of Fen liquor, Zhuyeqing liquor, and Xinghuacun liquor
Yanjing Beer	Chinese Mainland	Food and beverage	Engaged in the production and sale of beer, water, beer raw materials, beverages, yeast, feed and other products
Wuliangy	Chinese Mainland	Food and beverage	Engaged in the production and sale of alcohol products and in related business (such as bottle caps, trademarks, and packaging products)
Gujing Gongjiu	Chinese Mainland	Food and beverage	Products include strong aroma Baijiu, covering high-end Baijiu, mid-range Baijiu, and low alcohol Baijiu series

Note: a. Includes companies mentioned in the report; b. Defines the sub-sector in relation to which the company is discussed in the report.

Consumer & retail brands (4/5)

Brand ^a	Headquarters	Sub-sector ^b	Description
King'S Luck	Chinese Mainland	Food and beverage	Engaged in the production and sale of Baijiu
Want Want	Taiwan, China	Food and beverage	Engaged in the manufacturing and distribution of food and beverages
Haixin Foods	Chinese Mainland	Food and beverage	Engaged in the production and sale of frozen fish meat products, meat products, and frozen prepared dishes
Yili	Chinese Mainland	Food and beverage	Engaged in the production and sale of various dairy products and health drinks
Eastroc Beverage	Chinese Mainland	Food and beverage	Engaged in the research and development, production, and sale of energy drinks
Haidilao	Chinese Mainland	Restaurants	A chain restaurant providing high-quality services and specialty hot pot
Starbucks	US	Restaurants	Engaged in the research and development, production, and sale of coffee and related products
Ga Sai Tong	Hong Kong, China	Restaurants	Featuring Japanese BBQ cuisine, French Japanese fusion cuisine, and authentic Japanese sashimi/sushi cuisine
Juewei Food	Chinese Mainland	Restaurants	Engaged in the production and sale of leisure braised food
Goodme	Chinese Mainland	Restaurants	Engaged in the sale of fruit tea, milk tea, and coffee
CoCo	Taiwan, China	Restaurants	Products include fragrant milk tea and fresh fruit milk tea series
Jugaogao	Chinese Mainland	Restaurants	A self-service hot pot brand operator mainly engaged in catering services, food sales, and other businesses
MIXUE	Chinese Mainland	Restaurants	A chain store offering ice cream and tea drinks
Fulujia	Chinese Mainland	Restaurants	Engaged in draft fresh beer and convenience store business

Note: a. Includes companies mentioned in the report; b. Defines the sub-sector in relation to which the company is discussed in the report.

Consumer & retail brands (5/5)

Brand ^a	Headquarters	Sub-sector ^b	Description
CHAGEE	Chinese Mainland	Restaurants	Focusing on original leaf fresh milk tea, covering pure tea, fresh fruit tea, and related derivative products
Bama Tea	Chinese Mainland	Restaurants	Engaged in the retail of all types of tea and tea set products
Xiao Noodles	Chinese Mainland	Restaurants	A modern Chinese noodle restaurant chain brand focusing on Chongqing Xiaomian
FRESHIPPO	Chinese Mainland	Restaurants	Engaged in the online and offline integrated retail of fresh food, providing fresh ingredients, daily necessities, catering services, etc.
HEYTEA	Chinese Mainland	Restaurants	Focusing on modern tea drinks, offering various drinks such as milk tea, fruit tea, and pure tea
Zhejiang Ssaw Boutique Hotels Co., Ltd.	Chinese Mainland	Restaurants	Engaged in hotel management and consulting, property management and other businesses



Note: a. Includes companies mentioned in the report; b. Defines the sub-sector in relation to which the company is discussed in the report.

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