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Content

1. Economic and Trade Friction Cases about China

1.1 China Voices Firm Opposition to U.S. Proposal to Expand Outbound Investment Curbs	1
1.2 China Opposes U.S. Restrictions on Scientific Cooperation	2
1.3 China Voices Concern Over EU Trade Restrictions	3
1.4 China Opposes U.S. Blacklisting of Three Chinese Entities	3
1.5 Hong Kong Suspends Poultry Products Import From Areas in Denmark, U.S.	5

2. China Policies/Regulations

2.1 China Expands Foreign Business Access at World's Largest Free Trade Port	5
2.2 China Issues First Policy Document Dedicated to Technology-Driven Commerce	6
2.3 China Issues Guidelines to Promote Employment Amid AI Advances	7
2.4 China Upgrades E-CNY Infrastructure for Digital Deposit Era	9
2.5 China Seeks Public Comments on Trade Secret Protection Rules	9
2.6 China Grants Approval to Citi for Wholly-Owned Securities Company in Opening-Up Push	10
2.7 China Issues 800 bln yuan Via Financial Instruments to Expand Investment	11

3. China Economic and Trade Information

3.1 China Urges Europe to Respect Market Economy After EU Eyes Broader Import Restrictions on Chinese Chemicals, Furniture, and Machinery	12
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3.2 China's Fiscal Revenue Sees Steady Growth in Jan.-Sept.	13
3.3 Chinese Enterprises Ramp Up Strategic Capability to Go Global	14
3.4 China's "City of the Future" Builds Hub for AI-Powered One-Person Companies	15
3.5 China's Green Finance Helps Drive Global Low-Carbon Transition	15
3.6 Chinese Smart Cars Accelerate from Test Track to Commercial Competition	17

1. Economic and Trade Friction Cases about China

1.1 China Voices Firm Opposition to U.S. Proposal to Expand Outbound Investment Curbs

On October 24, 2026, China expressed "grave concern" and "firm opposition" to a recent U.S. Treasury proposal that would expand and intensify restrictions on outbound investment in China, calling it a discriminatory move and a typical practice of overstressing the concept of national security.

A spokesperson for China's Ministry of Commerce made the remarks in reply to a media query on the U.S. Treasury's proposed updates to the outbound investment security program, which are open for public comment.

The proposed rules "run counter to the important consensus reached by the two heads of state, disrupt normal economic and trade cooperation between Chinese and U.S. enterprises, and undermine the international economic and trade order," the spokesperson said.

China will closely follow further developments and reserve the right to take corresponding measures, the spokesperson noted.

"U.S. restrictions on investment in China would not only harm China-U.S. economic and trade cooperation but also hurt the interests of U.S. firms," the spokesperson said, noting that investing in China is investing in the future as the country boasts immense consumption and investment potential with its super-large market.

China urges the U.S. side to respect market economy principles, stop overstressing the concept of national security, stop politicizing and weaponizing economic and trade issues, and create a sound environment for bilateral economic and trade cooperation, according to the spokesperson.

(Edited from Xinhua.)

1.2 China Opposes U.S. Restrictions on Scientific Cooperation

China strongly opposes U.S. restrictions on scientific research cooperation with Chinese institutions under the pretext of national security, urging Washington to immediately stop its discriminatory practices, the Ministry of Commerce said on October 23.

The ministry made the remarks in response to a media query about the U.S. Department of War's announcement on October 19 that certain U.S. universities had terminated their cooperation with entities on the Pentagon's Section 1286 list, which includes a number of Chinese research institutions.

A ministry spokesperson said China has consistently opposed Washington's practice of overstressing the concept of national security, politicizing and weaponizing scientific exchanges and cooperation, and making groundless accusations against Chinese research institutions.

China will take necessary measures to safeguard the legitimate rights and interests of its research institutions, the commerce official said in an online statement.

The U.S. measures are essentially aimed at forcing U.S. research institutions to choose sides and deliberately undermining normal scientific cooperation between China and the U.S., said the spokesperson.

Such actions will only undermine scientific and technological progress and innovation in the U.S., ultimately harming its own interests. Strengthening scientific research cooperation serves the common interests of both countries, whereas imposing restrictions and pursuing decoupling will only harm both sides, the spokesperson added.

China urged the U.S. to respect facts, follow the global trend of scientific and technological exchanges and immediately stop imposing discriminatory and restrictive measures against Chinese research institutions.

(Edited from China Daily.)

1.3 China Voices Concern Over EU Trade Restrictions

China has expressed concern over the European Union's recent push to introduce trade restrictions, noting that such measures have adversely affected industrial and supply chain stability and bilateral business cooperation.

During his meeting with Bernd Lange, chair of the European Parliament's Committee on International Trade, in Beijing on October 27, Commerce Minister Wang Wentao said China and the EU are important economic and trade partners and key supporters of the multilateral trading system.

Wang said two rounds of talks under the China-EU trade and investment consultation mechanism this year had yielded substantial results, demonstrating both sides' ability to address differences through dialogue.

"China is not the source of the EU's problems, but a partner in finding solutions," he added.

The Chinese commerce minister called on the EU to work with China to expand two-way investment, increase China's imports from the bloc and explore cooperation in emerging sectors to promote more balanced bilateral trade in accordance with World Trade Organization rules and the principle of reciprocity and mutual benefit.

(Edited from China Daily.)

1.4 China Opposes U.S. Blacklisting of Three Chinese Entities

China expressed strong opposition to the United States' decision to blacklist three Chinese entities and pledged to take necessary measures to safeguard its interests, the Ministry of Commerce said on October 27.

The U.S. Department of Homeland Security announced in a notice on Oct 28 that it had added three Chinese biotechnology companies, including BGI Genomics, to the entity list under the so-called "Uyghur Forced Labor

Prevention Act" under the pretext of "forced labor" in Northwest China's Xinjiang Uygur autonomous region.

The U.S. measures have no factual basis, a spokesperson with the ministry said in a statement, accusing Washington of repeatedly manipulating human rights issues to pursue unilateral protectionism and bullying under the guise of protecting human rights.

There is no such thing as "forced labor" in China, the spokesperson said, adding that people of all ethnic groups in Xinjiang enjoy freedom and equality in employment, with their labor rights effectively protected by law.

Washington had recently placed a large number of Chinese entities on the list, prompting Beijing to lodge solemn representations and take firm countermeasures, the spokesperson noted.

Despite China's strong opposition, the U.S. has persisted in imposing new sanctions, targeting Chinese biotechnology companies, the spokesperson added.

"Such actions run counter to the consensus reached by the two heads of state, seriously undermine the stability of China-U.S. economic and trade relations, and go against the spirit of humanitarianism," the spokesperson said.

The U.S. should immediately stop political maneuvering, smear campaigns and its unwarranted suppression of Chinese enterprises, the spokesperson said.

"China will take necessary measures to resolutely safeguard its own interests," the spokesperson added.

(Edited from China Daily.)

1.5 Hong Kong Suspends Poultry Products Import From Areas in Denmark, U.S.

Hong Kong's food safety authority decided on October 27 to suspend the import of poultry meat and products from Lolland Municipality in Denmark and Jackson County in the State of Minnesota in the United States due to avian influenza outbreaks in these regions.

The Center for Food Safety (CFS) of the Hong Kong Special Administrative Region (HKSAR) government's Food and Environmental Hygiene Department has instructed the trade to suspend the import of poultry meat and products, including poultry eggs, from these areas with immediate effect to protect public health in Hong Kong.

A CFS spokesperson said the decision followed notifications from the Danish Veterinary and Food Administration and the World Organization for Animal Health (WOAH) about outbreaks of highly pathogenic H5N1 avian influenza in these areas.

The CFS has contacted the Danish and U.S. authorities over the issues and will closely monitor information issued by the WOAH and the relevant authorities on the avian influenza outbreak, the spokesperson said.

(Edited from Xinhua.)

2. China Policies/Regulations

2.1 China Expands Foreign Business Access at World's Largest Free Trade Port

China has unveiled 16 measures to make it easier for foreign businesses and professionals to operate in the Hainan Free Trade Port (FTP), the world's largest FTP by area, with new policies covering energy trade, medical services and bonded business operations, according to a government circular made public October 29.

Under the measures, foreign physicians legally licensed to practice medicine overseas may obtain permits to provide clinical diagnosis and treatment services in Hainan for up to three years, with extensions available in accordance with relevant regulations.

More convenient policies regarding work permits and stay and residence will also be introduced for foreign nationals.

The Hainan FTP, located in China's southernmost island province, launched island-wide special customs operations in December 2025, allowing freer entry of overseas goods, expanded zero-tariff coverage and more business-friendly measures as part of China's efforts to promote high-standard opening-up.

Overseas companies will be allowed to use bonded facilities at Hainan's liquefied natural gas (LNG) receiving terminals, while the FTP will be supported in conducting LNG futures delivery warehouse operations after LNG futures contracts are launched.

Other measures include promoting offshore trade, expanding the range of products eligible for bonded maintenance, facilitating the entry of eligible bonded remanufactured products into pilot free trade zones on the Chinese mainland, encouraging the use of the yuan in new forms of barter trade, and deepening the FTP's economic and trade cooperation with China's Hong Kong Special Administrative Region.

(Edited from Xinhua.)

2.2 China Issues First Policy Document Dedicated to Technology-Driven Commerce

China recently released new guidelines on accelerating technology-driven commerce, its first policy document dedicated to this subject. Yuan Xiaoming, assistant minister of commerce, said the comprehensive and systematic guidelines were formulated in light of the requirements of

China's new stage of development. They place technological innovation at the heart of the entire commerce chain and seek to promote deeper integration between technology and commerce. Their key features can be summed up in three words: new, comprehensive and practical.

"New" means putting technological innovation at the forefront and responding to emerging consumption trends and changing consumer preferences.

"Comprehensive" means pursuing progress on both the supply and demand sides and covering the entire commerce chain and all business formats.

"Practical" means focusing on real-world problems and ensuring that policies can be implemented and their results assessed.

To drive the upgrading of goods supply, China will further implement its special initiative on "AI + Manufacturing." Estimates show that the scale of China's core AI industry exceeded 1.2 trillion yuan (\$179.69 billion) in 2025.

To expand the supply of upgraded services, China will launch pilot applications of AI in culture and tourism.

The Ministry of Culture and Tourism has selected and approved 14 projects for the pilot applications. Yuan said the Ministry of Commerce would work with other government departments to ensure that the guidelines are effectively implemented and that the potential of technological innovation is translated into tangible momentum for commercial development.

(Edited from People's Daily Online.)

2.3 China Issues Guidelines to Promote Employment Amid AI Advances

China has rolled out guidelines on adapting to advances in artificial intelligence (AI) to promote employment-friendly development, aiming to

harness the technology to create jobs, improve employment quality and stimulate entrepreneurship while mitigating job displacement caused by AI applications.

The guidelines, issued by the General Office of the State Council, set out 18 tasks in six areas, including boosting AI's job-creation potential, making AI adoption more employment-friendly, improving workers' digital skills, enhancing employment services, strengthening labor and social security protections, and monitoring and addressing employment risks.

The guidelines call for expanding employment opportunities in emerging fields, helping micro, small and medium-sized enterprises stabilize and expand employment, fostering new forms of employment and entrepreneurship in the AI sector, and developing new AI-related occupations.

The guidelines urge efforts to tap AI's job-creation potential in traditional sectors, mitigate job displacement caused by AI applications, and establish a mechanism to assess employment risks associated with AI adoption.

The guidelines emphasize improving the framework for protecting workers' rights in human-machine collaboration, strengthening social security for people in flexible employment and those in new forms of employment, and refining income distribution mechanisms to adapt to advances in AI.

The guidelines outline coordinated efforts to cultivate innovative AI talent and implement specialized AI training programs. They also propose using AI to support the implementation of employment policies and make employment services more intelligent, while increasing support for workers transitioning to new jobs.

(Edited from People's Daily Online.)

2.4 China Upgrades E-CNY Infrastructure for Digital Deposit Era

China has upgraded its digital yuan infrastructure to support the e-CNY's new role as digital deposit money, paving the way for more digitalized, systematic, intelligent and diverse applications, officials and experts said.

For the next stage, the People's Bank of China — the country's central bank — will support commercial banks in integrating the digital yuan across their operations, including deposits, loans, remittances and investments, and encourage more licensed financial institutions to participate in an orderly manner, they said.

During the e-CNY Annual Conference 2026, which was part of the Annual Conference of Financial Street Forum 2026, e-CNY Center Co Ltd released the Digital Currency & Electronic Payment System, or DCEPS, and the e-CNY SMART Contract service framework.

The infrastructure upgrade follows a key transition of the e-CNY. Pan Gongsheng, governor of the PBOC, said that the e-CNY had shifted from digital cash to digital deposit money at the beginning of the year.

Under the new framework, customers' e-CNY holdings in commercial bank wallets are liabilities of those banks, with balances in real-name wallets earning interest.

(Edited from China Daily.)

2.5 China Seeks Public Comments on Trade Secret Protection Rules

The Ministry of Commerce has released draft special provisions on protecting Chinese trade secrets for public comment, according to a notice published on the ministry's website on October 26.

Under the draft provisions, China would be able to impose trade and investment restrictions on foreign entities that infringe Chinese trade secrets, as well as entry restrictions and the revocation of work and

residence permits, the ministry said.

The ministry notice said the draft provisions were formulated in accordance with laws and regulations to safeguard national sovereignty, security and development interests, as well as the legitimate rights and interests of Chinese rights holders.

The deadline for submitting comments is Nov 24, 2026.

(Edited from Xinhua.)

2.6 China Grants Approval to Citi for Wholly-Owned Securities Company in Opening-Up Push

China's securities regulator on October 23 approved Citigroup's plan to establish a wholly-owned securities company in the country, the latest step in the country's broader push to open the financial sector wider to foreign institutions.

The approval allows the U.S. firm to offer capital markets services in China, including equities brokerage, securities investment advisory, securities underwriting and proprietary securities trading, the China Securities Regulatory Commission (CSRC) said in a statement.

The firm, Citigroup Securities (China) Company Limited, will be registered in Shanghai, with registered capital of 1.2 billion yuan (about 178.6 million U.S. dollars).

It will become the seventh wholly foreign-owned securities firm approved to operate in China, following J.P. Morgan, Goldman Sachs, Standard Chartered, BNP Paribas, UBS, and Mizuho.

(Edited from People's Daily Online.)

2.7 China Issues 800 bln yuan Via Financial Instruments to Expand Investment

China has completed the issuance of 800 billion yuan (about 119 billion U.S. dollars) under its 2026 new policy-based financial instruments as of October 28, channeling funds to key projects to expand effective investment, according to three policy banks.

The China Development Bank allocated 365 billion yuan, involving projects with a total investment of 5.5 trillion yuan, and the Export-Import Bank of China allocated 120 billion yuan, helping leverage over 1.7 trillion yuan in investment, while the Agricultural Development Bank of China allocated 315 billion yuan, featuring projects with a total investment of around 4.39 trillion yuan.

A large share of the funds went to AI and the digital economy. The China Development Bank allocated 179.01 billion yuan to projects in AI, the digital economy, green and low-carbon development, biomedicine and consumption.

The Export-Import Bank of China supported more than 220 projects in emerging sectors like the digital economy and AI, with loans to these fields accounting for nearly half of its total allocation.

The Agricultural Development Bank of China, meanwhile, supported almost 2,000 projects in areas including AI, the digital economy, the low-altitude economy, consumption and green and low-carbon development, with financing of nearly 200 billion yuan.

Support for private investment was also strengthened. The China Development Bank allocated 127.99 billion yuan to projects involving private investment or private capital. The Export-Import Bank of China supported more than 210 such projects, accounting for almost 40 percent of its total allocation, while the Agricultural Development Bank of China supported nearly 400 projects with over 65 billion yuan.

All of the 800 billion yuan was used to supplement project capital, helping

ease capital shortages for major projects, improve their financing capacity, and leverage bank lending and private capital.

(Edited from Xinhua.)

3. China Economic and Trade Information

3.1 China Urges Europe to Respect Market Economy After EU Eyes Broader Import Restrictions on Chinese Chemicals, Furniture, and Machinery

Commenting on reports that the EU is discussing plans to reduce imports of Chinese chemicals, furniture, machinery and other products, Chinese Foreign Ministry spokesperson Guo Jiakun said on October 27 that the essence of China-EU economic and trade relations lies in mutual benefit and win-win cooperation. China hopes the European side will respect the principles of market economy and fair competition, avoid the abuse of trade remedy tools.

"China hopes the European side will respect the principles of market economy and fair competition, avoid the abuse of trade remedy tools, and use concrete actions to promote the healthy and stable development of China-EU relations," Guo said at a regular press conference.

According to the spokesperson, the second meeting of the China-EU trade and investment consultation mechanism has made positive progress, which shows that the two sides can fully resolve economic and trade differences properly through dialogue and consultation.

Strengthening dialogue and consultation and deepening economic and trade cooperation on the basis of mutual respect is in the common interest of both sides and is also the general expectation of businesses and people in both countries, he added.

(Edited from Global Times.)

3.2 China's Fiscal Revenue Sees Steady Growth in Jan.-Sept.

China's fiscal revenue grew steadily in the first three quarters of 2026, with general public budget revenue reaching about 17.23 trillion yuan (about 2.56 trillion U.S. dollars) during the period, latest official data showed.

The figure marked a 5.1 percent year-on-year growth, with the growth rate 0.4 percentage points higher than that in the first half of the year, according to data released on October 23 by the Ministry of Finance.

Tax revenue in the first three quarters totaled about 14.07 trillion yuan, up 6.1 percent year on year, with the growth rate also 0.8 percentage points higher than that in the first half of the year.

Among specific revenue items, value-added tax came in at about 5.54 trillion yuan, up 6 percent year on year, and corporate income tax totaled about 3.48 trillion yuan, up 7.1 percent.

In contrast, deed tax and land appreciation tax posted declines in revenues.

In terms of fiscal expenditure, general public budget spending in the first three quarters amounted to about 21.02 trillion yuan, up 1 percent year on year, the data showed.

During the period, China's healthcare expenditure reached 1.69 trillion yuan, up 7.7 percent year on year, while spending on social security and employment totaled 3.67 trillion yuan, up 5.2 percent. These marked the two largest increases among major expenditure categories, underscoring the country's ongoing policy support for improving people's livelihoods.

Fiscal expenditure on education also rose 1.1 percent to 3.2 trillion yuan.

The generally stable macroeconomic performance secured fiscal revenue and expenditure. In the first three quarters of 2026, China's GDP grew 4.6 percent year on year, highlighting the resilience of the world's second-largest economy.

(Edited from Xinhua.)

3.3 Chinese Enterprises Ramp Up Strategic Capability to Go Global

Speaking in Beijing on Oct 23 at Kingdee's Global Changemakers Conference 2026, participants said Chinese enterprises have entered the deep waters of globalization, and concerns of entrepreneurs have shifted from "whether to go global and where to go" to "how to effectively manage global expansion".

Liu Zhongwen, vice-president of Kingdee China and general manager of R&D Center, said that in the face of market transformation and AI technology, Chinese enterprises should adhere to two bottom lines: policy compliance and data compliance.

Chinese enterprises overseas, spanning about 190 countries and regions, are actively fulfilling their social responsibilities, providing over 2 million job opportunities each year, and winning widespread praise from various sectors of the host markets, said the Ministry of Commerce.

Speaking at a seminar at the conference, Syren Cui, sales director of Thomson Reuters Greater China, said going global is not the end for Chinese enterprises, and continuous compliance is the ability they really need to establish.

Han Yong, chief solutions architect of Kingdee International, said "The State Council issued a regulation in June, which came into effect on July 1, as the first rule in China targeting Chinese enterprises' overseas investment, marking the stage of going global has shifted from encouraging exploration and development to compliance and development. Due to numerous challenges faced by Chinese enterprises overseas, there are many geopolitical risks involved. Therefore, our government hopes that our going-global firms can examine them from a compliance perspective."

The main aim is to let the enterprises achieve financial controllability, operational visibility, and risk prevention, with AI becoming their new generation of management infrastructure, Han said.

(Edited from China Daily.)

3.4 China's "City of the Future" Builds Hub for AI-Powered One-Person Companies

The Chinese government issued an action plan in June for the growth of platform-economy enterprises, calling for accelerated cultivation of AI-powered OPCs. This month, the government proposed in another document to expand AI-related employment and create new models of employment and entrepreneurship in the AI sector.

According to a report on OPCs in China released by a team led by Yao Jianhua, a professor at Fudan University in Shanghai, there were 426 OPC communities nationwide, covering 28 provincial-level regions and 65 cities, as of May 2026.

"Driven by both the deep penetration of AI technology and continued policy support, OPCs characterized by 'one person + AI' are growing from a marginal form of entrepreneurship into an important part of China's entrepreneurial ecosystem, marking a new way of working and employment that is increasingly gaining social recognition," the report said.

Xiongan New Area has taken initial shape, with relocated projects settling in and innovation resources gathering rapidly. It pursues a dual strategy: attracting headquarters and subsidiaries of state-owned enterprises, and drawing agile, compact OPCs.

Xiongan New Area recently released its first batch of accredited OPC communities for 2026, including Rainforest Space and the Rongdong hub. The new area has also rolled out targeted policies to support OPC communities, covering hub construction, one-stop services, factor guarantees and funding support.

(Edited from Xinhua.)

3.5 China's Green Finance Helps Drive Global Low-Carbon Transition

China's integration of digital technologies with green finance is opening up new opportunities for global cooperation on the low-carbon transition, participants said at the Annual Conference of Financial Street Forum 2026 in Beijing.

"Over the past few years, we've seen China's green finance market grow several-fold," said Ma Jun, president of the Institute of Finance and Sustainability in Beijing. "The integration of digital and green finance has created many growth opportunities and helped boost cross-border investment."

In recent years, China has offered broad opportunities for global green investment and low-carbon transition by applying technologies such as big data, blockchain and AI to improve green finance governance, upgrade industrial structures and enhance the ecological environment.

The Bank of China has issued green bonds under the Belt and Road Initiative to support major green projects such as large-scale photovoltaic power stations in partner countries. These projects are expected to provide local communities with long-term, stable supplies of clean renewable energy.

Experts noted at the conference that as digital and intelligent technologies have profoundly reshaped the financial sector in recent years, empowering green finance with such technologies is a key pathway toward global sustainable development.

The expanding role of digital technology in China's green finance is poised to benefit more global partners in their sustainable development efforts.

China's 15th Five-Year Plan (2026-2030) calls for expanding green financial products and services and encouraging greater investment in green and low-carbon development.

(Edited from Xinhua.)

3.6 Chinese Smart Cars Accelerate from Test Track to Commercial Competition

Racing from the test track to the vast arena of commercial application, China's booming smart vehicle models and technologies are breathing new life into the intelligent connected vehicle (ICV) market.

Industry insiders have noted that the focus of China's ICV industry is shifting from technology validation to scaled commercial competition. Commercial viability, per-vehicle cost and data compliance have become the make-or-break factors for market competition.

As of Oct. 16 this year, a fleet of BAIC Motor's Arcfox AlphaS vehicles, the Level 3 version, had accumulated more than 150,000 km of road operations.

This model is one of the first two Level 3 conditional autonomous driving models which received product admission approval from the Ministry of Industry and Information Technology (MIIT) in December 2025, marking China's Level 3 autonomous driving endeavor officially moving from closed-venue testing to road pilot validation.

Level 3, or conditional driving automation, allows vehicles to perform dynamic automated driving tasks while requiring a human driver to remain available to take control when requested.

(Edited from Xinhua.)



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