

# Weekly China Insight

## Beijing, 27 March 2026

### **Chinese premier upholds China's economic model in address to global business leaders**

On 22 March, Chinese Premier Li Qiang used his keynote speech at the annual China Development Forum (CDF) in Beijing to deliver a forceful defense of China's economic model to an audience of foreign executives and business leaders. Addressing external criticism over China's industrial overcapacity, subsidies, and a record USD 1.2 trillion trade surplus in 2025, Li argued that China's competitiveness stems from long-term structural factors, such as deepening reform, innovation, and the diligence of Chinese workers, rather than state distortion. He rejected protectionist trade moves and emphasized that global economic growth historically depends on creating new markets through openness and technological progress. To that note, Li pledged to expand imports and further open the services sector for foreign investment, especially for sectors such as healthcare, digital technology, and low-carbon services. At the same time, Li pushed back on concerns about "involution-style" competition, stating that authorities have made progress in curbing disorderly price competition and will continue to enforce fair market conditions. Framing China as a force for certainty and stability in a volatile geopolitical environment, he positioned the 15th Five-Year Plan (2026–2030) as both a domestic roadmap and a platform for foreign firms to access new opportunities under improved business environment.

*The premier's remarks at this year's CDF signal a more assertive narrative shift from Beijing's traditional reassurance tactics to open acknowledgement and direct addressing of concerns. At the same time, Li also engaged in proactive efforts to retain foreign investment by pledging better business environment and greater market access. Beijing's successful delivery on market access promises will be critical to maintain foreign investor confidence.*

### **China accelerates rollout of national long-term care insurance system**

On 25 March, the general offices of the CCP Central Committee and the State Council issued guidelines to fast-track the establishment of a nationwide long-term care (LTC) insurance system. Just one day later, eight central government agencies released detailed implementation measures for the insurance scheme. Designed to provide care services or financial support for individuals unable to care for themselves, the LTC insurance system will be built into China's social security framework within roughly three years, with initial coverage focused on severely disabled individuals. Authorities set a unified contribution rate of around 0.3% of income, funded through a mix of employer and individual contributions as well as government subsidies. Insurance benefits will cover approximately 70% of care costs for employees and retirees and 50% for non-employed residents. The insurance scheme will start at the city level with unified fund management and gradually expand to cover all urban and rural residents, supported by standardized disability assessments and incentives for continuous participation. Building on pilot programs launched in 2016 that have already

enrolled about 310 million people and supported over 3.3 million beneficiaries, the LTC insurance scheme also aims to expand home- and community-based care services.

*The nationwide rollout underscores Beijing's prioritization of social stability and aging-related risks over short-term consumption push. The LTC insurance's long-term success will hinge on balancing fiscal sustainability, household contribution burdens, and the development of the underdeveloped care services sector.*

### **Beijing withholds firm date for Trump's delayed state visit**

On 26 March, the White House spokesperson said US President Donald Trump's postponed trip to China had been rescheduled for 14-15 May, with press secretary Karoline Leavitt also saying that Chinese President Xi Jinping is invited to Washington later this year. However, Beijing declined to confirm any concrete dates, with the Chinese foreign ministry (MoFA) spokesman Lin Jian saying only that the two sides were "maintaining communication" over Trump's visit. The gap in messaging underscores Beijing's caution after the original 31 March-2 April plan was shelved because Trump chose to remain in the US during military operations against Iran. Chinese officials and state media also stressed that Beijing had never publicly announced Trump's itinerary, while US officials acknowledged that the summit timetable had become a moving target amid the war with Iran.

*Although both sides continue to signal interest in Trump's Beijing visit, China's refusal to lock in a date leaves Beijing with flexibility as it assesses whether Trump's war with Iran is weakening or strengthening his negotiation position with Beijing. So far, mounting domestic political pressure in the US, coupled with rising energy costs and ongoing uncertainty over the conflict's trajectory, reduces Trump's leverage in trade negotiation with Beijing. Instead, the current situation affords China greater scope to delay, hedge, and negotiate from a position of greater patience.*

### **China resumes Gulf shipments via workaround routes as Hormuz Strait remains closed**

On 26 March, a China-operated container vessel docked at Oman's Sohar Port, marking the resumption of Chinese shipments to Gulf countries after a suspension triggered by the US-Israel-Iran conflict and the ensuing Iran's closure of the Strait of Hormuz. Chinese state-owned COSCO Shipping has restarted new bookings to key markets including the UAE, Saudi Arabia, Qatar, and Kuwait, but vessels are still avoiding the Strait of Hormuz, instead offloading cargo at ports on its eastern side for continued land transport. The workaround follows similar moves by global shipping firms and reflects ongoing security risks, with Chinese authorities and ship-owners still awaiting formal navigation guidance disrupted by the war. The disruption has significantly driven up logistics costs. As of 20 March, freight rates from Shanghai to the Persian Gulf rose 240% from pre-war levels. Despite partial normalization, efficiency remains well below pre-conflict conditions, and a large number of Chinese vessels remain stranded in the Gulf.