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China says lodging activity expanded in October after National Day travel lifted demand

The broader services index slipped 0.2 points to 50, suggesting holiday spending buoyed hotels but left the sector flat overall

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China’s National Bureau of Statistics said on October 31 that activity in the country’s accommodation sector improved in October from September and remained in expansion territory above the 50-point threshold, even as the broader services reading

edged down and pointed to flat conditions across the sector as a whole.

The result suggests hotels and other lodging businesses in mainland China benefited from stronger travel-related demand during the National Day holiday period, even though the wider services economy showed little momentum. The statistics bureau said the improvement in accommodation was part of a broader lift in several consumer-facing activities tied to holiday spending.

The bureau did not publish the exact October reading for accommodation in its explanation of the monthly purchasing managers' indexes, so the size of the improvement cannot be calculated from the official note. What is clear from the release is that the indicator stayed above 50, which marks expansion from the previous month, and that it improved compared with September.

By contrast, the business activity index for the services sector as a whole fell 0.2 points to 50 in October. A reading of 50 indicates no overall change from the previous month, making the broader services picture one of stagnation rather than clear growth or contraction.

That contrast is important because the accommodation figure does not describe the entire services economy. It points instead to a stronger month for one travel-related segment within a much larger sector that includes areas such as finance, transport, information services and property-related activity. The October data indicate that holiday demand was enough to support lodging businesses even while overall services activity lost some pace.

The accommodation indicator is a diffusion index, which means it measures the direction of change from one month to the next based on survey responses. It does not show percentage growth in revenue, occupancy, room rates or guest nights. A reading above 50 means more respondents reported improving conditions than worsening conditions. Without the exact index level, the official release does not allow a precise estimate of how strong the expansion was in economic terms.

The statistics bureau linked the better performance in accommodation and other travel-related industries to consumption during the National Day vacation. That explanation fits the seasonal importance of the holiday, one of the busiest travel periods in China, when domestic tourism often lifts demand for hotels, restaurants and passenger transport.

Even so, the October release offers only a limited sector view. The bureau did not provide a year-over-year comparison for accommodation in its published explanation, and it did not disclose enough detail to measure how much faster or slower the sector was growing than other parts of services beyond the general statement that conditions improved from September.

The broader services reading at 50 also suggests that gains in travel-related areas were offset by weaker or slower activity elsewhere. For businesses and investors, that leaves a mixed picture: consumer travel spending appears to have supported accommodation in October, but the wider services sector did not show broad-based expansion.

The October report adds to evidence that holiday consumption can still create pockets of strength in China’s domestic economy, especially in sectors closely tied to movement and leisure. At the same time, the flat reading for overall services shows that those gains were not strong enough to lift the whole sector meaningfully above the line that separates expansion from no change.

Because the accommodation index remained above 50, the official data point to month-to-month expansion in that segment. But because the bureau withheld the exact figure, the release supports only a directional conclusion: China’s lodging sector improved in October, while the services sector overall stalled.