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Weekly China Insight

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Xi and Trump prepare for APEC summit amid efforts to stabilize bilateral ties

Chinese President Xi Jinping and US President Donald Trump are expected to meet at the APEC summit in Shenzhen next week, marking their third face-to-face meeting this year following reciprocal state visits in May and September. In preparation, Chinese foreign minister Wang Yi and US Secretary of State Marco Rubio held a phone call on 11 November, describing their discussions on bilateral relations and upcoming leader-level engagements as positive and constructive. Wang emphasized the importance of maintaining the recent stabilization in bilateral ties and managing differences, while Rubio raised the possibility of a trilateral meeting involving Russia to discuss global security issues, potentially including AI governance and nuclear arms control.

Meanwhile, at a New York event on 10 November, US Treasury Secretary Scott Bessent advocated a policy of “de-risk, not decouple” and more balanced bilateral trade, while Chinese Ambassador Xie Feng stressed the importance of respecting China's “red lines.”

The recent diplomatic exchanges suggest both governments are seeking to preserve stability and maintain high-level engagement despite persistent trade tensions. With another leaders' meeting scheduled for December at the G20 Summit in the US, the APEC summit may serve primarily to consolidate recent progress and prepare the ground for more substantive negotiations at the G20.

China's foreign trade surges 20% in the first ten months of 2026

On 10 November, the Chinese customs authority (GAC) reported that total goods trade reached RMB 44.81 trillion in the first ten months of 2026, up 20% y/y. Exports rose 17.6% y/y to RMB 25.99 trillion, while imports increased 23.6% y/y to RMB 18.82 trillion.

ASEAN remained China's largest trading partner, with bilateral trade growing 24.2% y/y to RMB 7.68 trillion, compared with increases of 8.5% y/y and 6.3% y/y in trade with the EU and US, respectively. Trade growth accelerated in October, with exports and imports rising 35.2% y/y and 41.6% y/y in US dollar terms, generating a monthly trade surplus of USD 105.3 billion.

The surge was largely driven by AI-related hardware and energy prices, with semiconductor exports jumping 137.1% y/y in value despite a 2.4% y/y decline in shipment volumes, while imports of computer hardware more than tripled and energy imports rose sharply.

China's strong trade performance highlights the growing contribution of AI-related supply chains and its expanding trade ties with ASEAN countries. However, much of the recent growth reflects higher prices rather than increased shipment volumes.

China enacts first cross-border anti-corruption law

On 6 November, the standing committee of China's national legislature (NPC) passed the country's first Cross-Border Anti-Corruption Law, taking effect immediately. The law establishes a comprehensive framework for investigating cross-border bribery, recovering illicit assets, and pursuing corruption suspects overseas, while extending oversight to Chinese companies operating abroad and foreign businesses operating in China.

Notably, it makes anti-corruption compliance a statutory obligation for companies engaged in cross-border business, requiring internal risk assessments, third-party due diligence, financial oversight, and employee training. Companies that fail to meet these obligations may face business suspension or license revocation if they refuse to rectify violations, even without proven bribery. The law also prohibits foreign authorities from conducting unauthorized anti-corruption investigations in China or obtaining evidence and data from China-based entities without official approval. At the same time, the law authorizes countermeasures against foreign anti-corruption enforcement deemed discriminatory or extraterritorial.

The new law strengthens Beijing's ability to police corruption beyond its borders while asserting greater control over foreign enforcement activities in China. For multinational companies, it raises compliance requirements and creates potential conflicts between Chinese and foreign legal obligations.

China's state-owned assets more than double over eight years

On 10 November, the State Council released its annual report on state-owned asset management, revealing that the total assets of China's non-financial state-owned enterprises (SOEs) reached RMB 430.7 trillion by the end of 2025, more than doubling from 2017 levels. State-owned capital equity, which excludes liabilities and provides a clearer picture of the government's actual holdings, rose 5.4% y/y to RMB 115.3 trillion, up 129% from 2017. Local SOEs accounted for RMB 89.8 trillion of the total equity, compared with RMB 25.5 trillion held by central SOEs.

State-owned financial institutions held RMB 533.9 trillion in total assets, with state-owned capital equity rising 8.8% y/y to RMB 36.9 trillion. Looking ahead, the government pledged to deepen SOE reforms, optimize the distribution of state capital, strengthen technological innovation, and improve the oversight of state-owned financial institutions, particularly in managing overseas assets.

The continued expansion of state-owned capital underscores the SOE sector's growing economic weight in China. Beijing's reform priorities suggest a stronger emphasis on aligning state assets with strategic national objectives, improving capital efficiency, and containing financial risks.