

# Weekly China Insight

## Beijing, 21 February 2025

### China unveils 2025 action plan to stabilize and attract foreign investment

On 17 February, the State Council general office released the 2025 action plan for stabilizing foreign investment, outlining a comprehensive strategy to enhance foreign investor confidence and improve the business environment. The plan, jointly formulated by the macro planner (NDRC) and the commerce ministry (MOFCOM), was approved at a State Council Executive Meeting chaired by Premier Li Qiang last week (see 14 February Kreab Weekly China Insight). The action plan includes policy measures to further relax investment restrictions for foreign investment in sectors such as telecommunications, healthcare, and education, while encouraging more foreign investment in manufacturing and high-tech industries. Key provisions include easing restrictions on foreign equity investment, facilitating cross-border mergers and acquisitions, and allowing foreign-invested firms to access domestic loans for equity investments.

*Since the final year of the zero-COVID policy, the Chinese government has introduced an action plan or various support measures to reassure the foreign business community, signaling its commitment to restoring investor confidence and fostering a more predictable business environment. The latest action plan does not differ significantly from past plans and measures in previous years, both in tone and in substance, reflecting a continued but largely unchanged approach to addressing concerns from the foreign business community. While the issuance of these action plans signals China's continued commitment to economic openness, long-term foreign business confidence will depend on the execution of the central government's policy pledges, improved regulatory predictability, and the broader geopolitical environment.*

### Xi meets private sector leaders, signaling policy shift amid new support measures

On 18 February, Chinese President Xi Jinping held a high-profile symposium with leading private-sector business executives, aiming to reassure the business community after years of regulatory crackdowns. Xi emphasized that challenges facing private firms were "temporary and surmountable" and called for a "clean and amicable" relationship between business and government. After the symposium, government agencies including the macro planner (NDRC), the industrial regulator (MIIT), and the financial regulator (NFRA) quickly followed with policy measures and statements of support for the private economy, including increased credit access, targeted investment incentives, and enhanced regulatory support for private enterprises.

*Notably, Alibaba founder Jack Ma, absent from public view since criticizing the Chinese regulatory environment in a high-profile speech in 2020, was invited to attend the meeting. It is a strong symbolic gesture, indicating an attempt to restore private sector confidence and reverse the chilling effect of past crackdowns. Among long-established entrepreneurs, DeepSeek founder Liang Wenfeng was a fresh face.*

## China embraces multilateralism at the MSC while the US pivots away

At the 2025 Munich Security Conference (MSC), Chinese foreign minister Wang Yi and US vice president J.D. Vance delivered sharply contrasting speeches, highlighting a fundamental shift in global diplomatic alignments. Wang positioned China as a defender of the international order, calling for multilateralism, adherence to free trade rules, and deeper cooperation with Europe. He emphasized that “equal rights, equal opportunities, and equal rules should become the basic principles of a multipolar world,” reinforcing China’s commitment to upholding stability within the current international system. In contrast, Vance criticized European partners and downplayed America’s role in the international institutions it once built. Vance framed Europe’s greatest challenges as internal rather than external, signaling a shift away from Washington’s traditional security commitments and post-WWII alliance postures.

*China’s messaging at MSC underscores an effort to position itself as a responsible stakeholder in global governance, in contrast to an increasingly isolationist and transactional US. Beijing is seizing the opportunity to deepen engagement with Europe and reinforce its narrative as a stabilizing force in global affairs.*

## China mandates personal information protection audits

On 14 February, cyber regulator CAC issued administrative measures for auditing personal information protection. The new measures require companies handling personal data to conduct periodic compliance audits, with stricter obligations for firms processing information of more than 10 million users. Regulatory authorities will have the power to mandate external audits in cases of significant risks or data security incidents. The measures outline clear guidelines on audit frequency, responsibilities of both data processors and auditors, and related penalties for non-compliance.

*By institutionalizing compliance audits, the CAC aims to enhance corporate accountability and mitigate risks associated with data leaks and misuse. The new measures also signal China’s intent to balance regulatory oversight with business flexibility, granting companies some autonomy in audit implementation while reserving government intervention for high-risk cases.*

## Ne Zha 2 becomes Asia’s first RMB 10-billion film, breaking global records

On 13 February, the Chinese-made animated film *Ne Zha 2: The Devil Child Rises* became the first Asian film to surpass RMB 10 billion (USD 1.39 billion) in global box office revenue, solidifying its position as the highest-grossing film in Chinese history. The film now ranks among the top 20 highest-grossing films worldwide, surpassing several Marvel, Harry Potter, and Star Wars installments. Film industry forecasts estimate its total box office could exceed RMB 150 billion, making it the highest-grossing animated film globally.

*The unprecedented success of Ne Zha 2 underscores the rise of Chinese animation and the growing potential for Chinese films to compete on a global scale, though China’s film industry still faces structural challenges in overseas distribution, as Hollywood controls most international theater networks.*