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China’s biggest hospitality operators posted a 2.9% sales drop in October

Overall restaurant revenue still rose 0.7% to 523.5 billion yuan, highlighting an uneven recovery across China’s dining market

Monday, November 16, 2026

China’s restaurant revenue rose 0.7% from a year earlier in October to 523.5 billion yuan, but sales at larger lodging and catering operators fell 2.9%, showing an uneven market for the hospitality industry, according to data released by China’s National Bureau of Statistics on Monday, November 16.

The official figures show that the broader catering market remained in positive territory, but growth was slight. For restaurants, hotels and other food-service businesses, the split between the sector-wide increase and the drop among larger operators points to pressure on companies above the government’s reporting threshold even as total dining revenue still inched higher.

From January through October, catering revenue totaled 4.72 trillion yuan, up 2.2% from the same period a year earlier, the statistics bureau said. Within that, revenue at above-threshold catering units rose 0.9% to 1.40 trillion yuan. The bureau defines above-threshold lodging and catering units as businesses with annual main business revenue of at least 2 million yuan.

The October restaurant reading came alongside slower growth in the wider consumer market. Total retail sales of consumer goods rose 0.4% year over year in October to 4.65 trillion yuan. From January through October, total retail sales reached 41.65 trillion

yuan, up 1.0%. Excluding automobiles, retail sales rose 2.5% in October and 2.8% in the first 10 months of the year.

By consumption type, goods retail sales increased 0.3% in October to 4.12 trillion yuan, while catering revenue rose 0.7%. That left food-service growth only slightly ahead of goods sales for the month. In the first 10 months, goods retail sales rose 0.9%, compared with the 2.2% increase for catering revenue.

The October data also showed differences by location. Urban retail sales rose 0.2% year over year to 4.01 trillion yuan, while rural retail sales increased 1.5% to 636.5 billion yuan. From January through October, urban retail sales were up 0.9% and rural sales rose 2.2%. The bureau did not provide a separate urban-rural breakdown for catering revenue alone.

For hospitality businesses, the larger-operator decline matters because those companies are often used as a gauge of more formal, higher-revenue parts of the market. The fact that overall catering revenue still rose while above-threshold operators posted a drop indicates that performance was not uniform across the industry. The data do not identify the causes of that split, but they show that the aggregate increase was not shared evenly by bigger businesses.

The bureau said all figures in the monthly table are nominal growth rates, meaning they are not adjusted for inflation. That means the reported gains reflect turnover at current prices rather than changes in real sales volume.

The statistics bureau also said the coverage of above-threshold wholesale, retail, lodging and catering companies changes each year as businesses enter or leave the reporting scope. To preserve comparability, year-over-year growth rates for above-threshold units are calculated using a matched statistical scope for the current and prior periods. The bureau said that can create differences from data published earlier.

As part of the same release, the bureau reported that online retail sales of goods and services nationwide rose 3.7% from a year earlier in the first 10 months to 16.98 trillion yuan. Online goods retail sales increased 2.9% to 10.73 trillion yuan, while online services retail sales rose 5.0% to 6.25 trillion yuan.

The bureau said it conducts a full survey of above-threshold units and a sample survey of smaller units, including businesses engaged in retail sales or catering services.