

Debt, Closures, and Despair Sweep China's East

A surge of business closures has hit one of China's wealthiest regions, with recovery nowhere in sight.



A worker prepares Christmas decorations for export at a factory near Yiwu, Zhejiang Province, China, on April 28, 2025. Kevin Frayer/Getty Images



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China's ongoing economic downturn is taking a heavy toll on private enterprises in the eastern coastal region, which was once considered the driving force behind the country's economic rise.

Many business owners have shared on social media or in interviews that they are overwhelmed by debt amid a steep drop in orders. Some have already shut down their businesses and held farewell meals with employees. A few have even openly expressed thoughts of suicide.

Industries such as food and beverage, e-commerce, manufacturing, and construction are showing clear signs of significant hardship, according to

several business owners who spoke to the Chinese-language edition of The Epoch Times.

Zhou, an e-commerce operator in Yangzhou, Jiangsu Province, said many people in his area have seen their wages cut or lost their jobs altogether. He requested that only his surname be used, citing fears of retaliation from the Chinese regime.

“Few can afford to eat out anymore,” he said. “Street vendors can still scrape by, but even they aren’t making real money.”

Zhu Zhiying, who had run a furniture factory in Hangzhou, Zhejiang Province, for more than a decade, told the Chinese-language edition of The Epoch Times that she had no choice but to shut down her business.

“We haven’t had a single order in three months. The warehouse is full of unsold goods, and I still have to pay rent,” she said.

Part of her business had relied on exports to the United States, but amid U.S.–China trade tensions, those orders have all but disappeared.

“Many others in the furniture industry are in the same situation,” Zhu said. “It’s either deep clearance sales or total shutdown.”

She noted that the industry’s collapse is closely tied to China’s faltering property sector. With no one buying homes, there’s no demand for furniture. She estimates that home prices have fallen by 40 percent to 50 percent since 2016.

“Even land auctions held by local governments are getting no bids,” she said.

Construction Businesses Buried in Debt

Zhu’s observations echo what others in construction have reported. Wang, a long-term supplier of construction materials in Suzhou, Jiangsu Province, recently posted an emotional video online. He identified himself only by his surname in the video.

“I’m 12 million yuan in debt,” he said through tears. “I wanted to jump into the river and end my miserable life. It was a phone call from my daughter that pulled me back.”

His story resonated widely online.

Lu Guoping, once a billionaire and now chairman of Suzhou Donglin Decoration Engineering Company, also appeared in a video, visibly emotional as he spoke about his financial collapse.

“Ten years ago, my annual output was worth tens of millions. Now I’m 20 million yuan in debt,” he said.

In the comment sections, many echoed his despair. One user said his firm has not received any new projects this year. Another wrote: “It’s too hard to run a business now. Just lie flat and do nothing. We’re the last generation.”

The phrase “We’re the last generation” became a widely recognized expression of hopelessness and quiet defiance during the Shanghai lockdown in May 2022. It originated from a [viral video](#) in which a young man, threatened by pandemic control officials who warned that noncompliance would affect his family for three generations, calmly responded: “I’m sorry, we are the last generation. Thank you.” The phrase quickly spread online as a symbol of disillusionment among Chinese youth.

Several people offered a grim assessment of the future, saying the economic slide is likely to deepen and that the good days are behind them.

Speaking to the Chinese-language edition of The Epoch Times, manufacturing executive Yue Li, based in Kunshan, Jiangsu Province, said that “private enterprises are collapsing like dominoes.”

“Most businesses—whether factories, restaurants, or construction firms—won’t survive the second half of the year,” he said. “This winter could be the end.”



An employee packages garments for the online Chinese e-commerce company Temu at a clothing factory in Guangzhou, in southern China's Guangdong Province, on April 16, 2025. Jade Gapo/AFP via Getty Images

Zhang, a veteran in the foreign trade sector who has worked through China’s economic transformation for more than 20 years, shared a similar view. He also asked to be identified only by his surname, citing fears of retaliation.

“I’ve never seen it this bad,” he told the Chinese-language edition of The Epoch Times. “It’s tougher now than during the early reform and opening-up era 30 years ago. The boom is over—good days are gone for the Chinese people.”

Yangtze Delta Grapples With Crisis

Zhejiang-based scholar Chang Kun said the Yangtze River Delta—long regarded as China’s manufacturing and export engine—is now under intense strain from falling demand, weak domestic consumption, and the collapse of the real estate chain.

The delta is a densely populated, economically vital region in eastern China, encompassing Shanghai and surrounding areas in Jiangsu and Zhejiang provinces. It has historically been a key driver of China’s industrial output and international trade.

“What’s more serious is that private entrepreneurs have lost confidence in the future and are unwilling to invest,” Chang said. “This is no longer a cyclical dip—it’s a structural decline caused by deep uncertainty around government policy and the overall system.”

According to official figures, more than 6 million university graduates were unable to find jobs last year, and the number of new college graduates is expected to reach 12.2 million this year. Experts warn that even these figures may be significant understatements, as China’s statistical agencies are known to obscure or downplay negative data.

Chang also noted that private enterprises were once the backbone of China’s economy, employing about 80 percent of the population.

“If private businesses collapse, mass unemployment will follow. College graduates could become a burden on society, increasing the risk of social instability,” he warned.

Based on his observation, many business owners are barely hanging on, sustained only by the hope of making it through.

“But that hope may not carry them through,” he said, “The coming winter could be longer—and colder—than anyone imagined.”

Shen Yue contributed to this report.

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