

May 2025

CHINA WATCH

This report offers updates on commercial, political, and economic developments in China and the Asian region.



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Who writes China Watch?

Sense China is a business unit under Danish Industry, the largest business association in Denmark with 20,000+ corporate members. Our goal is to keep Danish companies informed about important developments related to China and the Asian region.

POLITICS

China and US finally meet to talk tariffs

Summary: U.S. Treasury Secretary Scott Bessent and Trade Representative Jamieson Greer will meet Chinese Vice Premier He Lifeng in Switzerland this weekend, marking the first step towards resolving the bilateral trade dispute.

Source: [CNBC](#)

CIA attempts to recruit Chinese officials

Summary: The CIA released new Mandarin-language videos to recruit disillusioned Chinese officials and youth amid Xi Jinping's anti-corruption crackdown. The campaign aims to penetrate China's censorship and boost U.S. intelligence efforts.

Source: [CNN](#)

Xi Jinping hails historic ties to Russia

Summary: Xi Jinping is in Moscow for a four-day state visit to strengthen ties with Vladimir Putin and attend the May 9 "Victory Day" parade. Xi's visit highlights the deepening Russia-China relationship that raises concerns in the West.

Source: [Al Jazeera](#)

BUSINESS

Chinese EV brands steal spotlight at Auto Show

Summary: Shanghai Auto Show is the world's largest car exhibition. At this year's edition, Chinese automakers unveiled their newest electric vehicle models with a focus on AI, intelligent software, and innovative vehicle designs.

Source: [AP News](#)

E-commerce exports to US in dramatic drop

Summary: Chinese e-commerce exports to the US fell by 65% in Q1 due to new import restrictions, while shipments to the EU rose by 28%. Shein, a major market player, now considers mitigating the impact by moving production to new locations.

Source: [The Guardian](#)

"Innovation bonds" aim to boost home-grown tech

Summary: Chinese companies are preparing to issue "innovation bonds" to fund tech development, leveraging Beijing's push for technological self-reliance. The bonds aim to provide capital for development of semiconductors, AI, and green energy solutions.

Source: [The Economic Times](#)

SOCIETY

Large spike in foreign travelers after visa waivers

Summary: China saw a 43% increase in foreign visitors during this year's Labor Day holiday, driven by expanded visa-free policies and enhanced tax rebates. Over 380,000 inbound trips were made visa-free, marking a 72.7% year-on-year surge.

Source: [VisaVerge](#)

Beijing invests millions to replace Nvidia chips

Summary: Beijing is allocating millions of dollars in subsidies to grow its AI supply chain with domestic technologies, aiming to establish an 80-billion-yuan ecosystem in the Yizhuang Development Zone by year-end.

Source: [South China Morning Post](#)

World's biggest LEGOLAND opens in Shanghai

Summary: LEGOLAND Shanghai Resort, the world's largest LEGO themed park, will open on July 5 in Jinshan district. The resort features a theme park, a 250-room Lego hotel, 75 interactive attractions, and thousands of LEGO models across eight themed zones.

Source: [YiCai](#)

REGIONAL

Pakistan vows retaliation after Indian air strikes

Summary: India launched air strikes on Pakistan and Pakistan-administered Kashmir; triggering promises of retaliation from Islamabad. Both countries exchanged fire, raising fears of broader conflict, though leaders on both sides signaled a desire to avoid war.

Source: [Al Jazeera](#)

Myanmar needs more support after deadly quake

Summary: A month after the devastating earthquake, over 3,700 people are dead and humanitarian needs remain critical, with millions lacking shelter, clean water, and health services. Despite ceasefire, Myanmar's military continues airstrikes, worsening conditions.

Source: [AP News](#)

Toxics killing off Australian marine life

Summary: A toxic algal bloom nearly the size of Kangaroo Island is causing mass marine deaths across South Australia, fueled by record-warm sea temperatures and calm ocean conditions. Officials warn the bloom will only dissipate with a major change in weather.

Source: [ABC News](#)

ECONOMIC INDICATORS

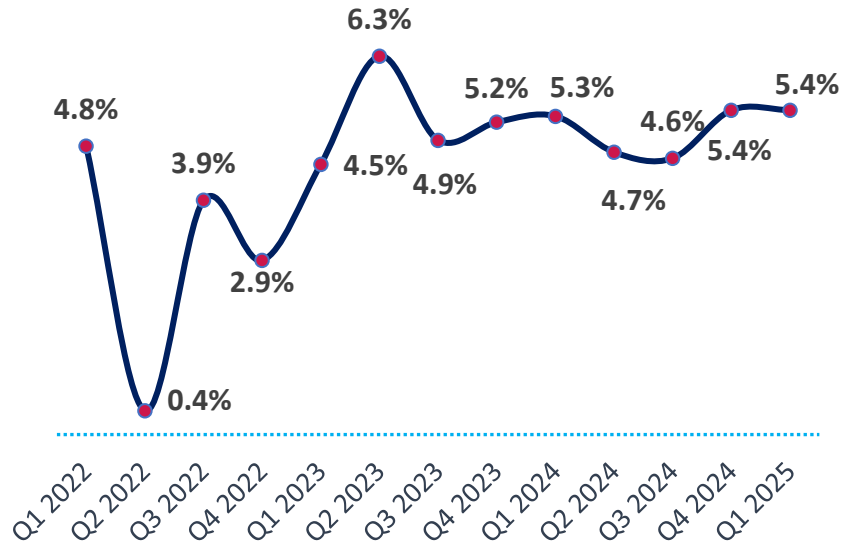
QUICK TAKE

The official growth rate for China's GDP in 2024 is 5.0%.

According to a Rhodium Group Analysis, a more realistic growth estimate is 2.4-2.8%.

Read the analysis here:
[Rhodium Group](#)

China's GDP growth



SUPPLY

Industrial Output

7.7% Y/Y
(March)

Producer Prices

-2.5% Y/Y
(March)

Manufacturing PMI

51.2 (March)



DEMAND

Retail sales of consumer goods

+5.9 % Y/Y
(March)

Annual Inflation Rate

-0.4% Y/Y
(March)

Unemployment (urban areas)

5.2%
(March)



TRADE

Exports
(US dollar terms)
12.4% Y/Y (March)

Imports
-4.3% Y/Y (March)

Trade Balance
\$102.64 billion (March)



REAL ESTATE

New Home Prices
-4.8% Y/Y (February)

New Home Sales
9160 hundred million yuan
(February)

National Fixed Assets Investments
+4.2% Y/Y (March)

UPCOMING EVENTS

Seminar

June 26

Venue: Danish Industry in Copenhagen

China's Changing Role in the World Order **Implications for Denmark**

China's influence continues to grow. At the same time, the established world order is undergoing dramatic changes. In this exclusive seminar, we examine how the situation will affect Denmark's relationship to China.

Get the latest insights from top speakers with stakes in the game. Understand how Danish companies can compete with China, if Denmark should accept Chinese investments, and much more.

[Details and registration](#)

Find recording from previous events on [SenseChina.dk/events](https://sensechina.dk/events)

SENSE CHINA SERVICES

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