

# Weekly China Insight

## Beijing, 8 May 2026

### **US Senators' China visit sets the stage for Trump-Xi summit**

On 7 May, Chinese Premier Li Qiang and Foreign Minister Wang Yi received a bipartisan US Senate delegation led by Senator Steve Daines, a close Trump ally, ahead of US President Donald Trump's planned visit to China on 14-15 May. Wang described the trip as carrying "important symbolic significance" and could help build "new bridges" for communication. Li said China was willing to work with the US to implement the consensus reached by President Xi Jinping and Trump during their February call, strengthen dialogue, and seek "more practical achievements."

Beijing used the meetings to outline its priorities before the summit. Li called for "more dialogue rather than confrontation" and "more mutually beneficial cooperation rather than zero-sum games," while stressing the need for stable and predictable China-US economic and trade relations. He also reiterated that Taiwan is China's core interest and the "first red line" in bilateral relations, urging the US Congress to handle Taiwan-related issues cautiously.

Daines said the two sides should "de-escalate, not decouple," and expressed hope that the Trump-Xi meeting could lead to more Chinese purchases of Boeing aircraft. The visit also came amid tensions over US Section 301 investigations into Chinese overcapacity, disputes over sanctions linked to Iran, and the expectation that the Strait of Hormuz crisis will feature in the leaders' talks.

*For Beijing, the Senate visit offered an opportunity to shape the agenda before Trump's arrival by emphasizing stability, respect for core interests, and practical economic outcomes. For Washington, it provided a political channel to test Chinese positions and prepare the ground for the upcoming summit.*

### **Labor Day holiday drives record travel as consumers prioritize value**

On 7 May, China's Ministry of Culture and Tourism reported that domestic travel during the five-day Labor Day holiday reached 325 million trips, up 3.6% y/y, with total domestic tourism spending rising 2.9% y/y to RMB 185.49 billion. Cross-provincial travel hit a record 1.517 billion trips, according to the Ministry of Transport, reflecting a 3.49% y/y increase. Rail travel was particularly robust, with 117 million passengers transported between 29 April and 4 May, while authorities added 2,225 extra train services on the final day to manage return traffic.

Consumption patterns highlighted both resilience and caution. Commercial performances generated RMB 2.48 billion in box office revenue, surging 14.66% y/y. Other popular

destinations included historic districts, museums, theme parks, concerts, and immersive nighttime experiences, reflecting the growing prominence of China's "experience economy."

Outbound and inbound travel also expanded steadily. Border authorities processed 11.28 million cross-border trips during the holiday, up 3.5% y/y, with foreign travelers rising 12.5% y/y to 1.26 million.

However, spending behavior remained notably budget-conscious. While per-trip expenditures rose due to higher transportation and accommodation costs, especially from fuel-related airfare increases, many travelers gravitated toward lower-cost domestic cities or value-oriented overseas destinations such as Central Asia and Africa.

*China's 2026 May holiday data suggests that while mobility is reaching new highs and the service-sector is gaining momentum, the modest spending growth relative to travel volume gains signals that China's consumption recovery remains shaped by price sensitivity and a continued search for affordability.*

## **China strengthens protection and political integration for gig workers**

On 26 April, the general offices of the CCP Central Committee and the State Council jointly released a sweeping policy framework aimed at improving labor protection for the country's rapidly expanding gig workers concentrated in platform-based sectors such as food delivery, ride-hailing, and logistics. The policy sets a 2027 target for more standardized labor practices, improved working conditions, and stronger legal protections for the gig workforce, with broader institutional reforms planned over the following three to five years.

The policy combines labor rights expansion with enhanced political and social governance. Key worker protections include timely wage payments, fairer compensation structures, expanded social security portability, work-related injury insurance, improved rights for breaks, stronger protections during extreme weather, and more transparent dispute-resolution mechanisms. The policy also pledged tighter oversight of internet platform algorithms, requiring greater transparency in order allocation, pricing, and time estimates, while mandating worker participation in the making of relevant rules.

Beyond economic protections, the policy emphasizes ideological guidance and Party-building among gig workers, including expanded political education, broader Communist Party organizational reach, and the creation of relevant unions and social organizations.

*For platform companies, logistics providers, and other employers reliant on flexible labor, the new policy will require significant operational adjustments, including greater compliance costs, revised compensation structures, algorithmic transparency, enhanced worker protections, and stronger corporate governance.*

## **China expands zero-tariff access for African countries**

On 1 May, China began applying zero-tariff treatment to imports from all 53 African countries with which it has formal diplomatic relations, expanding an earlier policy that had covered 33 least-developed African countries since December 2024. China has been Africa's largest trading partner for 17 consecutive years, with bilateral trade reaching a record USD 348.08 billion in 2025 and USD 92.16 billion in the first quarter of 2026, up 26.8% y/y. Beijing is also pairing tariff cuts with customs facilitation, including rules of origin, upgraded "green channel" measures for African agricultural and food products, and optimized quarantine access.

*Multinational companies should treat the policy as both a sourcing opportunity and a signal for deeper China-Africa commercial integration. Importers, retailers, food brands, and logistics firms are best positioned to benefit from the zero-tariff policy if they move quickly to build African supplier relationships, manage customs requirements, and develop consumer demand for higher-value African products.*

