

Weekly China Insight

Beijing, 21 August 2026

China's top leaders commemorate former leader Jiang Zemin on his centenary

On 17 August, China held a high-level gathering at the Great Hall of the People to mark the 100th anniversary of former leader Jiang Zemin's birth, with Xi Jinping delivering a 40-minute speech that praised Jiang's role in advancing reform, opening China up, developing the socialist market economy, and leading China to join the WTO.

Xi highlighted five aspects of Jiang's political legacy, including his ideological conviction, his people-centered approach, his innovation, his strategic thinking, and his decisiveness in crises, while repeatedly linking them to priorities under the current leadership, including stronger Party control, deeper reform, high-quality development, and closer coordination between economic development and national security. Around 6,000 people attended the event, including current and retired senior officials.

The commemoration presented Jiang's market-oriented reform legacy not as an alternative to the economic governance style of Xi, but as an earlier stage of the same political project.

China blocks companies from cooperating with EU's JD.com subsidy probe

On 19 August, China's Ministry of Justice (MoJ), together with the Ministry of Commerce (MofCom) determined that the European Union's cross-border investigative practices in its Foreign Subsidies Regulation (FSR) probe into JD.com constituted "improper extraterritorial jurisdiction." As a result, MoJ prohibits any organizations or individuals from implementing or assisting with the EU measures. Chinese authorities said the EU had demanded extensive and unnecessary information from China, including from Chinese banking institutions, and described the requests as improper and damaging to the international rule of law. The dispute centers around the European Commission's investigation into JD.com's roughly USD 2.5 billion bid for German electronics retailer Ceconomy. On 20 August, MofCom reiterated that China opposed the EU's use of the FSR and other unilateral tools to target Chinese companies, urging Brussels to correct its practices, and strengthen government-to-government dialogue. The MoJ order is the second such blocking action by China this year, following a similar move in May over the EU's investigation into Chinese security equipment maker Nuctech.

The JD.com case demonstrates China is moving from rhetorical criticism of EU regulatory scrutiny to active use of legal blocking tools. China's blocking order increases the risk that Chinese companies caught in FSR investigations will face conflicting compliance obligations between Brussels and Beijing.

China's July consumption data points to broader weakness in domestic demand

On 17 August, China's National Bureau of Statistics (NBS) reported that retail sales rose just 0.6% y/y in July, down from 1.0% y/y in June and below the 1.3% y/y increase expected by economists surveyed by Wind. Weakness was concentrated in big-ticket categories, with auto sales falling 17.0% y/y in July, furniture declining 8.8% y/y, home appliances dropping 1.9% y/y, and building materials falling 14.2% y/y, while mobile phone sales stood out with a 20.4% y/y growth.

At the same time, services retail sales grew only 3.3% y/y in July, the slowest pace in two years, weakening what had been one of the more resilient parts of China's consumption picture so far this year. The broader domestic demand picture also deteriorated, with fixed-asset investment down 6.7% y/y in the first seven months, property investment falling 19.2% y/y, and urban unemployment rate rising to 5.2% in July from 5% in June.

July's economic data suggests that China's subsidy-supported consumption is losing momentum as earlier trade-in incentives fade. At the same time, the sharp slowdown in services spending raises the risk that weakness is becoming more broad-based, increasing the likelihood of more direct fiscal and monetary support to boost household demand for the remainder of this year.

China's new oil and gas five-year plan prioritizes energy security amid the green transition push

On 17 August, China's macro planner (NDRC) and the energy regulatory (NEA) jointly released the 15th Five-Year Plan for the oil and gas sector, setting a 2030 target for domestic oil and gas supply of 440 million tons, up from 420 million tons in 2025. The plan calls for the buildout of 20,000 km new long-distance pipelines, taking the national network to 220,000 km. LNG receiving capacity is targeted at 200 million tons per year and onshore pipeline gas import capacity at 114 billion cubic meters annually. Natural gas storage capacity is targeted to exceed 13% of national consumption, alongside the development of a broader petroleum reserve system combining government, mandatory corporate, and commercial inventories.

The plan shows Beijing is trying to reconcile three objectives at once: reducing exposure to external supply shocks through higher domestic oil and gas output, expanding gas infrastructure as a transitional energy source, and gradually lowering the carbon intensity of the energy sector through electrification and renewable energy integration.