

CHINA'S 2026 TWO SESSIONS

*Steering Toward an Innovative, Intelligent Future
while Fostering Strategic Resilience*



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Overview

The 2026 national Two Sessions, comprising the fourth session of the 14th National People's Congress (NPC) and the 14th National Committee of the Chinese People's Political Consultative Conference (CPPCC), were convened in Beijing from March 4 to March 12. This year's gatherings mark a historic pivot for China, as they formally endorse the 15th Five-Year Plan (2026–2030). Far beyond a mere legislative formality, this event serves as the official launch of China's economic and social roadmap for the latter half of the decade, with the overarching goal of realizing socialist modernization by 2035.

This year's sessions unfolded amid a period where the world is undergoing a transformation unseen in a century. Globally, the influence of continuous turbulence is deepening - persistent geopolitical tensions and shifting global balances, severe impact on multilateralism and free trade, and weakening momentum of the world economy. Domestically, the challenges arise from arduous task of shifting to new growth drivers from the old, prominent contradiction between strong supply and weak demand, and relatively weak market expectations, to hidden risks in key areas.

In this context, the 2026 Two Sessions have garnered intense international attention, with discussions focusing on China's endeavor to reconcile domestic stability with growing international responsibility: China reaffirms its commitment to high-quality development grounded in innovation, economic security and calibrated openness. At the same time, it reiterates support for inclusive multilateralism, win-win cooperation and deeper engagement with the Global South.

Taken together, the 2026 Two Sessions illustrate China's intention to play a constructive role in a complex global environment while promoting a modernization model that emphasizes pragmatism, openness and cooperation with developing countries. Meanwhile, the sessions continue to serve as the definitive compass guiding the world's second-largest economy as China charts its course toward 2030.

Main Targets for 2026



GDP Growth:
4.5% - 5%
while striving for
better in practice



**Surveyed Urban
Unemployment Rate:**
-5.5%



New Urban Jobs:
12M+



CPI:
Increase -2%



**Personal Income
Growth:**
in step with economic
growth



**A basic equilibrium in
the balance of
payments**



Grain Output:
~700M tonnes



Emission Cut:
~3.8% drop in CO₂
emissions
per unit of GDP

Major Tasks for 2026



**Building a robust
domestic market**



**Fostering new
growth drivers at
a faster pace**



**Moving faster to achieve
greater self-reliance and
strength in science and
technology**



**Continuing to
deepen reform
in key areas**



**Expanding
high-standard
opening up**



**Advancing
all-around rural
revitalization**



**Advancing new
urbanization and
coordinated regional
development**



**Taking stronger
measures to ensure
and improve the
people's wellbeing**



**Accelerating the green transition
across the board**



**Strengthening risk prevention and mitigation and
enhancing security capacity in key areas**

3 New Laws Passed and Will Come into Effect in 2026

The Ecological and Environmental Code

- **China's second formal legal code** - after the 2020 Civil Code, aimed at building a systematic and complete legal system for ecological and environmental protection, incorporating ecological civilization construction into the rule of law, and promoting the building of a Beautiful China.

The Ethnic Unity and Progress Promotion Law

- **The fourth effective law in China, apart from the Constitution, to include a preamble**, and it is the fundamental law for implementing the relevant provisions of the Constitution, handling ethnic affairs and conducting ethnic work in the new era.

The National Development Planning Law

- **China's first law on national development plans**, regulating the formulation of national development plans and ensuring their implementation by incorporating the entire process from plan formulation, implementation to supervision into the legal framework to ensure that "one blueprint is carried through to the end".

2026 Fiscal and Monetary Policy Orientation

Continue to implement a more proactive fiscal policy

- The projected **deficit-to-GDP ratio** set at **around 4%**, with a deficit scale of **5.89 trillion RMB (US\$855 billion)**, an increase of 230 billion RMB compared with the previous year.
- The country's **total fiscal expenditure** is projected to **surpass 30 trillion RMB (US\$4.35 trillion)** for the **first time**, an increase of about 1.27 trillion RMB over the previous year.
- Propose to issue **1.3 trillion RMB in ultra-long-term special treasury bonds** this year, aimed at funding **programs for large-scale equipment renewals and trade-in deals for consumer goods**, as well as further support for major national strategies while building up security capacity in key areas.
- **300 billion RMB of special treasury bonds** will be issued to **support and replenish capital in large state-owned commercial banks**.
- **4 trillion RMB of local government special-purpose bonds** will be issued, mainly for the **construction of key projects, hidden debt swaps, and the settlement of overdue payments owed by governments**.

Continue to apply an appropriately accommodative monetary policy

Improve coordination between reform measures and macro policies





The 15th Five-Year Plan (2026-2030)

The 15th Five-Year Plan (2026-2030) is framed as a strategic roadmap, navigate how the country will shift toward high-quality growth, technological self-reliance, green transformation, and institutional modernization. It emphasizes two core shifts: greater flexibility with fewer rigid targets, notably omitting a full-period GDP growth target, and a strategic move from speed-focused growth to quality and security.

The Major Indicators for Economic and Social Development During the 15th Five-Year Plan Period

Category	Indicators		Nature
Economic Development	1. GDP growth rate within an appropriate range, annual growth determined in light of actual conditions.		Anticipatory
	2. Annual labor productivity growth will outpace GDP growth.		Anticipatory
	3. Permanent urban residents ratio will rise from 67.9% to 71%.		Anticipatory
Innovation-Driven Development	4. Growth of total R&D spending by an average of over 7% annually .		Anticipatory
	5. Number of high-value invention patents per 10,000 people will exceed 22.		Anticipatory
	6. Value-added from core industries in digital economy as a proportion of GDP will reach 12.5%.		Anticipatory
People's Livelihoods and Welfare	7. Surveyed urban unemployment rate will be controlled within 5.5%.		Anticipatory
	8. Growth of per capita disposable income of residents will keep pace with GDP growth.		Anticipatory
	9. Average schooling years of working-age population will increase from 11.3 years to 11.7 years.		Binding
	10. Medical and health personnel per 1,000 people:	Number of practicing physicians: expected to reach 3.7	Anticipatory
		Number of registered nurses: expected to reach 5.1	
	11. Proportion of nursing beds in elderly care institutions will rise from 68% to 73%.		Anticipatory
	12. Increase of daycare enrollment of children under 3 years old will increase by 6%.		Anticipatory
13. Average life expectancy will rise from 79.25 years to 80 years.		Anticipatory	

Green and Low-Carbon Development	14. Reduction of CO ₂ emissions per unit of GDP will be reduced by a cumulative 17%.	Binding
	15. Proportion of non-fossil fuels energy in total energy consumption will increase to 25%.	Binding
	16. PM2.5 concentration in cities at and above prefecture level will drop to below 27 µg/m ³ .	Binding
	17. Proportion of water of good or better quality will rise to 85%.	Binding
	18. Forest coverage rate will reach 25.8%.	Binding
Security Support	19. Overall grain production capacity will reach around 1.45 trillion jin (725 million tonnes).	Binding
	20. Overall energy production capacity will reach 5.8 billion tonnes of standard coal.	Binding

109 Major Projects in Six Key Areas

▪ Steer the Development of New Quality Productive Forces

28 projects are focused on enhancing China's foundational industrial capacity and industrial competitiveness, developing new industries and new arenas of growth, making breakthroughs in frontier science and technology, and bolstering foundational innovation capacity.

▪ Modernize the Infrastructure System

23 projects target the development of a national comprehensive and multidimensional transportation network, a new type of energy system, new types of infrastructure and platforms for opening up.

▪ Promote Integrated Urban-Rural Development

9 projects are focused on new urbanization and agricultural and rural modernization.

▪ Ensure and Improve Public Well-being

25 projects are designed to foster a thriving socialist culture, build a high-quality education system, advance the Healthy China Initiative, and upgrade elderly care, childcare and social care services.

▪ Promote Green and Low-Carbon Transition

18 projects are proposed with the aim of achieving peak carbon emissions and carbon neutrality, improving the environment and promoting ecological conservation and restoration.

▪ Ensure Security in Key Areas

6 projects are centered on food and energy security.

Highlights

Building a Robust Domestic Market



Lou Qinjian, spokesperson for the fourth session of the 14th National People's Congress:

"This year, we will adhere to expanding domestic demand as a strategic priority, vigorously boost consumption, and advance the construction of a strong domestic market."

The government has announced a fiscal package to boost domestic demand, comprising **a 100 billion RMB (US\$14.5 billion) special fund designed to coordinate fiscal and financial policies, along with 250 billion RMB (US\$36.4 billion) in ultra-long special treasury bonds designated for consumer goods trade-in programs.** To facilitate this expansion, authorities will deploy a mix of policy instruments—including loan interest subsidies, financing guarantees, and risk compensation mechanisms—aimed at strengthening demand-side capabilities while simultaneously upgrading supply-side offerings.

Measures are centered on increasing personal incomes, improving remuneration and social security systems, promoting the introduction of spring and autumn school breaks, and advancing the implementation of paid leave for workers. Policies also prioritize higher-quality investment, increased public spending on livelihoods, and the invigoration of private investment to sustain long-term demand growth.

The overarching objective is to cultivate a resilient domestic market as the core driver of development, maintain macroeconomic stability, and safeguard social welfare. This strategy aims to build an economy capable of withstanding external shocks while advancing modernization. These initiatives signal **China's accelerated transition toward a consumption-driven growth model,** offering international brands access to **a more stable, high-value market across sectors including consumer goods, daily-life services, culture, sports, and tourism.**



Fostering New Growth Drivers



Huang Qunhui, Former Director of the Institute of Economic Research, Chinese Academy of Social Sciences:

"To achieve meaningful progress in high-quality development and to win the strategic initiative in fierce international competition, we must place a higher strategic priority on developing new quality productive forces in ways that suit local conditions, accelerating the cultivation of new growth drivers and shaping new competitive advantages."

China has long treated technological innovation as the core to industrial upgrading, pushing sectors toward digitization and intelligent transformation. In 2025, China's industrial robot production surged by 28%, integrated circuit output grew by 10.9%. Value-added in high-tech manufacturing and equipment manufacturing rose 9.4% and 9.2%, respectively, while the core digital economy industries accounted for more than 10.5% of GDP.

Premier Li emphasized faster cultivation of new growth drivers, with a focus on the real economy and building a modernized industrial system where manufacturing remains central. The strategy is layered: nurturing emerging pillar industries such as integrated circuits, aviation & aerospace, biomedicine, and the low-altitude economy; while prospectively developing future industries including future energy, quantum technology, embodied AI, brain-computer interfaces, and 6G.

Key measures under the **AI Plus Initiative** include hyper-scale intelligent computing clusters, satellite internet, and upgraded 5G-industrial internet infrastructure. These efforts aim to develop **"new quality productive forces"**, strengthen global competitiveness, and build on China's leading foundations in robotics and electric vehicles.

Leveraging world-class supply chains, massive scale, and rapid R&D cycles, China seeks to amplify productivity across sectors through emerging technologies. This creates dynamic opportunities for global collaboration in R&D, production, operations, and supply chain integration.

For foreign industrial players, deep integration into China's digital and intelligent ecosystem is now essential for market access and sustained development.

Continuing to Deepen Reform in Key Areas



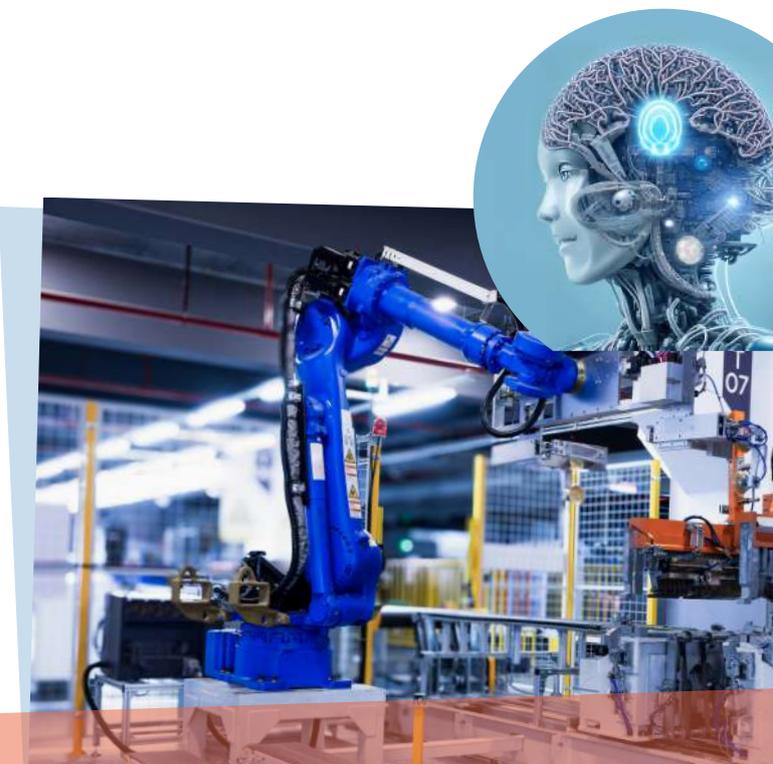
Chen Changsheng, Deputy Director of the Research Office of the State Council:

"We will step up efforts this year to boost domestic demand and curb involution-style competition."

Facing persistent external trade tensions and internal structural challenges, China's economy in 2025 was moving decisively to deepen reforms in critical areas while some industries are marked by supply-demand imbalances, falling commodity prices and intense competition. Consequently, the 2025 GWR incorporated these issues into a scope of comprehensive rectification to facilitate high-quality development.

In 2026, **Premier Li reaffirmed the commitment to deepening reforms across three areas:** market rules, key field regulation, and the macroeconomic institutional environment. To build a unified national market, the government will intensify anti-monopoly efforts and regulate production and pricing to eliminate local protectionism. Policies will also standardize the competition in digital economy while refining the Private Sector Promotion Law and optimizing the tax system to provide a stable, fair, and predictable institutional environment market for all market entities.

The move toward a "unified national market" and the refinement of the Private Sector Promotion Law signals that China attaches increasing importance to private-sector development. It is expected that **businesses will benefit from the dismantling of local protectionism that previously fragmented the market.**





Expanding High-standard Opening up

 Liu Jieyi, spokesperson for the fourth session of the 14th CPPCC National Committee:

"China has always adhered to opening-up as a fundamental national policy. The door will not close; it will only open wider."

As the global geopolitical and economic landscape undergoes deep shifts and external uncertainties rise, **China is increasingly positioning itself as a source of market opportunities and certainty, and as a key engine of global growth.**

In 2025, China advanced unilateral opening, expanding unilateral visa-free entry policies and mutual exemptions to bolster international engagement. The authorities also intensified efforts to stabilize foreign trade and attract foreign investment. These efforts contributed to a 6.1% export growth and a record trade surplus of US\$1.19 trillion. Attracting foreign investment remained a priority, evidenced by a 19.1% increase in newly established foreign-funded enterprises. Furthermore, the launch of special customs operations in the Hainan Free Trade Port (FTP) marked a milestone in China's efforts to expand high-standard opening-up and promote an open global economy.

For 2026, China aims to further expand voluntary opening-up and position itself as a favored destination for foreign investment through institutional-level reforms. A primary focus is the service sector, while market access will be widened through pilot programs in more sectors, including expanding **opening-up trials for value-added telecom services, biotechnology, wholly foreign-owned hospitals.** The government plans to take well-ordered steps to open the digital sector, promote and conclude more regional and bilateral trade agreements, and strengthen national treatment for foreign-funded enterprises. Additionally, **policies will focus on promoting balanced trade development by keeping the volume of foreign trade stable and refining its mix.**

The 2026 opening-up policies signal a transition from manufacturing-centric openness to "institutional opening-up" in high-value services, while demonstrating the country's intention to remain deeply embedded in global economic governance. However, with geopolitical tensions, China's domestic policy may not be the binding constraint; investor expectations are. Foreign firms should adopt a realistic, business-driven approach, engaging proactively to leverage genuine support in healthcare, biotechnology, advanced manufacturing, and green tech.

Advancing Coordinated Regional Development and Economic Layout

 Yao Shujie, Dean of the Li Anmin Institute of Economic Research, Liaoning University:

“Our coordinated regional development constitutes an important spatial and geographical layout for building a great modern socialist country.”

China spans a vast territory, and development levels vary dramatically by region. **To narrow these gaps and unlock greater potential in lagging regions, coordinated regional development has long been a central government priority.**

In 2025, China pushed ahead with new urbanization and all-around rural revitalization, achieving the share of permanent urban residents in the total population rose to 67.9%. In rural areas, the number of people moving out of poverty into work remained above 30 million.

This development cannot be separated from urban development and construction. The government has reiterated its commitment to people-centered new urbanization, with emphasis on high quality development of county economies, urban renewal and renovation of old urban areas, smarter and more meticulous of urban governance.

To ensure more coordinated regional development, the GWR stressed improving industrial collaboration and benefit sharing among regions, advancing large-scale western development, Northeast revitalization breakthroughs, Central region rise, and Eastern modernization. It supported building world-class city clusters in the Beijing-Tianjin-Hebei region, Yangtze River Delta, and Guangdong-Hong Kong-Macao Greater Bay Area.

Through major corridors and institutional mechanisms to promote regional mutual benefit and expand domestic circulation, these policies indicate that foreign businesses could reassess **China's regional economic structure,** move beyond longstanding reliance on coastal cities, redirect attention to inland urban centers and county economies, and tap into emerging market opportunities and growth potential—such as agriculture-culture-tourism integration—driven by ongoing structural transformations.

Enhancing People's Wellbeing

 Luo Weidong, Member of the CPPCC National Committee:

“In the process of high-quality development, we must continuously safeguard and improve people's wellbeing, so that the fruits of modernization are shared more extensively and fairly by all.”

China faces structural challenges from population aging, declining birth rates, and rising medical costs, which constrain consumption demand and growth momentum. In response, policies increasingly emphasize enhancing people's wellbeing as a core pillar of **high-quality development** and **common prosperity.**

In 2025, China stabilized the labor market by creating approximately 12.67 million new urban jobs and maintaining an average surveyed unemployment rate of 5.2%, despite a record 12.22 million college graduates entering the workforce.

The 2026 GWR reinforces inclusive public services to meet essential needs and support vulnerable groups in areas like employment, elderly care, medical services, childbearing, and housing. These measures aim to alleviate consumption bottlenecks and boost residents' sense of happiness and security.

Looking ahead, employment policies will prioritize opportunities in emerging and future industries, including adaptations for AI-driven changes. Medical resources will be optimized via strengthened primary-level services and reformed payment mechanisms. To address demographic shifts, the social security system is being improved with **higher basic old-age benefits, expanded affordable elderly care** (especially in rural areas), **housing support** for newlyweds and multi-child families, public-interest childcare, and integrated nursery services.

Improving public services is viewed as a primary driver for unlocking domestic demand. **This landscape offers foreign businesses significant opportunities to integrate digital solutions and public service supply with consumption trends like the "silver economy" and Z-generation spending.**



Accelerating a Green Transition

 Huang Runqiu, Minister of Ecology and Environment:

“We will leverage the guiding, optimizing, and driving force of eco-environmental protection to establish a high-level protection system that supports high-quality economic and social development featuring green and low-carbon transition.”

China is firmly pursuing its goal of becoming a global leader in green transition. Having set ambitious carbon peaking and neutrality targets, the country prioritizes domestic green transition by restructuring its energy mix and upgrading industries, while positioning itself as a power in clean technology internationally.

In 2025, China made notable progress in green, low-carbon energy transition. The carbon dioxide emissions per 10,000 RMB worth of GDP dropped by 5.0% year-on-year. The electricity generated by clean energy was up by 14.4%, While clean energy consumption accounted for 30.4% of total energy use, up by 1.8% year-on-year. The output of new energy vehicles reached 16.524 million, up by 25.1% over the previous year.

The 2026 GWR accelerates comprehensive green transition, targeting a ~3.8% reduction in CO₂ emissions per unit of GDP. It emphasizes coordinated efforts to cut emissions, reduce pollution, pursue green development, and boost growth, while strengthening drivers like hydrogen power, green fuels, new energy storage, and a new power system. Measures include zero-carbon industrial parks, key industry upgrades for

quality/cost/carbon efficiency, dual control of carbon total and intensity, clean fossil fuel use, and biodiversity protection. **The Ecological and Environmental Code**, deliberated and adopted during the Two Sessions, provides a binding legal framework. China's green transition is set to reshape key industries, creating both challenges and opportunities for businesses. Multinational companies operating in energy, automotive, and manufacturing will face increasingly stringent carbon and energy-use standards, which will drive demand for clean technologies, energy storage solutions, and hydrogen applications. While stricter emissions controls may raise capital expenditures, they also open access to China's expanding green market. As the Ecological Environment Code moves toward full enforcement, it provides clearer compliance frameworks, further enabling **companies equipped with green technologies to seize emerging opportunities and strengthen their market position.**





Promoting Peace and Partnerships Across the Globe

 Wang Yi, Member of the Political Bureau of the CPC Central Committee and Foreign Minister:

"China will press ahead with conviction and concrete steps, and work with any and all to make it a reality."

China's 2026 foreign policy maintains core principles: peaceful development, multipolarity, and a community with a shared future for humanity. **The country consistently positions itself as a stabilizing force in a "turbulent world,"** contrasting its multilateralism and openness with perceived Western protectionism or unilateralism. The 2026 GWR and recent actions underscore this narrative without major shifts.

China-U.S. relations remain complex, blending tensions and dialogue, competition and cooperation. U.S. President Trump plans a visit to China post-Two Sessions (likely March 31-April 2), though China has not confirmed; high-level talks may focus on trade, technology, and Taiwan question.

China deepens Global South engagement via facilitating high-quality development of the Belt and Road Initiative. This year marks the 70th anniversary of China-Africa diplomatic ties; from May 1, 2026, zero-tariff access applies to imports from all 53 African countries with diplomatic relations. Late 2025 saw the third Policy Paper on Latin America and the Caribbean, stressing comprehensive cooperation.

In neighborhood diplomacy, China prioritizes Korean Peninsula peace, South China Sea Code of Conduct consultations with ASEAN, and aligned progress with India. South Korea ties show positive momentum under new leadership; China-Japan relations are strained over Taiwan remarks by Japan's new PM. The approach is pragmatic: **cooperation where interests align, firmness on sovereignty issues.**

Notably, the 2026 GWR shifts **Taiwan phrasing** from "resolutely oppose separatist activities aimed at 'Taiwan independence'" (prior years) to "resolutely fight separatist forces aimed at 'Taiwan independence'," signaling potentially more substantive and proactive countermeasures.

Implications for Business

AI+

The "AI+" initiative has been included in the GWR for three consecutive years, serving as a pivotal lever to create a smart economy. **Deployment has shifted from conceptual planning to concrete implementation, focusing on traditional, emerging, and future industries.** Looking toward 2026, China will continue advancing AI infrastructure—including computing power, networks, and data—while adhering to governance principles of safety, controllability, openness, and sharing.

AI+ Manufacturing

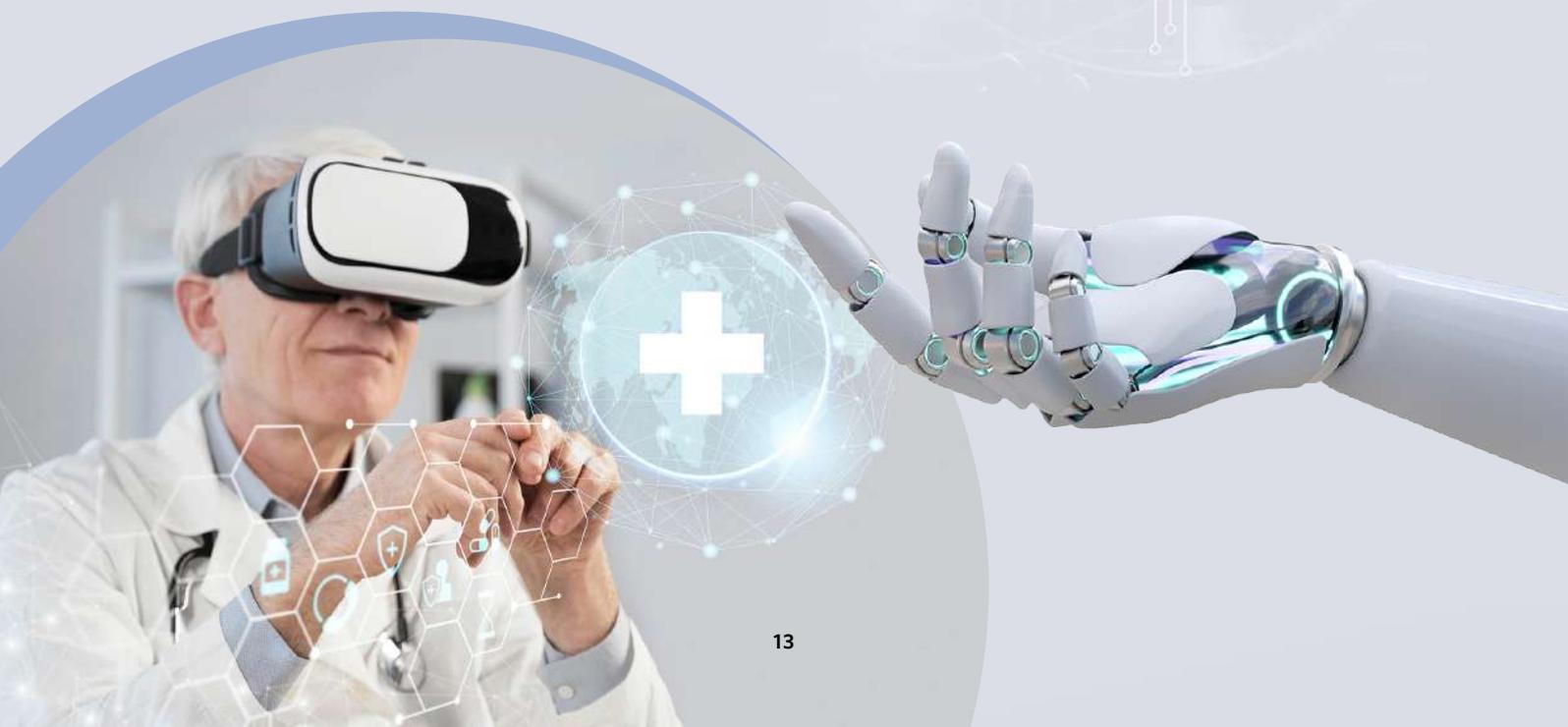
Manufacturing serves as the primary front for implementing the "AI+" initiative, accelerating the transition to intelligentization. Currently, AI penetration among manufacturing enterprises above designated size in China has exceeded 30%. Through the "AI+ Manufacturing" Special Action, China aims by 2027 to apply three to five general-purpose large models, launch 1,000 industrial intelligent agents, and build 100 high-quality datasets.

The 2026 GWR emphasizes driving high-quality development in key industrial chains through smart factories and intelligent supply chains, creating significant market opportunities for industrial AI solutions. This creates clear market opportunities for industrial AI agents, high-quality industrial data services, smart factory solutions, and intelligent supply chain management platforms.

AI+ Healthcare

In the healthcare sector, AI is transforming pharmaceutical R&D, assisted diagnosis, and surgery. In 2025, China approved 76 innovative medical devices, a year-on-year increase of 17%, and released two world-first standards for brain-computer interfaces medical devices.

The 2026 GWR explicitly promotes the development of innovative drugs and medical devices, while accelerating the roll-out of next-generation intelligent terminals and agents. This will inject momentum into areas such as AI-enabled medical devices, assisted diagnostic software, and AI drug R&D platforms. However, a strategic approach is required to balance technological innovation and regulatory compliance for commercial application.



Finance

In the 2026 GWR, the term “finance” appears 22 times—the same as in 2025—but the policy implications have deepened and become more precise, expanding beyond continuity to address monetary policy, macro-policy coordination, risk mitigation, technology finance, pension finance, etc.

Finance is reiterated as a tool to support the real economy and positioned as productive services. Key focus areas include national fund for low-carbon transition and technology finance for industrial upgrading. Pension finance, as a key pillar of the silver economy, is emphasized, indicating the integrated innovation of related industries and financial expectations to be accelerated.

At the same time, the GWR underscores the need for standardization and risk prevention in the financial system, while advancing reform of the fiscal, tax, and financial systems. The overarching goal is to create a more standardized, transparent, and sustainable financial ecosystem, which is highly favorable for both domestic and foreign investors and better serves the real economy. It is also indicated that China seeks to improve the development of financial industry, to become in line with international standards and enhance financial opening up.

Agriculture

Agriculture remains a cornerstone of China’s national and food security, serving as a major focus in China’s annual GWRs. This year’s report underscores the rural revitalization strategy, by deepening reform, enhancing livelihoods, and boosting grain production through policy support and technological innovation.

A primary objective involves advancing rural reform and development. Key initiatives include launching province-wide trials to extend rural land contracts by an additional 30 years and fostering the growth of new rural collective economies. Parallel to these reforms, the government aims to improve the well-being of rural residents to strengthen domestic demand. This approach balances immediate relief with long-term capacity building by consolidating poverty alleviation gains and nurturing distinctive rural industries to sustain income growth.

Finally, the report maintains a firm focus on grain production, prioritizing overall capacity over simple yield targets. The government seeks to stabilize the output of grain and edible oil while diversifying the food supply. With a target of 725 million metric tons for 2026, the plan includes promoting advanced agricultural machinery and coordinating production and storage policies to maintain reasonable pricing. **Together, these measures aim to modernize the agricultural sector while ensuring fair incomes for farmers.**



Travel

Cultural tourism consumption serves as a key engine for expanding domestic demand and boosting consumption. In 2025, China's tourism industry demonstrated strong vitality. Driven by multiple inbound facilitation policies—including China's unilateral expansion of visa-free access to 48 countries—inbound tourism surged, attracting over 30 million foreign visitors under visa-free policies. Fueled by this, total inbound tourist arrivals for the year rose by 17.1%, while spending exceeded US\$130 billion, reflecting growth of over 40%. Meanwhile, domestic tourist trips also achieved a 16.2% increase.

In 2026, the GWR proposed pursuing the integrated development of agriculture, culture, and tourism, while nurturing distinctive rural industries. Cross-sector integrations such as “Culture + Sports,” “Culture + Performing Arts,” “Culture + Wellness,” and “Culture + Digital” will become mainstream development directions in the cultural and tourism industry to meet personalized, emotional, and experiential consumption needs.

On the global stage, the GWR will encourage efforts to extend the global reach of cultural enterprises and fine cultural works, and it will emphasize that mainstream media enhances its capacity for international communication. The “China Travel” brand is expected to evolve from simple sightseeing into an immersive showcase of the nation's innovation ecosystem. High-tech cultural exports, such as AI-driven performances, will play a critical role in reshaping global perceptions and attracting international talent and capital.



Summary

As the first year of the 15th Five-Year Plan, the 2026 China Two Sessions defined annual development goals and key tasks, while the officially adopted Outline formulated a five-year development blueprint focusing on seven core objectives, attracting extensive attention globally. From a focused perspective, China's 2026 development presents **a pattern of "promoting transformation and addressing difficulties," with both opportunities and challenges, shaped by internal strategic implementation and external environment changes.**

In the economic field, the Two Sessions set a GDP growth target of 4.5% to 5%— the lowest since 1991 - reflects the nation's deliberate shift from the pursuit of rapid, quantity-driven expansion toward **a model centered on "high-quality development" and structural resilience.** Faced with multiple challenges, China has abandoned large-scale stimulus policies, prioritizing expanding domestic demand, stabilizing consumption and resolving overcapacity through targeted measures while maintaining a moderately loose macroeconomic orientation. Foreign media note this target balances feasibility and long-term transformation but requires addressing practical hurdles.

In terms of market dynamics, China's **super-large-scale market advantage remains,** though its **internal structure is adjusting profoundly.** On the consumption front, upgraded consumption drives growth, while ordinary consumption recovery and high household savings restrict domestic demand promotion. On the industrial front, high-tech sectors are policy priorities with relaxed foreign capital access, while traditional industries face transformation pressures and small enterprises encounter financing difficulties.

Regionally, unbalanced development persists.

Developed regions lead in market vitality and quality, while less developed regions have potential but face constraints, also offering market expansion opportunities. The sluggish real estate market pressures related industries, though affordable housing construction, brings phased opportunities for relevant segments.

Green transformation and livelihood improvement optimize the market structure. The 15th Five-Year Plan's carbon emission reduction target drives related markets and promotes traditional industry upgrading. Livelihood-related demand rises as an important pillar for boosting domestic demand, policies focus on

Photo by Jin Liwang, Courtesy of Xinhua News Agency



employment, income, public services, the silver economy and a "childbirth-friendly society" to address demographic pressures, with **investment shifting to human development**. Yet the **regional resource imbalance causes supply gaps**.

In **sci-tech industry, opportunities and risks coexist**.

The 15th Five-Year Plan's R&D growth target accelerates technological achievement transformation, and globally, the "China Shock 2.0" narrative highlights that underscores its **growing dominance** in high-tech sectors. Yet, Western technological blockades and core component dependence remain constraints, with short-term challenges in breaking technological monopolies.

Amid Western trade tensions, China continues to emphasize **high-standard opening-up** to attract foreign investment. While cementing its status as a global trading power, the country remains committed to **diversifying its trade base**, including strengthening ties with the **Global South** and advancing the **Belt and Road Initiative**. This marks a strategic pivot toward more **targeted and reliable resilient networks**. As the complex external environment that demands greater focus on economic security and geopolitical dynamics challenges to its diplomacy, China must balance long-term partnerships and broader strategic interests.

National security, a core 15th Five-Year Plan goal, together with defense construction, significantly impact related markets. At the Two Sessions, China clarified its defense policy and a 7% defense budget increase, embodying a "steady and precise" approach aligned with national security objectives. Military modernization and anti-corruption efforts boost combat effectiveness. While rising defense spending drives relevant sectors, Western blockades and inadequate civil-military integration remain challenges.

In summary, China's 2026 market has growth potential and transformation pressures. Its resilience is recognized, but prospects depend on internal strategy implementation and external changes, affecting its own high-quality development and global economic recovery.

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