

Steel sector to be innovation powerhouse

Green metallurgical tech expected to be comprehensively applied across sector

By YIN MINGYUE
yinmingyue@chinadaily.com.cn

China's steel sector is expected to reach a globally advanced technological level by 2030, with breakthroughs in high-end steel and low-carbon metallurgical technologies making the nation one of the world's key sources of innovation in the sector, said Mao Xiping, an academician at the Chinese Academy of Engineering.

Mao made the remarks at a conference on the steel industry and technological innovation in Beijing on Friday, where he outlined the overall goals of China's technological innovation strategy in the sector during the 15th Five-Year Plan (2026-30) period.

By the end of the 15th Five-Year Plan period, the stability and consistency of China's steel product quality are expected to reach internationally advanced levels, with key high-end steel products for major national projects and high-end equipment manufacturing achieving independent and controllable supply.

Green and environmentally

friendly metallurgical technologies, along with carbon and energy efficiency enhancement technologies, are expected to be comprehensively applied across the industry, cutting total carbon dioxide emissions by 20 percent from 2020 levels, Mao said.

In addition, the allocation of innovation resources within the steel sector and related enterprises will be further optimized, with major steelmakers expected to see their research and development investment intensity rise by more than 10 percent, and a well-structured, highly coordinated innovation system to be established.

While setting clear medium and long-term technological development goals, the sector is also keenly aware of the pressures it currently faces.

"Overall, the steel market is still characterized by ample supply and soft demand, with supply-demand imbalances continuing to widen," said Zhao Ming, chairman of the China Iron and Steel Association.

The National Bureau of Statistics said China's crude steel output fell 4.4 percent year-on-year to 961 mil-



An employee works on the production line of a steel plant in Maanshan, Anhui province. ZHANG MINGWEI / FOR CHINA DAILY

lion metric tons in 2025, while apparent consumption fell 7.1 percent to 829 million tons. Meanwhile, steel product output rose 3.1 percent to 1.45 billion tons.

Amid these pressures, China's steel sector is proactively adapting to market changes and accelerating efforts to optimize and upgrade its product structure.

According to the CISA, during the 14th Five-Year Plan (2020-25) period, China's steel self-sufficiency rate basically reached 100 percent, providing high-quality and high-level support for the nation's steel demand.

In 2025, steel consumption by China's manufacturing sector overtook

construction for the first time, with the share used in construction falling from 58 percent in 2020 to 49 percent, while manufacturing's share rose from 42 percent to 51 percent.

This shift reflects the growing role of manufacturing in driving steel demand, highlighting ongoing structural changes in the sector.

Looking ahead, Zhao said the manufacturing sector will place greater emphasis on upgrading quality and efficiency.

"Traditional steel-consuming industries such as machinery, automobiles, shipbuilding, home appliances and equipment manufacturing are expected to maintain steady growth, while

emerging sectors including new energy, low-altitude economy and artificial intelligence are creating new sources of demand growth."

In addition, China's steel exports grew rapidly during the 14th Five-Year Plan period, with export markets becoming increasingly diversified. In terms of export categories, exports of steel plates more than doubled in 2025 compared to 2020.

To better manage growing exports and ensure stable industry development, the Ministry of Commerce and the General Administration of Customs reintroduced export license management measures for certain steel products starting Jan 1, marking the return of the

system after a 16-year hiatus following their cancellation in 2009.

Xiao Lu, deputy director of the department of foreign trade at the Ministry of Commerce, said the system will help strengthen real-time monitoring and tiered analysis of steel exports, enable rapid tracking of export fluctuations, and enhance coordination between trade and industrial policies.

The policy will also raise compliance and quality awareness across the industry, encourage enterprises to focus on product quality, boost investment in R&D and innovation, and support pragmatic, high-quality development of China's steel sector, Xiao said.



A view of an ongoing import fair in Gakyiling Plaza Shopping Mall in Lhasa, Xizang autonomous region. PALDEN NYIMA / CHINA DAILY

Lhasa GDP tops 100b yuan for first time ever

By PALDEN NYIMA
and DAQJIONG in Lhasa

Lhasa, capital of the Xizang autonomous region, achieved a historic economic milestone in 2025, with its GDP hitting 109 billion yuan (\$15.7 billion).

"This not only marks the emergence of Xizang's first city with a GDP exceeding 100 billion yuan, but also signifies that the GDP of all provincial capital cities in China has surpassed 100 billion yuan, completing the final key piece of the nation's economic map," Wang Qiang, mayor of Lhasa, was quoted as saying by Xizang Daily while attending the just-concluded annual session of the regional people's congress.

Data show that by end-2025, Lhasa is projected to have achieved over 5 percent growth in fixed asset investment, with total retail sales of consumer goods reaching 55.3 billion yuan, and total import and export volume standing at 5.5 billion yuan.

The city is expected to have welcomed 50.51 million tourists and generated 60.6 billion yuan in tourism revenue, representing year-on-year growth of 16.8 percent and 14.5 percent, respectively.

Additionally, 61 new high-tech enterprises and 11 new sizable industrial enterprises are likely to have been added.

Chen Pu, director of the Xizang Academy of Social Sciences' economic strategy research institute, said that from a regional perspective, Lhasa accounts for 36 percent of Xizang's total economic output, serving as a

vital pillar of the region's economy.

"On a national scale, the new economic leap driven by Lhasa has laid a solid foundation for Xizang to become an important gateway for better opening up to South Asia and integrating into the nation's new development framework," said Chen.

Kelsang Drolma, who studies Xizang's economy and society at the China Tibetology Research Center, said Lhasa's GDP surpassing 100 billion yuan for the first time highlights the correctness of the government's strategy on governing Xizang.

"This achievement reflects Xizang's development closely aligning with the progress of the nation and its people, advancing in step with the growth trajectories of other provinces and cities."

Lhasa's GDP also accounts for a significant proportion of the region's total, embodying what is often referred to as a high primacy ratio, she said.

As a regional capital, Lhasa has benefited, first, from its rich resources, and second, from favorable policies, which it has effectively utilized for development, she said, adding that substantial investments in innovative technologies have played an important role as well.

"At the same time, Lhasa has been deepening reforms and expanding development efforts, making it a model for the entire region while playing a leading and exemplary role."

Contact the writers at
palden_nyima@chinadaily.com.cn

Pilot program to stimulate consumption

By CHENG YU
chengyu@chinadaily.com.cn

China has rolled out a prize invoice pilot program across about 50 cities, marking the first national-level push to revive the initiative in 36 years as Beijing seeks to stimulate consumer demand and strengthen economic momentum.

The pilot, launched by the Ministry of Finance, the Ministry of Commerce and the State Taxation Administration last month, covers everyday consumption sectors such as retail, restaurants, accommodation, cultural tourism, sports and resident services, areas where policymakers see significant untapped consumer potential.

Under the program, individual consumers who obtain valid invoices above a set threshold from qualifying purchases — including meals, hotel stays, travel, sporting events and other services — are eligible to

enter a lottery with cash prizes.

Local authorities will set minimum amount thresholds, prize ratios and award scales, with payouts to be disbursed promptly. The maximum prize for a single invoice is generally capped at 800 yuan.

Tian Binbin, deputy dean of the school of public finance and taxation at Zhongnan University of Economics and Law, who has studied prize invoice policies for decades, said: "This is the first time in 36 years that the national government has promoted a prize invoice initiative, but its policy purpose has shifted significantly compared with the past."

China first experimented with prize invoices in the early 1990s as a tool to improve tax collection by giving consumers an incentive to demand invoices, helping authorities close gaps in indirect tax reporting.

Tian noted that such efforts are expected to simultaneously boost consumption as well as improve tax compliance.

Traditionally, consumer stimulus measures in China rely on discount vouchers or rebates funded by government budgets. Prize invoices, by contrast, add an element of chance and reward to ordinary transactions, potentially encouraging consumers to spend more and retain invoices as proof of purchase.

The pilot's broader scope — covering cultural, entertainment and tourism sectors in addition to retail and services — reflects Beijing's strategy of tapping into lifestyle consumption.

"We found that in pilot areas, enterprise tax payments increased on average about 10 percent, mainly in sectors with high end-consumer contact such as lodging, restaurants and retail," Tian said.

AI-powered strategy used for investing

In the past, foreign institutions investing in China relied on experienced "China hands" familiar with the country's economic policies and market dynamics, but the industry is now turning to new solutions.

Several international asset management firms have started integrating AI into their investment research processes for the Chinese market.

For example, hedge fund giant Bridgewater Associates recently posted a job opening for a "Chinese Policy AI Research Associate". The New York-based position requires candidates to be fluent in Mandarin, have a strong understanding of China's government structure and AI ecosystem, and be familiar with how AI and large language models work.

The role offers an annual salary ranging from \$160,000 to \$225,000. Greg Jensen, the firm's co-chief investment officer, once said that the company has the potential to change the hiring strategy and composition of staff to include more data scientists.

Beyond job openings, Bridgewater has stepped up efforts in recent years to leverage AI for market forecasting and profitability. In 2023, it set up the Artificial Investment Associate Lab to transition its entire

investment approach to machine-learning techniques. The following year, it launched a fund that relies primarily on machine learning for its investment decisions.

Bridgewater is not alone in the AI endeavor. Many global institutions are also applying the "AI+investment" strategy when engaging the Chinese market.

US asset manager BlackRock has developed a Systematic Active Equity strategy that integrates alternative data and AI.

The approach uses AI in two ways. First, to parse text from news, social media and research reports to gauge market sentiment and identify subtle changes in corporate fundamentals; and second, to reassess the importance of these hundreds of clues, allowing investment strategies to respond more quickly to the market changes, said Wang Xiaojing, a chief investment officer at BlackRock who oversees equity, multiasets and quantitative investments.

BlackRock has already developed a globally scaled model fully driven by machine learning. However, the adoption of this model in strategies for the Chinese market remains limited, and only at an early stage, Wang said in an interview with China Securities Journal.

Using AI for macro-level analysis

is not new in the industry, according to Guangzhou-based Xuanyuan Investment. Highlighting the future impact of AI on investment research, the company predicts that AI will take over primary tasks such as data sorting and be used to boost research efficiency, while human-machine collaboration becomes the norm.

Business insiders believe the shift from relying on "China hands" to algorithms indicates that foreign giants are intensifying their AI-driven investment research. This is not only because of the industry trend of embracing AI, but also due to the growing importance of the Chinese market.

Several global investment giants have expressed optimism about the overall performance of Chinese assets in 2026 in their annual outlook reports, highlighting that the long-term growth rationale for China's technology sector remains solid.

Zhang Xiaomu, a fund manager at Fidelity, believes that Chinese growth stocks will outperform during the first three quarters this year, and sectors like AI, aerospace, low-altitude economy and innovative consumer goods will show strong performance.

XINHUA — CHINA DAILY

Briefly

Yuan strengthens against greenback

The central parity rate of the Chinese currency renminbi, or the yuan, strengthened 87 pips to 6.9608 against the US dollar on Tuesday, according to the China Foreign Exchange Trade System. In China's spot foreign exchange market, the yuan is allowed to rise or fall by 2 percent from the central parity rate each trading day.

Software industry revenues surge

China's software industry saw a rapid expansion in 2025, reporting double-digit growth in terms of revenues, latest official data showed. The total revenues of the sector soared 13.2 percent year-on-year to more than 15.48 trillion yuan (\$2.22 trillion) last year, while the total profits climbed 7.3 percent to more than 1.88 trillion yuan, according to data released by the Ministry of Industry and Information Technology. The subsector of information technology services raked in 10.64 trillion yuan in revenue, up 14.7 percent year-on-year. Specifically, the combined revenues of cloud computing and big data services rose 13.6 percent to 1.62 trillion yuan.

Services boosted to lift coal transport

Chinese railway operators have intensified measures to transport more coal, especially thermal coal, by trains to increase coal inventories at power plants. Since the beginning of winter, demand for thermal coal has continued to rise, making the task of coal transport arduous and urgent. Staff members of Beizhouzhuang Railway Station in Shanxi province are performing their duties efficiently, ensuring the safe and smooth transport of coal from the station, which handled an average daily dispatch of some 35,000 metric tons of coal in January. As an important national energy base, Shanxi provides stable coal supply to 24 provincial-level regions in China.

XINHUA — CHINA DAILY