BUSINESS

CGN expands clean power portfolio

22 new units by the energy giant under way as China advances green transition

By ZHENG XIN
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China General Nuclear Power Group, the country's largest nuclear power plant operator by installed capacity, reported a significant expansion of its clean energy portfolio, with operational capacity reaching 113 million kilowatts by the end of 2025.

The State-owned giant successfully navigated the 14th Five-Year Plan (2021-25) by securing approvals for 16 new nuclear power units, bringing its total capacity — including operational and under-construction projects — to over 56 million kW.

During the five-year period, CGN accelerated its nuclear program to support Beijing's carbon neutrality goals. It commenced construction on 10 units and meanwhile connected four units to the grid, said Ning Xiaoping, president of China Nuclear Power Engineering Co Ltd, a subsidiary of CGN.

By the end of 2025, CGN was simultaneously advancing the construction of 22 nuclear power units, ranking the company first in the world for the number of approved nuclear units currently under construction, he said.

"This milestone further cements CGN's position as a dominant force in the global nuclear energy landscape," said Ning.

"The rapid development of these units is a central pillar of China's national strategy to lead the global transition toward clean energy. It also ensures a steady pipeline of high-capacity, carbon-free power for the country's evolving grid."

Currently, CGN manages a fleet of 28 operational nuclear units, ensuring its continued status as the national leader in nuclear power scale.

Industry experts believe CGN's massive units under construction and 16 approvals during the 14th Five-Year Plan act as the primary engine for China's national nuclear expansion.

By maintaining the country's largest fleet, the group provides the stable, baseload power necessary to offset the intermittency of the country's surging wind and solar sectors, said Lin Boqiang, head of the China Institute for Studies in Energy Policy at Xiamen University.

China is set to become a global leader in operational nuclear power capacity by 2030, as it is progressively scaling up its nuclear infrastructure to claim the top global position within the next few years.

With the new medium- and long-term development plan for nuclear energy still under development, China Nuclear Energy Association anticipates the nation's nuclear capacity to reach 110 GW by 2030 and 150 GW by 2035.

According to the association, nuclear power will play a vital role as a key substitute for high-carbon energy sources and a mainstay for the stability of the new power system.

CITIC Securities said that with the accelerated approval of nuclear power projects, investments in new nuclear power plants in China were expected to reach 231 billion yuan ($33.3 billion) by the end of 2025, further stimulating the country's related industry chain.

The association said that by 2024, China had achieved 100 percent domestic origin for key main equipment in the nuclear power sector, ensuring the independent control of key component technologies.

According to Ning, China has reached a significant milestone in nuclear energy self-reliance, with the equipment localization rate for new Hualong One nuclear power units now surpassing 95 percent.

Hualong One is China's third-generation nuclear power technology with full intellectual property rights. It is also one of the most widely accepted series of third-generation nuclear power reactors in the world.

This breakthrough, which also aligns with the nation's 14th Five-Year Plan objectives to modernize the energy sector through innovation-led growth, marks a critical step in China's strategy to eliminate its dependence on foreign supply chains for its primary third-generation reactor technology.

CGN's domestic renewable energy segment experienced leapfrog development, with operational wind and solar capacity surpassing 70 million kW — a nearly threefold increase compared to the end of 2020.

In 2025 alone, CGN added 13.29 million kW of new domestic renewable capacity, marking its transition into a developer capable of delivering more than 10 million kW of new projects annually.

Beyond its borders, CGN's clean energy footprint now spans 18 countries and regions, with a controlling operational capacity exceeding 13 million kW. To date, CGN's overseas projects have delivered more than 370 billion kWh of clean electricity.

Xizang's trade surges on stronger global ties

By PALDEN NYIMA and DAQIONG in Lhasa

Xizang autonomous region has seen its import and export value of goods reach an estimated 8.47 billion yuan ($1.21 billion) in 2025, according to Lhasa Customs.

In 2025, 226 enterprises in Xizang achieved trade growth, a year-on-year increase of 12.4 percent. Private enterprises remained the driving force, contributing 85.7 percent of the total trade value, or 7.26 billion yuan. Foreign-invested enterprises saw a 65-fold surge in their trade value to 613 million yuan.

Tenzin, a Lhasa Customs official, said Xizang is transforming from relying only on traditional border trade to leveraging diversified supportive strategies such as processing trade and cross-border e-commerce.

"General trade, including digital trade channels, reached 4.47 billion yuan, serving as a primary engine of economic growth, border small-scale trade maintained stability with imports and exports totaling 2.82 billion yuan," said Tenzin.

Capitalizing on its strategic geographic advantage as a gateway to South Asia, Xizang has deepened cooperation with its neighbors while enhancing connectivity via comprehensive logistics infrastructures. The "South Asia Freight Train" and expanded rail-road combined transport systems have elevated trade efficiency, he said.

Notably, domestic new energy vehicles were shipped to Nepal within just 10 days, underscoring Xizang's role in promoting environmentally friendly trade routes.

In 2025, Tibetan ports exported 12,938 NEVs, achieving a 6.8 percent year-on-year growth, Tenzin said. Additionally, the opening of an international cargo terminal at an aviation port significantly boosted air freight capacities.

Goods worth 440 million yuan were transported via airfreight in 2025, offering efficient solutions for high-value and time-sensitive cargo.

Xizang has also made strides under the Belt and Road Initiative by building partnerships with a wider range of global trade partners.

In 2025, Xizang conducted trade with 155 countries and regions. The largest trading partners were Nepal, Australia and Germany.

"Xizang's trade with Nepal constituted 23.2 percent of the total value of China-Nepal trade, cementing their strong economic ties," said Tenzin. Furthermore, trade with BRI partner markets reached some 5.76 billion yuan, while exchanges with South Asian nations amounted to 4.03 billion yuan, he added.

Xizang's distinct local products are gaining international acclaim as they find new markets abroad. For instance, wine from a vineyard in Lhokha's Sangri county entered the Hong Kong market in 2025.

"We are proud that our vineyard, located at 3,600 meters above sea level, benefits from its unique environment, with strong ultraviolet light ensuring minimal pest problems and allowing organic cultivation," said Jing Anjie, a manager at local brewer Phagdru Rongshun (Pure Land) Manor Co Ltd.

"Support from local customs authorities streamlined the export process with online declarations and paperless procedures, paving the way for our success."

Efforts to promote Xizang on the global stage yielded encouraging results in 2025. Tsering Dorje, an official at the Lhasa Bureau of Commerce, revealed that the region had actively implemented strategies to both "go global" and "bring in" international cooperation last year.

"Xizang enterprises debuted at expos and trade shows in Singapore, Nepal and Hong Kong, where cooperative procurement agreements worth millions were secured," he said.

Xizang's second Lhasa Import Expo also achieved total sales of 136 million yuan, showcasing its growing attractiveness to international traders, he said.

"Tibetan cultural products and plateau specialties gained global recognition through events like the Canton Fair, solidifying Xizang's reputation as a hub for both traditional heritage and innovation."

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Spring Rush Prep

Workers of China Railway Taiyuan Group's Datong Signaling Section in Shanxi province inspect signaling equipment ahead of the start of the 40-day Spring Festival travel rush on Feb 2. Some 539 million national railway trips are expected to be taken, up 5 percent year-on-year. GUO CHEN / FOR CHINA DAILY

Consumers place orders at a Starbucks store in Beijing. PROVIDED TO CHINA DAILY

Starbucks China brewing more growth opportunities in lower-tier cities

By WANG ZHUOQIONG
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8,011
number of Starbucks stores nationwide

Starbucks China delivered solid results for the first quarter of fiscal year 2026, reporting 7 percent growth in comparable store sales and an 11 percent year-on-year increase in total revenue, which reached $823.4 million.

The coffee giant's robust performance in the Chinese market was powered by its product innovation, effective marketing and the continued growth of its delivery services, according to Cathy Smith, chief financial officer of Starbucks, during the company's earnings call on Wednesday.

This marks the third consecutive quarter of positive comparable sales growth, highlighting Starbucks' strengthened competitive position in one of its largest and most dynamic markets.

"The Chinese market remains a standout, reflecting our ongoing progress in solidifying our position as the leading premium coffee brand in the region," said Brian Niccol, chairman and CEO of Starbucks, during the earnings call.

In the first quarter, Starbucks China's comparable transactions grew by 5 percent, while the average ticket increased by 2 percent. The growth was driven by strong performance in business district locations, breakfast hours and the brand's expanding footprint in lower-tier cities.

"This double growth in transactions and average ticket indicates that consumer demand remains evident," said Jason Yu, general manager of CTR Market Research. "Additionally, product flavor innovation and successful IP collaborations have further enhanced the brand's appeal."

As Starbucks continues to tap into evolving consumer preferences, the brand has kept its product offerings fresh and relevant, especially during the winter festival season. The relaunch of the Toffee Nut beverage series, the introduction of sugar-free options, and the growing number of brand collaborations have all contributed to the company's success.

One of the standout initiatives was Starbucks' high-profile partnership with the Harry Potter franchise. The collaboration transformed 38 stores into "Hogwarts Starbucks Branches". These themed locations offered limited-edition beverages, exclusive merchandise and immersive experiences, drawing in thousands of fans and creating a wave of nostalgia. In just one week, 194,000 magical wands were distributed to customers.

Starbucks has also expanded its customer engagement efforts, particularly through joint membership programs with partners like Hilton Group, China Eastern Airlines and Atour Group. These collaborations offer members a wider range of benefits and experiences that go beyond the coffee cup, Starbucks said.

The company's store expansion strategy is also paying off. In Q1, Starbucks opened stores in 13 new county-level cities, bringing the total to 8,011 stores across 1,103 county-level cities in China, a 4 percent increase from the previous year. Over half of these new locations are in lower-tier cities or specialized business districts, where sales performance has consistently exceeded expectations.

Meanwhile, Starbucks' main competitor in the Chinese market, Luckin Coffee, is also expanding rapidly. The company recently signed a strategic agreement with Coop Group, a retail operator with a strong presence in lower-tier cities, to extend its footprint into county-level and rural markets. This partnership is expected to leverage regional strengths while combining Luckin's operational expertise with Coop's extensive retail network.

In November, Starbucks formed a joint venture with Boyu Capital to accelerate store growth and extend its reach into more cities. Under the agreement, Boyu will acquire a 60 percent stake in Starbucks' retail operations in China, while Starbucks retains a 40 percent interest. The deal is expected to close in spring 2026, subject to regulatory approval. Afterward, Starbucks plans to convert its 8,011 company-operated stores into licensed outlets under its international segment.

"This partnership with Boyu will allow us to further expand into new cities, offer exceptional coffee experiences, create new career opportunities, and reinforce our long-term position as a global leader," said CEO Brian Niccol.

The competitive landscape in China's on-premise coffee chain market is intensifying. Domestic competitors like Nowwa Coffee, which recently raised billions in series C funding, are rapidly expanding. With a focus on "healthy coffee" and a self-established supply chain, Nowwa Coffee is continuing its domestic expansion and is also targeting international markets such as Australia and Southeast Asia.

HK home prices post 1st annual rise in 4 yrs

By GABY LIN in Hong Kong
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Hong Kong's home prices recorded their first annual increase in four years, with the official price index climbing 3.25 percent in 2025.

Analysts believe the special administrative region's residential property market has bottomed out, and that prices are poised to continue rising this year.

Buoyed by a robust equity market, a series of interest-rate cuts, as well as policy incentives from the SAR government, the housing market has finally emerged from a prolonged slump since 2021.

According to the latest data from the Rating and Valuation Department, the city's overall private home price index rose for a seventh straight month in December to 298.6, up 0.23 percent from November. That also represented a 3.25 percent increase compared with December 2024, when the gauge stood at 289.2.

The price index for smaller and medium-sized units — those under 100 square meters — also posted a year-on-year increase of 3.4 percent in December, the figure showed.

"The stabilization of home prices stems mainly from brisk transactions and a softer interest-rate environment," said Rosanna Tang, executive director and head of research at Cushman & Wakefield in Hong Kong.

> We believe the residential market has bottomed out after an adjustment phase, with prices set to grow by around 5 percent in 2026."
>
> **Rosanna Tang,** executive director and head of research at Cushman & Wakefield in Hong Kong

Tang noted that market sentiment has significantly brightened, as banks in Hong Kong had dropped mortgage rates in response to several rounds of the US Federal Reserve's rate cuts last year, further lowering the cost of purchasing a property.

"We believe the residential market has bottomed out after an adjustment phase, with prices set to grow by around 5 percent in 2026," she added.

Benny Sham, an analyst at Midland Realty's research center, attributed the upturn to factors including economic growth, rising rents, and a decreasing inventory.

He expects the sector to stay buoyant, adding that home prices are likely to rebound by about 10 to 15 percent this year.

Norry Lee, JLL's senior director of project strategy and consultancy, said the equity market's strong run will give the residential market a further lift in the near term.

Hong Kong's benchmark Hang Seng Index concluded 2025 with a nearly 28 percent rally, posting its best performance since 2017, according to Hang Seng Indexes Co Ltd. Total market capitalization amounted to HK$47.4 trillion ($6.07 billion) at the end of December, up 34 percent from HK$35.3 trillion in the same period of 2024.

"Anticipated interest rate cuts in 2026 could further strengthen investor sentiment," Lee added. However, the analyst remains cautious, citing the high level of unsold inventories and ongoing macroeconomic uncertainties that might continue to weigh on the pace of market recovery.

More than 62,800 agreements for the sale and purchase of residential units were recorded with the SAR's Land Registry last year, including 20,540 primary market sales, an increase of 18.32 percent from 2024.