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Content

1. Economic and Trade Friction Cases about China

1.1 China Expands Export Control on Precursor Chemicals to U.S., Mexico, Canada

On September 22, 2026, Chinese regulators announced adjustments to the country's export control catalog for precursor chemicals to the United States, Mexico and Canada, increasing the number of listed chemicals requiring export permits from 16 to 18.

Two substances have been added to the export control catalog to these three countries. Under the updated rules, exporters must apply for permits when exporting any of the 18 listed chemicals, as well as their possible salts, to the three countries concerned.

The announcement also maintains permit requirements for exports of 41 listed chemicals to Myanmar, Laos and Afghanistan. Exports of the listed substances to other countries and regions do not require such permits, according to the announcement.

China's Ministry of Commerce, the Ministry of Public Security, the Ministry of Emergency Management, the General Administration of Customs and the National Medical Products Administration jointly announced the adjustment, which took effect on the date of release.

The move is intended to further improve management of the export of precursor chemicals, the announcement noted.

(Edited from Xinhua.)

1.2 China's Position on Safeguarding Industrial, Supply Chains of Critical Minerals Unchanged

China's position on keeping the global industrial and supply chains of critical minerals safe and stable has not changed, and all parties have the responsibility to play a constructive role to this end, Chinese foreign ministry spokesperson Guo Jiakun said on September 21, 2026.

Guo made the remarks at a regular news briefing in response to a query noting that China's restrictions this year on rare earth exports to Japan have affected American supply chains.

Guo stated that on the rare earth exports restriction, in accordance with laws and regulations, China prohibits the export of all dual-use items to Japanese military users and for Japan's military use, and any export that could help enhance Japan's military capabilities. The aim is to thwart Japan's remilitarization and attempt to possess nuclear weapons, he added.

(Edited from Xinhua.)

1.3 China Opposes "Secondary Sanctions," Urges U.S. to Maintain Stable Trade Ties

China firmly opposes unilateral sanctions that lack authorization from the United Nations and a basis in international law, as well as so-called "secondary sanctions" targeting third countries, a spokesperson for China's Ministry of Commerce said on September 19.

The remarks came in response to a question about the United States signing the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026 into law on Sept. 18 (U.S. Eastern Time). The legislation strengthens sanctions against Russia, extends sanctions related to Iran, and authorizes tariffs of up to 100 percent on certain third countries that import Russian oil or natural gas.

China has always conducted normal economic and trade cooperation with countries around the world on the basis of equality and mutual benefit, the spokesperson said, adding that such cooperation targets no third party and is not subject to interference or coercion by third parties.

China will closely follow subsequent U.S. measures and reserves the right to take all necessary steps to firmly safeguard its national sovereignty and development interests, as well as the legitimate rights and interests of Chinese companies, the spokesperson said.

The spokesperson called on the United States to work with China in the same direction and maintain stable economic and trade relations through dialogue and consultation, while contributing to maintaining the global trade order and the security and stability of global industrial and supply chains.

(Edited from Xinhua.)

1.4 China Firmly Opposes So-Called Voluntary Restrictions on Hybrid Vehicle Exports to Europe

China steadfastly opposes the so-called voluntary restrictions on China's hybrid vehicle exports to Europe, as they gravely violate the World Trade Organization (WTO) rules and run counter to market economy rules and the principle of fair competition, a Ministry of Commerce spokesperson said on September 18, 2026.

The spokesperson made the remarks in response to recent media reports that the European Union (EU) wants China to voluntarily restrict exports of hybrid vehicles to Europe, and that China could otherwise face higher tariffs.

"These so-called voluntary export restrictions seriously violate WTO rules and run counter to the laws of the market economy and the principle of fair competition. China firmly opposes this," the spokesperson said.

"China's position is consistent. Any solution between China and the EU must ensure a balance of interests, comply with WTO rules and their respective domestic laws, and fully accommodate the interests of industries on both sides," the spokesperson added.

(Edited from Xinhua.)

2. China Policies/Regulations

2.1 China to Step Up Proactive Support for Promising SMEs

China will accelerate efforts to identify and nurture promising small and medium-sized enterprises (SMEs), shifting from waiting for companies to apply for support to proactively seeking out firms with strong growth potential, the Ministry of Industry and Information Technology said on September 20, 2026.

The ministry will improve mechanisms to foster SMEs that use specialized and sophisticated technologies to produce novel and unique products, and strengthen the identification of promising start-ups, particularly companies focused on technological innovation and product development.

Earlier this month, China issued a plan to promote the high-quality development of SMEs during 2026-2030, setting targets for business growth, innovation, and the development environment.

By 2030, China's SMEs are expected to grow in both quality and scale, with per-capita operating revenue of major SMEs posting cumulative growth of around 15 percent over the five-year period, according to the plan.

(Edited from Xinhua.)

2.2 China's Market Regulator to Update Antitrust Compliance Guidance for Firms Operating Overseas

China's market regulator proposed updated antitrust compliance guidance for Chinese companies operating overseas on September 22, 2026, as Chinese firms expand their global footprints.

The State Administration for Market Regulation is seeking public opinion on a revised version of its overseas antitrust compliance guidelines for companies, with feedback due by Sept 29.

The revision updates guidelines first issued in 2021, which apply to Chinese companies doing business abroad as well as companies operating in China whose activities may affect overseas markets. The existing rules cover activities including exports, overseas investment and mergers and acquisitions.

One of the most significant changes is greater attention to the digital economy and to regulatory regimes that have become increasingly important for Chinese companies investing overseas.

The draft incorporates recent developments in overseas antitrust enforcement into sections covering monopoly agreements, abuse of market dominance and merger control. It also updates merger notification thresholds in jurisdictions including the European Union, the United States and Germany.

Companies are advised to pay closer attention to foreign investment security reviews and foreign subsidy regimes — areas that can subject cross-border acquisitions and investments to regulatory scrutiny beyond traditional antitrust reviews.

The proposed guidelines also expand their treatment of litigation risk. In addition to administrative fines and potential criminal liability, the revision outlines rules governing private civil antitrust lawsuits in major jurisdictions, reflecting what the regulator described as a rise in overseas antitrust investigations and litigation.

(Edited from China Daily.)

2.3 China to Step Up Recycling of Solar Panels, Wind Turbines and EV Batteries

China will step up recycling and pollution controls for waste generated by its fast-growing new energy industry, including retired photovoltaic modules, wind power equipment and power batteries, the Global Times learned from the Ministry of Ecology and Environment on September 22, 2026.

China's Ecological and Environmental Code, which took effect in August, sets out different responsibilities according to the source of the waste. Enterprises that build and operate wind and solar power projects are required to handle retired equipment themselves or entrust companies with the necessary capabilities to recycle or safely dispose of materials such as wind turbine blades and photovoltaic modules.

For retired power batteries, which largely come from consumer use, the Code applies an extended producer-responsibility system. Producers are required to build, either independently or through third parties, collection systems matched to their sales volumes and to fulfill recycling and utilization responsibilities.

The Ministry of Ecology and Environment has also issued pollution-control standards for the treatment of waste lithium-ion power batteries and waste photovoltaic equipment. A standard for waste wind power equipment is being drafted, with a focus on pollution risks in processes such as roasting and metal recovery from battery black mass, separation of laminated photovoltaic components, and the harmless disposal of retired wind turbine blades.

The need for such safeguards is growing alongside the sector itself. By the end of 2025, China had installed solar capacity of 1.2 billion kilowatts and wind capacity of 640 million kilowatts, after adding 318 million kilowatts of solar power and 120 million kilowatts of wind power during the year, according to the National Energy Administration.

(Edited from Global Times.)

2.4 China's Loan Prime Rates Remain Unchanged

China's one-year loan prime rate (LPR), a market-based benchmark lending rate, stood at 3 percent on Sunday, unchanged from the previous month.

The over-five-year LPR, on which many lenders base their mortgage rates, also remained unchanged from the previous reading of 3.5 percent, according to the National Interbank Funding Center.

LPRs, published each month, reflect financing costs for households and businesses and serve as a pricing reference for bank lending. Lower rates can ease borrowers' financing burdens and encourage investment and consumption.

China's one-year and over-five-year LPRs have remained unchanged for 16 consecutive months since June 2025.

Data showed that the weighted average interest rate on newly issued corporate loans was below 3 percent in August 2026, about 0.2 percentage point lower than a year earlier, while the rate on newly issued personal housing loans remained unchanged at about 3.1 percent.

China will continue to implement a more proactive fiscal policy and adopt an appropriately accommodative monetary policy in 2026, this year's government work report noted.

(Edited from Xinhua.)

3. China Economic and Trade Information

3.1 China, U.S. Delegations Hold Trade Talks in New York

The Chinese and United States delegations, led by Chinese Vice-Premier He Lifeng, and US Treasury Secretary Scott Bessent and US Trade Representative Jamieson Greer, convened in New York on Sunday for talks on economic and trade issues.

Guided by the important consensus reached by the two heads of state and upholding the principles of mutual respect, peaceful coexistence, and win-win cooperation, the two sides held candid, in-depth and constructive exchanges on economic and trade issues, according to the Ministry of Commerce.

The two sides exchanged views on key economic and trade issues of common concern, as well as the implementation of consensus reached in previous talks, and also held dialogues on artificial intelligence-related issues.

(Edited from China Daily.)

3.2 Tax Data Reveals China's Quick Growth of New Quality Productive Forces

China has gained sound momentum in cultivating new quality productive forces in the first eight months of 2026, with high-tech industries and AI-related sectors leading the way, the country's latest tax data released on September 21, 2026.

In the January-August period, sales revenue of China's high-tech industries increased by 15.7 percent year on year, with the high-tech manufacturing sector up 18.9 percent, according to the State Taxation Administration.

Notably, sales revenue of AI-related integrated circuit manufacturing and intelligent vehicle equipment manufacturing surged 67.7 percent and 38.8 percent year on year, respectively, the data showed.

Tax data also pointed to a deepening integration of the digital and real economies. In the first eight months, sales revenue of digital product manufacturing and digital product services went up 16.6 percent and 11.1 percent, respectively.

Meanwhile, China's industrial sales revenue rose 7.3 percent year on year during the period, with that of equipment manufacturing sector up 10.1 percent.

(Edited from Xinhua.)

3.3 China Unveils Top 500 Private Enterprises for 2026

On September 22, 2026, China released the 2026 list of the country's top 500 private enterprises, with 110 companies reporting operating revenue of over 100 billion yuan (about 14.82 billion U.S. dollars), underscoring robust growth in the country's private sector.

JD.com, Alibaba (China) Co., Ltd., and Hengli Group Co., Ltd. retained the top three positions, according to the 2026 China Top 500 Private Enterprises list unveiled by the All-China Federation of Industry and Commerce (ACFIC) in Tianjin, north China.

The survey showed that in 2025, China's private enterprises continued to improve their innovation capacity, operating efficiency and core competitiveness, demonstrating an overall trend toward new and higher-quality development.

The top 500 private enterprises reported total operating revenue of 44.93 trillion yuan in 2025, up 4.35 percent from a year earlier. They also saw a combined net profit of 1.83 trillion yuan, with 17 companies each posting over 20 billion yuan in net profit.

(Edited from Xinhua.)

3.4 China's High-Tech FDI Surges in First 8 Months of 2026

China registered robust growth in foreign direct investment (FDI) in high-tech industries during the first eight months of the year, despite a decline in overall inflows, official data showed on September 18, 2026.

During this period, FDI in high-tech industries surged 35.1 percent to 200.26 billion yuan (about 29.66 billion U.S. dollars), accounting for 41.7 percent of the national total, a rise of 12.4 percentage points from a year earlier, the Ministry of Commerce said.

A total of 42,582 new foreign-invested enterprises were set up, an increase of 0.3 percent year on year, while FDI in actual use came in at 479.95 billion yuan, down 5.3 percent from the previous year.

By sector, the manufacturing industry attracted 119.55 billion yuan in FDI, while the service sector drew 350.42 billion yuan.

Specifically, FDI in R&D and design services, services for the commercialization of sci-tech achievements, and electronic and telecommunications equipment manufacturing jumped 74 percent, 64.2 percent and 41.9 percent, respectively.

Next-generation intelligent manufacturing should serve as the primary direction, with greater emphasis on digital and intelligent empowerment, high-end manufacturing and self-reliance, green and low-carbon development, and cross-sector integration, it added.

(Edited from Xinhua.)

3.5 China Remains World's Largest Industrial Robot Market

China accounted for nearly three-fifths of industrial robots installed worldwide in 2025, further strengthening its position as the world's largest market for industrial robotics, according to the World Robotics 2026 report released on September 24, 2026.

A total of 354,000 industrial robots were deployed in China last year, up 20 percent from 2024 and accounting for 59 percent of global installations, said the Frankfurt-based International Federation of Robotics (IFR) in the report. The figure was nearly 60,000 units higher than the previous annual record.

China's demand for industrial robots was led by the electrical and electronics, automotive, and metal and machinery industries. The electrical and electronics industry installed 96,400 industrial robots in 2025, up 16 percent year on year and accounting for 27 percent of China's total installations. The automotive industry installed 78,900 units, up 38 percent and reaching a record high, while installations in the metal and machinery industry rose 44 percent to 78,700 units.

Chinese robot makers also continued to expand their presence in the domestic market. Installations by domestic suppliers rose 15 percent in 2025 to 195,000 units, giving them a 55-percent share of total installations. Installations by foreign suppliers increased 27 percent. More than half of the industrial robots installed in China have been supplied by Chinese brands since 2024, the IFR said.

The IFR forecasts that the Chinese market for industrial robots is far from saturated, with annual growth of 5 to 10 percent on average likely through 2029. Demographic changes and resulting labor shortages are expected to continue driving demand for robotic automation, which can help make production more resilient to labor shortages, it said.

(Edited from Xinhua.)

3.6 China Ready to Work with ASEAN Countries to Implement CAFTA 3.0

China is ready to work with ASEAN countries to implement the China-ASEAN Free Trade Area 3.0 (CAFTA 3.0) and build an even closer China-ASEAN community with a shared future, foreign ministry spokesperson Guo Jiakun said on September 22, 2026.

Guo made the remarks at a regular press briefing in response to a query on China-ASEAN cooperation, following the successful conclusion of the 23rd China-ASEAN Expo on Sept. 21 and the official opening of the Pinglu Canal to navigation last week.

"The China-ASEAN Expo is a shining brand of China-ASEAN cooperation," Guo said.

Over the past 23 years, the Expo witnessed China-ASEAN cooperation leaping through the "Golden Decade" to the "Diamond Decade" and the upgrade to the CAFTA 3.0, according to the spokesperson.

Guo said that this year, for the very first time, the Expo designated an area tailored to ASEAN countries' demand and released an ASEAN countries' demand list aimed at precision matchmaking between what ASEAN needs and what China can provide.

Guo said the Expo also designated a Pinglu Canal exhibition area. The canal's opening to navigation will significantly reduce the maritime shipping distance from southwest China to ASEAN countries, opening up a new route for bilateral trade, he added.

(Edited from Xinhua.)

3.7 U.S. Goods Exports to China Grow Twice as Fast as to World, 2001-2025

China is a vital trading partner of the US. From 2001 to 2025, US goods exports to China grew 454.2%, more than double the global 198.6% growth of US goods exports. China ranked as the largest export market for US soybeans and cotton, the second-largest for integrated circuits and coal, and the third-largest for medical devices, liquefied petroleum gas and automobiles. Meanwhile, the US is the largest source of China's services trade deficit. These figures make clear that China–US economic and trade cooperation is, at its core, mutually beneficial, with the two sides' overall gains broadly balanced.

(Edited from CGTN.)

3.8 China's Intelligent Computing Power Projected to Soar 87.9% in 2026 as AI Demand Surges

Rapid growth in the number of artificial intelligence (AI) agents and token consumption is driving a continued rise in demand for computing power, with China's intelligent computing power estimated to surge 87.9 percent year-on-year to reach 2,576.5 exaflops (EFLOPS) in 2026, according to a new industry report.

Released by US market research company International Data Corp and Chinese tech firm Inspur Group, the report projected that the figure will reach 10,524.3 EFLOPS by 2030. The compound annual growth rate of intelligent computing power from 2025 to 2030 is projected at 50.3 percent, up from the previous forecast of 46.2 percent.

"The soaring growth in computing power signals an acceleration in AI applications in China. This rapid growth is not merely the result of adding more hardware, but a reflection of genuine and robust industrial demand driven by large-scale commercialization. As AI agents emerge as a new engine of growth, AI is evolving from simple conversational agents to agents capable of executing complex tasks," Chen Jing, vice president and research fellow at the Society for the Study of Technological and Strategic Trends, told the Global Times on September 23, 2026.

The expert said that the growth of China's intelligent computing power is among the fastest globally, although the US maintains advantages in advanced AI chips and high-end computing resources.

"The exponential expansion of China's computing power serves as a pivotal driver of the democratization and wider accessibility of AI. Most notably, it has drastically lowered the cost of global AI adoption. Spearheaded by Chinese models such as DeepSeek, global API prices have plummeted by roughly 90 percent, making AI more affordable for a wider range of enterprises," Chen said.

It is projected that by 2035, AI will contribute more than 11 trillion yuan ($1.64 trillion) to China's GDP, potentially driving a tenfold or even hundredfold increase in demand for computing power. To meet this massive demand, a balanced and orderly expansion of computing power supply is crucial, the Xinhua News Agency reported.

(Edited from Global Times.)

3.9 German Auto Executives Call for Deeper Cooperation with China on NEVs

German auto industry executives and experts have called for deeper cooperation with China on new energy vehicles (NEVs), batteries, artificial intelligence (AI) and automated driving, saying the two countries could draw on their respective strengths as the global auto industry undergoes a rapid technological shift.

Speaking at the ongoing World New Energy Vehicle Congress 2026 in Haikou, capital of south China's Hainan Province, participants pointed to the complementary strengths of the two countries, with Germany bringing engineering expertise, quality, safety and global industrial experience, and China offering rapid innovation, digital ecosystems, battery technology and smart mobility.

Hildegard Müller, president of the German Association of the Automotive Industry, said China is not only an important sales and sourcing market but also a key location for innovation. She called for closer exchanges in battery technologies, charging infrastructure, intelligent manufacturing, software-defined vehicles, automated driving, hydrogen and AI-based mobility.

China has been the world's largest NEV market for years. The country's NEV production and sales reached more than 7.43 million and 7.44 million units, respectively, in the first half of 2026, up 6.7% and 7.3% year on year, according to the China Association of Automobile Manufacturers.

NEV exports, meanwhile, surged to over 2.35 million units during the period, a 120% increase from a year earlier.

The rapid growth has made China increasingly important not only as a market and manufacturing base but also as a center for automotive research and development. That shift is reshaping how German automakers operate in China.

(Edited from CGTN.)

3.10 China's Property Market Sees Major Changes in Supply and Demand

China's property market has seen major changes in supply and demand and entered a new phase increasingly centered on existing housing stock, an official said on September 18, 2026.

The share of second-hand home transactions in total housing transactions rose from 27 percent in 2020 to 46 percent in 2025, and 52 percent in the first eight months of this year, said Zhang Xuetao, an official with the Ministry of Housing and Urban-Rural Development, at a press conference.

A share exceeding 50 percent marks the property market's transition into the new phase, according to Zhang.

(Edited from Xinhua.)

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