

COMMENTHK

The 15th Five-Year Plan sets a bold new direction

Tu Haiming says nation will enhance its international, market-oriented, and law-based business environment

As China enters the critical phase of the 15th Five-Year Plan (2026-30), the external environment is undergoing profound and complex changes, marked by a coexistence of strategic opportunities and risks, as well as increasing uncertainties and unforeseeable factors. Despite these challenges, China's economic fundamentals remain sound, with multiple strengths, strong resilience, and vast potential. The underlying conditions and long-term positive trajectory that support sustained growth have not changed. The institutional strengths of socialism with Chinese characteristics, the advantage of a supersized domestic market, a complete industrial system, and abundant human resources have become even more prominent.

The communique of the fourth plenary session of the 20th Central Committee of the Communist Party of China (CPC) begins by affirming the work of the Political Bureau of the CPC Central Committee since the third plenary session. Notably, it highlights the importance of work related to Hong Kong, Macao, and Taiwan, underlining the strategic significance of these regions in the overall governance and development agenda of the Party and the nation.

In response to the communique, Hong Kong Chief Executive John Lee Ka-chiu promptly shared his reflections on social media. He noted that the 15th Five-Year Plan period will be a crucial stage for the country to comprehensively advance the building of a great country and the great cause of national rejuvenation through Chinese modernization. It also marks a new stage in the implementation of the "one country, two systems" framework and a pivotal period for Hong Kong to transition from good governance to true prosperity.

Amid complex and evolving global dynamics, Hong Kong is expected to align with the national development strategy by leveraging its unique advantages and fully engaging with the 15th Five-Year Plan, positioning the city to seize major opportunities from national development and contribute significantly to the country's modernization.

The plenary session set out a series of guiding principles for the 15th Five-Year Plan period: upholding the Party's overall leadership, putting the people first, pursuing high-quality development, deepening reform in all respects, balancing an effective market with a proactive government, and coordinating development with security. These six principles not only reflect the CPC's strategic



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resolve and vision but also demonstrate a deepening understanding of development patterns and an acute awareness of the shifting domestic and international landscapes.

Meanwhile, the session laid out the main goals for the 15th Five-Year Plan period: achieving notable progress in high-quality development, making significant strides toward greater self-reliance and strength in science and technology, making new breakthroughs in comprehensively deepening reforms, improving social civility, raising the quality of life, delivering new and substantial progress in building a beautiful China, and strengthening national security. On this foundation, the session envisions that by 2035, China will have significantly increased its economic, scientific, and military strength, as well as its overall national power and international influence. The country aims to reach the level of a moderately developed economy in terms of per capita GDP, with the people enjoying more prosperous and fulfilling lives and basically achieving socialist modernization.

The session also addressed the need to tackle challenges and drive the transformation of growth drivers. "Real economy" and "new quality productive forces" emerged as central themes in shaping the future economy. As the world's second-largest economy, China recognizes that its own cornerstone lies in the real economy. The emphasis on intelligent, green, and integrated industrial transformation reflects a comprehensive and forward-looking approach to securing both growth and national security.

The focus on the real economy and new quality productive forces directly points to one of the most critical undertakings of the 15th Five-Year Plan: the transformation of old and new growth drivers. Should emerging industries achieve significant breakthroughs and traditional sectors undergo intelligent upgrades by the end of the plan period, China's industrial structure will be fundamentally reshaped. This will provide

a solid foundation for the 16th Five-Year Plan (2031-35) and propel the nation toward its 2035 goals.

The session reaffirmed China's unwavering commitment to deepening reform and expanding high-level opening-up. In discussing the development of a robust domestic market and the acceleration of a new development paradigm, the communique emphasized the strategic importance of expanding domestic demand. It advocated fostering new demand through innovative supply, promoting positive interaction between consumption and investment, and strengthening the endogenous driving forces of domestic circulation.

This shift toward demand-side reform reflects a strategic recalibration based on a clear understanding of China's development stage, signaling the emergence of new business models and consumption scenarios.

To strengthen the high-standard socialist market economy, the session called for giving full play to the guiding role of economic system reform and accelerating the development of market-based mechanisms for factor allocation. This indicates that during the 15th Five-Year Plan period, China will step up efforts to improve its international, market-oriented, and law-based business environment. Notable progress is expected in areas such as intellectual property protection, national treatment for foreign investment, and promoting fair competition among all types of market entities.

Furthermore, the session stressed the importance of expanding high-level opening-up and fostering a new paradigm of mutually beneficial cooperation. It called for proactive engagement in autonomous opening-up, driving innovation in trade, expanding space for two-way investment cooperation, and promoting the high-quality development of the Belt and Road Initiative.

The emphasis on expanding two-way investment cooperation suggests that during the 15th Five-Year Plan period, the central government will vigorously support Chinese enterprises in "going global" while also attracting foreign capital into the Chinese market. "Large inflows and outflows" and "mutual connectivity" will become the new norm. Countries taking part in the Belt and Road Initiative, in particular, are expected to become focal points for Chinese outbound investment, ushering in a new era of openness and cooperation for China.

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GCC investors can capitalize on China's frontier regions

Investment in China from the Gulf Cooperation Council (GCC) region is growing. Saudi Aramco and Sinopec's construction of a \$10 billion refinery in Fujian province and the Qatar Investment Authority's (QIA) 10 percent stake in ChinaAMC are but two of the highest-profile examples. Yet while most GCC investment remains concentrated in the eastern seaboard, savvy investors are looking westward.

China's lesser-developed regions are the next frontier and represent substantial untapped potential, especially in food production, rural infrastructure, and small and medium-sized enterprises. Western provinces encompass some of China's most resource-rich areas and are a critical gateway to Central Asia, ASEAN, and Europe through the Belt and Road Initiative, a strategic initiative that is reshaping global trade. The New International Land-Sea Trade Corridor, which connects western regions to global markets, facilitated 10,000 intermodal rail-sea train journeys last year, a 32 percent year-on-year increase.

The most noteworthy policy directive is the Rural Comprehensive Revitalization Plan by the Central Committee of the Communist Party of China and the State Council, initiated in early 2025. This plan, which outlines ambitious goals to expand agricultural output while prioritizing the prosperity of rural regions, presents significant opportunities for investors. Chengdu, the capital of Sichuan province, exemplifies this potential, supported by a provincial population of nearly 84 million. It serves as a strategic gateway to China's interior, with rapid growth in technology, manufacturing, and logistics.

The Chengdu-Chongqing Economic Circle, a major economic hub, had an estimated GDP of 8.6 trillion yuan (\$1.2 trillion) in 2024, accounting for over 6.5 percent of China's total. Furthermore, the Chengdu High-tech Industrial Development Zone and the Chengdu Pilot Free Trade Zone offer attractive incentives for foreign investors, including reduced corporate income tax rates, simplified customs procedures, preferential land-use policies and regulatory support for cross-border financial transactions. Cultural festivals and business forums underscore cross-regional collaboration with Gulf partners. Some of its world-famous pandas even now reside in a Qatari zoo.

China's rural consumers represent the engine for the next phase of economic growth. Policymakers are prioritizing smaller enterprises, often called "Little Giants," who are the backbone of the Chinese economy, accounting for an estimated 50 percent of tax revenue and 60 percent of GDP. In working with local partners to scale up SME business capabilities in Sichuan, our team at the Global Institute for Tomorrow has realized that technology has changed the game. The launch of DeepSeek and the rapid rollout of humanoid robots highlight the country's rapidly advancing capabilities. More importantly for investors, the democratization of AI technologies will provide a boost to smaller companies, enabling them to professionalize management, streamline operations, and bridge the language barrier to expand rapidly outside of China. Cross-regional e-commerce platforms like Alibaba, JD, Lazada, and Tokopedia will facilitate this. China can uniquely pilot new technology across cities that are home to



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millions of people by aligning political and economic interests. This "quantity to quality" approach means that regions can deploy and benefit from technological innovations at scale and at a lower cost compared to Western competitors.

Agriculture and food production are particularly relevant for GCC countries, which import up to 85 percent of their food. It includes modern irrigation systems, cold chain logistics, processing and packaging, and precision farming technologies. The Ningxia Hui autonomous region has positioned itself as a leading center for halal food production, seeking to attract investors from Muslim-majority countries. As China modernizes its countryside and adapts to climate-change-induced extreme weather, sectors related to environmental services will see increased demand, including waste management, water conservation, natural disaster prevention infrastructure, and renewable energy solutions. Many are highly relevant for GCC countries. Rural e-commerce and digital infrastructure, including last-mile delivery networks, rural financial technology services, digital education, and telemedicine services, are also poised for substantial growth.

Understanding China's government administrative structures is essential. What is often underappreciated is that China operates with both centralized authority and significant local autonomy. A client recently shared his surprise when multiple local government leaders from various provinces independently pitched their cities for investment. When asked about central coordination, they reminded him that China's free market is alive and well. Investors should proactively engage and develop relationships with provincial and municipal authorities in western regions. Relationship building is essential, so investors should focus on reciprocity by offering expertise in areas in which Gulf States excel. Historical ties and cultural exchanges can be leveraged. It is wise to prioritize long-term partnerships over short-term transactions and consider engaging with local universities and research institutions to source talent, understanding that local employment and talent development are priorities.

For GCC investors, China's western regions represent not just immediate investment opportunities but long-term strategic positioning along emerging trade corridors. Investors from the GCC will be rewarded for looking beyond first-tier cities. Understanding China's rural economic development policy, the unique approach to technological development and appreciating the vast potential of SMEs will serve them well in capitalizing on the next stage of cross-regional partnerships and trade.

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Hong Kong can take its place on global stage through curated experiences

Hong Kong has always known how to throw a good party. From the city's glittering skyline to its instinct for spectacle, celebration is part of our DNA. But as the city doubles down on mega events to revive both its confidence and its economy, the question is no longer whether the Hong Kong Special Administrative Region can host them; it is whether we can make them mean something.

In recent months, the calendar has been packed. The Wine and Dine Festival returned to the Central Harbourfront, drawing record crowds and proving that locals and visitors alike still crave the city's unique blend of food, lights and skyline. The festival brought together wines and delicacies from more than 30 countries and regions, offering visitors an experience that was simultaneously local and global. The water parade, a creative take on Hong Kong's maritime heritage, turned Victoria Harbour into a living theater, with floating installations and interactive performances delighting everyone. The buzz was palpable and the city felt like itself again: confident, cosmopolitan and full of life.

These successes suggest Hong Kong's so-called events economy is no longer theoretical. It is already here. Yet momentum alone does not guarantee direction. If we want to make this revival last, we need to think beyond filling hotel rooms or boosting weekend footfall. The challenge



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is to turn activity into identity and one-off excitement into lasting impact.

A well-known legislator recently floated the idea of staging a Hong Kong version of the Met Gala, a high-society fundraising night that blends fashion, art and philanthropy. It is a compelling thought. The Met Gala in New York, after all, is not merely a celebrity showcase; it is a statement about culture, commerce and influence. Done right, a similar concept here could channel glamour into good, drawing attention and donations to our own arts institutions. It could be an annual touchpoint that brings together the city's talent, creativity and capital while broadcasting the SAR's cultural confidence to the world.

The question is not whether Hong Kong could do it, but whether we could do it our way. The city has no shortage of high-net-worth individuals and international brands. It has world-class venues like M+, the Hong Kong Palace Museum, and the

sweeping harborfront of West Kowloon. What it needs is vision: a sense of how an event can reflect Hong Kong's identity rather than imitate somewhere else. It is an opportunity to merge philanthropy with storytelling, glamour with substance, and spectacle with authenticity.

That, in essence, is the real opportunity before us. Hong Kong does not need to borrow a script; it can write one. Instead of recreating a Met Gala, we could curate something that fuses East and West with authenticity, a night where art meets business, heritage meets innovation, and where global guests understand that Hong Kong's cultural pulse is as sophisticated as its financial one.

In a world where every major city is competing for attention, events are no longer just entertainment. They are strategic tools of soft power. They shape narratives, attract investment, and define how a place is perceived abroad. For Hong Kong, this is not merely about tourism; it is about relevance.

We already have many of the ingredients. The return of international conferences and forums shows that the city's logistics and infrastructure remain world-class. The growing presence of Chinese mainland visitors and global travelers adds depth and scale. And the Guangdong-Hong Kong-Macao Greater Bay Area's expanding wealth base provides a new generation of potential patrons

for the arts. Hong Kong is strategically positioned at the intersection of capital, culture and connectivity, which few cities can rival.

But sustaining this energy requires curation. A calendar full of isolated events is not a strategy. What we need is coherence, a way to link food, fashion, music, art, technology and philanthropy into a single, compelling narrative about who we are. Each gathering should build upon the next, telling the story of a city that is creative, confident and connected. Over time, such coherence transforms temporary spectacles into enduring identity.

This is particularly relevant for the West Kowloon Cultural District, which continues to face financial pressures. If it can position itself as the symbolic home of Hong Kong's new cultural moment, hosting experiences that capture both the city's glamour and generosity, it could achieve what real estate projects alone cannot: sustainability through meaning. A signature charity or arts event could be one part of that mix, if it speaks to local pride rather than imported prestige. Repeated, well-curated gatherings could make West Kowloon synonymous with Hong Kong's cultural leadership, attracting global attention in a way that ad hoc events cannot.

Public institutions and private partners alike can play a role in amplifying the city's cultural momentum. With support

that encourages creativity and collaboration, the city's organizers, artists and entrepreneurs can link their efforts into a coherent narrative of influence and imagination. Hong Kong has always excelled at connecting worlds: finance and creativity, tradition and modernity, East and West. When these elements converge, the city's offerings go beyond entertainment and commerce, becoming moments that people remember, talk about and return to experience again.

Our events already prove that the city can shine. The Wine and Dine Festival and the water parade show that Hong Kong has the creativity, infrastructure and audience to host experiences that delight everyone. The next step is to make sure these moments also communicate who we are and what we aspire to be. By curating events that carry meaning, celebrate our strengths and inspire participation, Hong Kong can reclaim a unique space on the global stage.

Instead of chasing events, the city can focus on defining its own moments. Moments that embody culture, commerce, imagination and generosity, and moments that ensure Hong Kong is not just a place to visit but a city that commands attention, admiration and influence around the world.

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