



Economic & Trade Alerts

Weekly

Legal Affairs Department,
China Council for the Promotion of International Trade



Issue No.123

(May. 29th 2026)

2026 Issue No.21

Content

1. Economic and Trade Friction Cases about China

1.1 China Negotiates With EU on New Steel Tariffs	1
1.2 China, U.S. Finalizing Details of Tariff Reductions	1
1.3 Generalized Security Excuses to Bar Specific Suppliers to Damage EU's Open and Fair Market	2

2. China Policies/Regulations

2.1 China to Grant Market Access to Eligible Coffee Bean From 53 African Countries Starting July 20	3
2.2 China to Refine AI-Related Legal Framework	3
2.3 Chinese Authorities Unveil Roadmap for AI Metrology Capacity Building	4
2.4 China Unveils Rules on Implementation of Mineral Resources Law	5
2.5 China Tightens Crackdown on Illegal Cross-Border Brokerage Activities	6
2.6 China Seeks to Step Up Regulation of NEV Battery Recycling	7

3. China Economic and Trade Information

3.1 China Urges Efforts to Maintain Momentum of Steady Economic, Trade Ties With U.S.	8
3.2 China Never Barred Tech Firms From Accepting Foreign Investment	8
3.3 Chinese Chamber Rrges EU to Ensure Legal Certainty, Non-Discrimination in FSR Probe Into JD.com Deal	9

3.4 Survey Finds European Business Confidence in China on the Up 10

3.5 Foreign Investment in High-Tech Sectors Rises 11

3.6 Germany, Spain Reportedly Push Back on European Plan to Ban Chinese Firms 12

3.7 China Sees Steady Foreign Capital Inflows Into Stock Market12

3.8 China's E-Commerce Sector Maintains Steady Expansion in January-April 13

3.9 Overseas-Invested Enterprises Top 530,000 in China14

1. Economic and Trade Friction Cases about China

1.1 China Negotiates With EU on New Steel Tariffs

China is currently engaged in negotiations with the European Union (EU) within the framework of the World Trade Organization on the EU's plan to implement new steel tariffs from July 1 this year, the Ministry of Commerce said on May 28, 2026.

The EU's move is essentially trade protectionism, which not only fails to uphold the competitiveness of its steel industry but will also severely disrupt China-EU steel trade and affect the stability of global production and supply chains, said ministry spokesperson He Yadong at a press briefing in response to a media question.

China hopes to achieve a win-win outcome through negotiations, while promoting the stable and healthy development of China-EU economic and trade relations, He said.

Should the EU discriminate against Chinese companies and products, China will take corresponding measures to firmly safeguard its legitimate rights and interests, the spokesperson said.

(Edited from Xinhua.)

1.2 China, U.S. Finalizing Details of Tariff Reductions

China and the U.S. will finalize the details of reciprocal tariff reductions on products of equivalent scale, each worth \$30 billion or more, with implementation to begin as soon as possible, the Ministry of Commerce announced on May 28, 2026.

Earlier this month, China and the U.S. agreed in principle to discuss, under the auspices of a trade council, a framework for reciprocal tariff

reductions on products of comparable scale — each side covering \$30 billion or more.

(Edited from China Daily.)

1.3 Generalized Security Excuses to Bar Specific Suppliers to Damage EU's Open and Fair Market

On May 29, 2026, China's trade promotion agency expressed firm opposition to the EU's planned introduction of "non-technical risk" factors, which directly link enterprises from specific countries or with specific national backgrounds to cybersecurity risks and exclude them from relevant EU supply chains, into the draft of its Cybersecurity Act.

In response to the EU's ongoing efforts to advance the Cybersecurity Act, which would prohibit Chinese enterprises from participating in the construction of Europe's critical infrastructure, a spokesperson from the China Council for the Promotion of International Trade (CCPIT) said that the China Chamber of International Commerce has, on behalf of the Chinese business community, submitted comment opinions to the EU, deeming that the draft contains obvious unreasonable elements.

On one hand, concepts such as "non-technical risks," "countries posing cybersecurity concerns," and "high-risk suppliers" have vague criteria for determination, which do not conform to the requirements of modern rule of law regarding legal clarity, procedural transparency, and predictability. On the other hand, measures such as imposing market access restrictions on suppliers from specific countries, requiring replacement of existing equipment, and excluding certification qualifications clearly exceed the limits necessary for maintaining cybersecurity.

"These measures conflict with the basic rules of the WTO, international commitments on services trade, and investment protection rules," the spokesperson noted.

From the perspective of industry and business cooperation, if specific country suppliers are comprehensively excluded under generalized security pretexts, it will not only harm the legitimate rights and interests of relevant market entities, including Chinese enterprises, but will also weaken the EU's open, fair, and predictable business environment, the spokesperson noted.

(Edited from Global Times.)

2. China Policies/Regulations

2.1 China to Grant Market Access to Eligible Coffee Bean From 53 African Countries Starting July 20

China will allow eligible coffee beans from all 53 African countries that have diplomatic ties with China to enter its market starting July 20, 2026, the General Administration of Customs (GAC) has announced.

Coffee beans, a signature agricultural produce and pillar economic industry for many African countries, are the second type of African agricultural products to obtain full quarantine access to the Chinese market following dried chilies, according to the GAC.

African countries including Ethiopia and Burundi have already secured access for their coffee bean exports to China, while some other countries, including Mauritius, Angola, Togo, Guinea, Liberia and Sao Tome and Principe, have filed export applications, official data showed.

(Edited from Xinhua.)

2.2 China to Refine AI-Related Legal Framework

Chinese courts will refine judicial rules governing issues related to artificial intelligence (AI) and data property rights over the next five

years, a senior judge from the country's top court said on May 27, 2026.

Liu Guixiang, a senior member of the adjudicatory committee of the Supreme People's Court, told a press conference that Chinese courts would step up research and the formulation of new judicial guidelines covering emerging industries during the 15th Five-Year Plan period (2026-2030).

Relevant rules will focus on new business forms in the digital economy and aim to improve adjudication standards in areas including data rights, data transactions and AI-generated content, Liu said.

The move is designed to promote deeper integration between digital technologies and the real economy, while helping improve the country's foundational systems for data as a factor of production, Liu said.

(Edited from Xinhua.)

2.3 Chinese Authorities Unveil Roadmap for AI Metrology Capacity Building

Chinese authorities have rolled out a guideline for the development of an AI metrology system and related capacity building to map out the country's development of AI metrology capabilities in a systematic manner.

The guideline was released by the State Administration for Market Regulation (SAMR) and the National Development and Reform Commission.

The release of this guideline marks a critical shift in China's AI sector from simply expanding computing power and scale to improving quality and strengthening foundational capabilities, according to the SAMR.

This is of great significance for promoting the deep integration of AI technology with the real economy and accelerating the development of

new quality productive forces, the SAMR said.

The guideline focuses on six key areas: foundational support, general technology, core technology, metrological technical standards, metrology service industry, and intelligent empowerment of metrology.

(Edited from Xinhua.)

2.4 China Unveils Rules on Implementation of Mineral Resources Law

Chinese Premier Li Qiang has signed a decree of the State Council to publish a new set of regulations on the implementation of the country's Mineral Resources Law.

Set to take effect on June 15, 2026, these regulations are designed to ensure the effective implementation of the revised Mineral Resources Law and facilitate the proper development and utilization of mineral resources.

The rules also aim at strengthening the conservation of mineral resources and ecological environment, advancing high-quality development of the mining sector, and safeguarding the mineral resource security.

Consisting of 8 chapters and 79 articles, the regulations stipulate improvements to the mining rights system, detail rules related to mineral resource exploration and exploitation, and refine provisions concerning ecological restoration in mining areas.

Meanwhile, these regulations provide further improvements to the mineral resource reserve and emergency response systems as well as supervision and management mechanisms.

(Edited from Xinhua.)

2.5 China Tightens Crackdown on Illegal Cross-Border Brokerage Activities

China is tightening its crackdown on overseas brokerages illegally providing services to onshore investors, with regulators aiming to eradicate such activities within two years while moving to penalize three major offshore brokerages for illegal cross-border securities business activities.

On May 22, 2026, the China Securities Regulatory Commission said that eight government departments, including the CSRC, the Ministry of Industry and Information Technology, the Ministry of Public Security, and the People's Bank of China, had jointly issued an implementation plan to comprehensively tackle illegal cross-border securities, futures, and fund business activities.

Under the plan, overseas institutions will be prohibited from conducting marketing and client solicitation activities, providing account opening, trade execution and fund transfer services related to securities, futures, and fund businesses in the Chinese mainland. Domestic entities are also banned from assisting such illegal operations.

For existing accounts, regulators will adopt phased rectification measures during the two-year transition period, during which overseas brokerages will be barred from providing services related to new purchases or fund deposits for onshore investors, while only sell orders and fund withdrawals will be allowed.

After the two-year period, overseas institutions must fully shut down mainland-facing websites, trading software, and related services. The starting date of the two-year transition period will be subject to announcements issued by the relevant securities firms.

(Edited from China Daily.)

2.6 China Seeks to Step Up Regulation of NEV Battery Recycling

On May 28, 2026, China's Ministry of Industry and Information Technology called for legal measures to regulate the recycling of power batteries from new energy vehicles (NEVs), as these batteries now enter a period of mass retirement.

At a meeting focused on NEV battery recycling, the ministry demanded strict investigation and punishment of illegal activities, including the unauthorized disposal of retired batteries, production of substandard products using retired batteries, failure to fulfill information tracing responsibilities, illegal dismantling causing environmental pollution and unlicensed operations.

It is estimated that the annual volume of retired power batteries will exceed 1 million tonnes by 2030, according to the ministry. The meeting highlighted the urgent need to accelerate the establishment of a sound battery recycling system.

Digital technologies will be used to better monitor battery flows and ensure the responsibilities of enterprises along the industrial chain are fulfilled, the ministry said.

The ministry also urged deeper collaboration among industry associations, key companies and research institutions to accelerate the development and application of advanced technologies and equipment, explore new business models, and build a solid foundation for high-quality development of the industry.

(Edited from Xinhua.)

3. China Economic and Trade Information

3.1 China Urges Efforts to Maintain Momentum of Steady Economic, Trade Ties With U.S.

On May 28, 2026, a Chinese foreign ministry spokesperson urged efforts to maintain the momentum of the steady development of economic and trade ties with the United States, in response to a query about China's export controls over rare earth.

Spokesperson Mao Ning made the remarks at a daily press briefing, noting Chinese embassy in the United States has reposted preliminary outcomes of economic and trade consultations between the two countries on social media.

"China and the United States should jointly implement the important consensus reached by the two heads of state," added the spokesperson.

(Edited from Xinhua.)

3.2 China Never Barred Tech Firms From Accepting Foreign Investment

Opening up is China's basic state policy, and China has never required its technology companies to reject foreign investment, the country's top economic planner said on May 22, 2026.

"China supports its enterprises in integrating into the global innovation network and engaging in mutually beneficial international exchanges and cooperation," said Li Chao, a spokesperson for the National Development and Reform Commission, when speaking at a press conference.

Foreign investment must comply with Chinese laws and regulations and must not harm China's national security or interests, Li stressed.

Li added that China will continue to implement its Foreign Investment Law, improve its business environment, and properly manage risks.

(Edited from Xinhua.)

3.3 Chinese Chamber Urges EU to Ensure Legal Certainty, Non-Discrimination in FSR Probe Into JD.com Deal

On May 29, 2026, the China Chamber of Commerce to the EU (CCCEU) urged the European Commission to ensure legal certainty, proportionality and non-discrimination in its investigation under the Foreign Subsidies Regulation (FSR) into JD.com's proposed acquisition of CECONOMY, warning against generalizing normal market-based competitive advantages as so-called "market distortions."

The remarks came after the European Commission announced on May 28 an in-depth investigation under the FSR into Chinese e-commerce giant JD.com's proposed acquisition of German electronics retailer CECONOMY, citing so-called preliminary concerns that JD.com "may have received foreign subsidies that could distort the EU internal market," Reuters reported on May 28, 2026.

JD.com could be required to offer concessions to address the Commission's concerns under the EU's FSR, which targets what the bloc sees as unfair foreign state aid, Reuters reported.

In a statement responding to the move, the CCCEU said the case marks the first time a Chinese acquisition has been subject to a Phase II investigation under the new FSR.

"We attach great importance to this development and hope that the procedures will adhere to legal certainty, proportionality, and non-discrimination principles," the chamber said.

One of the key focuses of the investigation is the assessment of whether alleged "foreign subsidies" may affect both the transaction process and

post-transaction market competition, according to the statement.

“In this regard, we believe that any analysis must be strictly based on verifiable facts and clear legal standards, and should not generalize normal corporate financing capacity, market-driven operational efficiency, or competitive advantages arising from innovation and supply chain capabilities as so-called ‘market distortions,’” the CCCEU said.

(Edited from Global Times.)

3.4 Survey Finds European Business Confidence in China on the Up

Confidence among European businesses operating in China is showing "signs of an uptick", according to a report released on May 27, 2026 by the European Union Chamber of Commerce in China and consultancy firm Roland Berger.

China remains "the heavyweight champion of efficient and cost-effective supply chains", with 75 percent of respondents saying their China-based production is more efficient than operations elsewhere, according to the European Business in China Business Confidence Survey 2026.

The report noted that China has a dynamic research and development ecosystem and is highly competitive, with 48 percent of respondents saying Chinese firms in their industry are now more innovative than their European counterparts, compared with just 24 percent who favor European firms.

Around 60 percent of respondents said their industry offers a fair competitive environment, up 4 percentage points from the previous year.

The proportion of companies reporting optimism over their profit outlook for the next two years rose to 17 percent, a 5-percentage-point increase from the historic low recorded in the 2025 survey. At the same time, the share of firms with pessimistic outlooks fell by 13 percentage points.

(Edited from China Daily.)

3.5 Foreign Investment in High-Tech Sectors Rises

China saw the actual use of foreign direct investment in high-tech industries surge 20.3 percent year-on-year to 116.33 billion yuan (\$17.12 billion) in the first four months of 2026, accounting for 40.4 percent of the country's total FDI, data from the Ministry of Commerce showed.

Meanwhile, the share of FDI flowing into high-tech industries rose by 10.3 percentage points from the same period last year, the ministry said in a statement.

Among the sectors, actual use of FDI in research and development and design services, computer and office equipment manufacturing, and electronic and telecommunications equipment manufacturing jumped 108.4 percent, 22.9 percent, and 20.2 percent year-on-year, respectively.

A total of 20,113 new foreign-invested enterprises were established in China between January and April, representing year-on-year growth of 6.8 percent, according to the statement.

Meanwhile, China's actual use of FDI totaled 287.69 billion yuan, down 10.3 percent on a yearly basis.

FDI to China from Luxembourg, Switzerland, France, and the United States grew by 110.3 percent, 60.8 percent, 58.3 percent, and 24.5 percent year-on-year, respectively, in the first four months.

The ministry statement said that more than 3,000 foreign-funded enterprises further expanded their investment in China during the January-April period.

More than 8,000 foreign-funded companies made additional investment in China in 2025, up by more than 10 percent year-on-year.

(Edited from China Daily.)

3.6 Germany, Spain Reportedly Push Back on European Plan to Ban Chinese Firms

Germany and Spain are leading opposition to European Commission (EC) plans to ban Chinese technology suppliers from telecom networks as part of new cybersecurity rules, Bloomberg reported on May 27, 2026 (European time), citing people familiar with the negotiations.

Officials from the countries want to keep state-level control and have expressed concerns that banning products from China's Huawei Technologies Co and other Chinese suppliers at the EU level risks retaliation, according to the report, citing anonymous sources. The states also warned that a ban risks making the bloc's plans to build out artificial intelligence (AI) infrastructure more expensive.

The reported stance by Germany and Spain, two important members of the EU, with concerns about decision-making power on supplier risks being raised, has underlined opposition and divisions from EU members on the EC's proposed revision of the Cybersecurity Act (CSA2), Chinese analysts said on Thursday. The proposed EU rule goes against market principles and is set to harm the interests of EU consumers, analysts said.

(Edited from Global Times.)

3.7 China Sees Steady Foreign Capital Inflows Into Stock Market

On May 28, 2026, China's securities regulator said that foreign capital has been flowing steadily into the country's stock market this year via various channels, with foreign investors now holding over 4 trillion yuan (about 586 billion U.S. dollars) in tradable A-shares.

Liu Haoling, vice chairman of the China Securities Regulatory Commission (CSRC), made the remarks when speaking at the opening ceremony of the 2026 global investors conference of the Shenzhen Stock Exchange.

Foreign investors have become important participants in China's capital market, he noted.

Foreign investors are showing increasing willingness to allocate funds to high-quality Chinese assets, he added.

As of April this year, the CSRC had processed 418 registration applications from domestic enterprises seeking to make initial public offerings in overseas markets, supporting companies in leveraging both domestic and overseas markets and resources, according to Liu.

(Edited from Xinhua.)

3.8 China's E-Commerce Sector Maintains Steady Expansion in January-April

China's e-commerce sector has sustained steady expansion in the first four months of 2026, with the sector continuing to stimulate consumption vitality and empower the real economy, according to data released by the Ministry of Commerce on May 26, 2026.

During the January-April period, China's online retail sales of goods and services rose 6.6 percent year on year, with online retail sales of goods contributing 72.2 percent to the growth of total retail sales of consumer goods.

Online sales of agricultural products increased 12.2 percent during the period, while the e-commerce transaction value of metal products and chemical products rose 34.8 percent and 12.2 percent, respectively, data from the ministry showed.

E-commerce has also boosted the rapid growth of service sectors such as tourism and catering, with online sales in tourism and catering jumping 33.2 percent and 20 percent, respectively.

Boosted by the Silk Road e-commerce initiative, some partner countries posted surging exports to China, the ministry said, noting that Thai durians, Emirati beverages and Italian casual pants recorded online sales surges of 344.8 percent, 78.6 percent and 22.8 percent, respectively, in the first four months.

(Edited from Xinhua.)

3.9 Overseas-Invested Enterprises Top 530,000 in China

The number of overseas-invested enterprises in China has risen for three consecutive years to surpass 530,000, with total accumulated foreign direct investment (FDI) exceeding 3.6 trillion U.S. dollars, data released by the Ministry of Commerce showed on May 23, 2026.

The data underscores sustained confidence among overseas investors in the Chinese market. In 2025, more than 8,000 overseas enterprises increased their investment in China, rising over 10 percent year on year, while more than 3,000 overseas firms increased their investment in the first four months of 2026.

During the January-April period, 20,113 new overseas-invested firms were established across the country, up 6.8 percent year on year. The actual use of FDI totaled 287.69 billion yuan (about 42 billion U.S. dollars) during the same period, down 10.3 percent from the previous year.

High-tech industries bucked the overall trend, attracting 116.33 billion yuan in foreign investment, a surge of 20.3 percent year on year, and accounting for 40.4 percent of the national total.

(Edited from Xinhua.)



Cross-border Trade and Investment Legal Services(CTILS)



Website



Wechat
Official Account



Wechat
Mini Program

Consultation Hotline:+86-10-82217946

Organizer: CCPIT Legal Affairs Department

Content/Editor: CCPIT Information Center

Contact: CCPIT Legal Affairs Department +86-10-88075573