

# Weekly China Insight

## Beijing, 21 March 2025

### China enacts new IP countermeasures to combat foreign restrictions

On 19 March, China's State Council issued new regulations aimed at countering perceived discriminatory foreign actions in intellectual property (IP) disputes, with the new regulations set to take effect on 1 May. The rules allow Beijing to take countermeasures against foreign governments that use IP disputes to "contain and suppress" China, in an attempt to implement broader legal frameworks such as the Foreign Relations Law and the Anti-Foreign Sanctions Law. Additionally, the regulation imposes strict restrictions on Chinese entities providing evidence in foreign lawsuits, requiring domestic compliance with state secrecy, data security, and technology export control rules.

*This move reinforces China's growing legal defenses against US and EU trade and IP-related restrictions, signaling a more assertive stance from Beijing in global IP disputes. While aimed at protecting Chinese firms, the new regulations could create additional compliance risks for foreign businesses operating in China, adding complexity to cross-border legal proceedings.*

### China outlines 2025 subsidies for NEV buses and old vehicle replacement

Between 18 and 19 March, the Chinese transportation ministry, the macro planner (NDRC), and the finance ministry jointly released detailed subsidy measures for the adoption of new energy public buses and the replacement of outdated gas-powered vehicles. The subsidies, funded through ultra-long-term special government bonds, provides direct financial support to urban bus operators to purchase new NEV buses and replace aging vehicle batteries. Each newly purchased NEV bus is eligible for an average subsidy of RMB 80,000 (approximately USD 11,000), with local governments determining exact rates based on fleet needs. The subsidy will also support the replacement of diesel and older-generation electric buses, with eligibility focused on vehicles registered before 31 December 2017 or batteries exceeding their warranty period by the end of 2025. The other set of subsidy measures offers financial compensation for scrapping high-emission diesel trucks and purchasing new NEV trucks, with subsidies reaching up to 95% of the total purchasing price in certain regions.

*These subsidies align with Beijing's broader initiative for the equipment renewal program, which is aimed at stimulating industrial demand while advancing decarbonization efforts.*

### China introduced most comprehensive plan to boost consumption

On 16 March 2025, the general offices of the Party's Central Committee and the State Council unveiled an action plan to stimulate domestic consumption, marking Beijing's most comprehensive and most authoritative directive to boost consumption since the 1970s. The action plan contains 30 measures aimed at addressing underlying causes of China's current weak consumption, such as low wages and the ongoing real estate meltdown. For example,

the plan emphasizes the necessity for "reasonable wage growth" and proposes adjusting the mechanisms for setting the local minimum wage. Notably, the action plan also calls for establishing a childcare subsidy system and increasing the supply of pediatric services to alleviate family financial burdens. In an encouraging sign, the action plan also urges efforts to improve medical and pension services aimed at reducing precautionary savings to encourage greater consumer spending.

*While the action plan outlines ambitious structural reforms for the social safety net, it lacks detailed fiscal commitments, raising concerns about its immediate impact.*

## **China mandates AI content labeling to curb misinformation**

On 14 March, the Cyberspace Administration of China (CAC) led three other central government agencies in issuing a set of new regulations demanding all AI-generated content to be labeled. Set to take effect on 1 September, the regulations mandate both explicit and implicit labels on AI-generated text, images, video, and audio. The regulations require clearly visible indicators to be placed on AI-generated content, such as text-based prompts in chatbots responses or watermarks on AI-generated images. In addition, the regulations require digital metadata to be embedded in AI-generated content, containing information such as the content's origin, service provider, and a unique ID for traceability. Under the new regulations, online platform providers bear the responsibility to verify AI-generated content and ensure proper labeling before publishing. Both the AI developers and online platform providers are required by the regulations to store records of AI-generated content for at least six months.

*By shifting compliance responsibility onto online service platforms, the regulations intend to apply stricter control over AI-generated content while minimizing the regulatory impact on AI-based innovation.*