

Weekly China Insight

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Xi and Trump pledge stability in a rare and wide-ranging call

On 4 February, Chinese President Xi Jinping and US President Donald Trump held a wide-ranging phone call, reaffirming their personal rapport and pledging to maintain stability in bilateral relations. Xi emphasized the importance of steering the “giant ship” of US-China relations through 2026, highlighting a shared agenda that includes the beginning year of China's 15th Five-Year Plan and the US 250th founding anniversary. Xi reaffirmed China's position on Taiwan as “the most important issue” in the bilateral ties, urging Washington to handle arms sales to the island with prudence. Trump, calling the conversation “long and thorough,” expressed enthusiasm for his upcoming April visit to China and hinted at potential economic deals, including a boost in soybean purchases (25 million tons for next season), increased energy trade, and aviation exports. The leaders also discussed tensions over Iran, Russia's war in Ukraine, and upcoming global summits, including APEC held in China and the G20 in held in the US. Xi underscored China's vision for a mutually respectful and cooperative US-China relationship.

The Xi-Trump call signals a cautious but intentional effort by both leaders to preserve a durable détente in the bilateral relationship, setting the stage for Trump's April China visit to potentially catalyze deeper economic and strategic engagement.

Xi and Putin reaffirm strategic alignment via videoconferencing

On 4 February, Chinese President Xi Jinping and Russian President Vladimir Putin held a video meeting that underscored the growing strategic alignment between Beijing and Moscow. Xi proposed crafting a “grand plan” for China-Russia ties in 2026, the year marking the 30th anniversary of their strategic partnership. Both Xi and Putin committed to deepening coordination across diplomacy, energy, education, and defense. Both leaders hailed resilient economic cooperation, highlighting robust trade, energy integration, visa-free travel, and cultural exchanges. Xi reaffirmed a joint commitment to upholding the UN-centered international system and “global strategic stability,” while Putin confirmed he would visit China twice this year, including for the APEC Summit in Shenzhen. The leaders also exchanged views on nuclear arms control, Taiwan, and Middle East tensions, presenting their countries as stabilizing forces amidst the expiration of the US-Russia New START treaty.

The Xi-Putin call signaled that Beijing and Moscow aim to reinforce a multipolar world order, using 2026's anniversary as a springboard for institutionalizing a high-level partnership that counters Western influence.

Chinese provinces lower 2026 growth targets as economic headwinds persist

As of February, 22 of China's 31 provinces had released their 2026 economic growth targets, revealing a widespread scaling back of ambitions amid mounting structural and external pressures. Fourteen provinces cut their GDP growth goals from 2025, with only Jiangxi raising its target from 5% to 5–5.5%. The most optimistic targets came from western regions, with Tibet aiming for growth above 7%, Hainan at 6%, and Xinjiang between 5.5–6%. By contrast, major eastern provinces like Guangdong and Zhejiang set more conservative GDP growth targets ranging from 4.5–5% to 5–5.5%, respectively.

Investment and consumption targets were also downbeat, with seven of nine provinces lowering investment growth targets, and eight of ten provinces trimming retail sales expectations. Only Xinjiang raised its consumption target, compared to last year. Inflation expectations remained subdued, with 14 of 15 provinces keeping CPI targets at around 2%. Leading economic powerhouses such as Jiangsu, Shandong, and Zhejiang continue to play a key role in stabilizing national growth, leveraging advanced manufacturing and export clusters. Yet even these provinces acknowledged uncertainties by shifting to flexible growth targets and emphasizing efforts to “strive for better results in practice.”

The widespread reduction in provincial GDP growth targets signals a likely adjustment to a national GDP growth goal of 4.5–5% at the March NPC meeting, down from the “around 5%” target of the previous years. A softer national GDP target will give Beijing more space to prioritize long-term reforms over short-term stimulus, putting the economy on a more stable footing in the long-run.

Ag-tech takes center stage in China's 2026 No. 1 Document

On 3 February, the Central Committee of the Chinese Communist Party and China's State Council jointly released the 2026 No. 1 Document, reaffirming rural revitalization and agricultural modernization as top national priorities. The document puts advanced ag-tech at the heart of its rural and agricultural strategy. For the first time, the annual policy blueprint explicitly highlights the use of drones, robots, and AI in farming, along with accelerated deployment of biotech breeding, smart machinery, and digital infrastructure. The document also launches a major reform of China's agricultural extension system to speed up the dissemination of scientific advances to farmers, aiming to overcome deepening labor shortages in the countryside, where the average farmworker is now over 50.

The document also reiterated national food security as a core objective, targeting stable grain output of 1.4 trillion jin (700 million tons), upgrading the “vegetable basket” system, and building out resilient production of livestock, oilseeds, and forage crops. Measures include new land-use protections, rural infrastructure upgrades, and a renewed push for seed innovation and high-standard farmland construction.

With mechanization now viewed as essential to mitigating a rural demographic cliff, China's ag-tech drive is evolving from a hardware-first approach to a system-wide modernization effort.