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ROBOTICS

Europe's first robot factory starts production in Serbia



Serbia's first robot factory officially began production in the western city of Sabac. The joint project, built in collaboration with automotive supplier Minth Group and Chinese robotics company AgiBot is also Europe's first mass-production base for humanoid robots invested by Chinese enterprises. Serbian President Aleksandar Vucic, attending the launch ceremony, called the project an important step toward the country's future. After the first humanoid robot produced at the factory rolled off the production line, President Vucic interacted with the robot, which also demonstrated a range of functions, including Chinese calligraphy, folding clothes, playing chess and dancing, according to Minth Group. Vucic said humanoid robot production is opening up a new field of technological development for Serbia. The country hopes to integrate robot manufacturing with industries such as artificial intelligence (AI), supercomputing and data centers, while boosting local talent and employment and strengthening Serbia's position in Europe's robotics industry. Vucic said the launch in Sabac was of great significance for Serbia, adding that the country is becoming

a frontrunner in the mass production of humanoid robots in Europe.

Vucic said the factory is expected to assemble and produce more than 5,000 humanoid robots annually in the future, with the robots potentially used across healthcare, agriculture, industry and defense. Minth Group told the Global Times that the first phase of the robot factory involved an investment of €20 million and covers about 3,000 square meters. The facility focuses on assembling humanoid robots and robotic dogs, as well as calibrating motion and vision systems and conducting performance tests. The factory showcases capabilities including high-precision flexible manipulation, intelligent environmental adaptation, multi-robot coordination and industrial automation. It also displays service robots designed for the Specialized Expo 2027 in Belgrade.

According to the plan, the project will later include a robotics industrial park in Serbia, with total investment expected to reach about €200 million. Once fully completed, the annual production capacity for humanoid robots and robotic dogs is projected to reach up to 20,000 units, targeting markets in Europe and beyond. The company told the Global Times that the mass-produced embodied-intelligence robots are equipped with multimodal perception systems, with tactile and sensing technologies integrated into their fingertips for precise force control and flexible grasping. Powered by AI deep-learning algorithms, they can adapt autonomously to complex environments and continuously improve their capabilities. The robots are gradually being deployed in industrial settings for loading and unloading, material handling and inspection, and replacing workers in dangerous and repetitive tasks while improving manufacturing efficiency and safety. In the future, they are also expected to expand into home and eldercare applications, providing companionship and

intelligent assistance as human-robot collaboration becomes more natural and integrated into daily life.

Minth Group's cooperation with Serbia is not a recent development, but part of a relationship built over years. The company first entered the Serbian market in 2018 and has maintained an eight-year presence in the country, where it has established 10 factories. At the end of May, during Vucic's visit to Zhejiang province, Serbia and Minth Group signed two new investment agreements. The Loznica project involves an investment of €135 million and is expected to create 600 jobs, while the Sabac project will involve €91 million in investment and create 220 jobs. Chen Jing, Vice President of the Technology and Strategy Research Institute, told the Global Times that **the factory could significantly raise Serbia's position in Europe's high-tech industrial chain**. Traditionally better known for automotive parts manufacturing, Serbia is now moving to the forefront of humanoid robot mass production, potentially becoming a link between Chinese technological capabilities and European market demand.

Chen said industrial settings are likely to be among the first areas where the robots achieve large-scale deployment in Serbia and Europe. Given Minth Group's established automotive supply-chain base, humanoid robots could be used in assembly, inspection and material handling, while robotic dogs may be deployed in logistics and industrial inspection. The establishment of the humanoid robot production base could spur supporting industries ranging from AI and data centers to industrial services, while

creating new demand for local engineers and skilled workers.

Minth Group said Serbia will serve as a strategic hub for its European operations, while the company supports preparations for Expo 2027 Belgrade and expands into European and global robotics markets. It also plans to strengthen large-scale production and localized manufacturing capabilities, the Global Times reports.

In Hong Kong, the first convenience stores operated by humanoid robots opened this week, with the Beijing-based company behind it planning to establish about 10 more outlets locally as it makes the city its first stop in "going overseas". **The first "Galbot stores" opened in Hung Hom, Kai Tak and Wan Chai**, marking the company's first outlets outside mainland China. Galbot's first store on the mainland was launched last August and has since expanded to about 200 outlets across 50 cities nationwide. "This is a genuinely important step for us in going overseas as Hong Kong is an important window and platform for mainland China facing the international market," said Zhao Yuli, Chief Strategy Officer of Galbot, noting that the business had operated a Hong Kong office since 2024. She said the company planned to open about 10 more Galbot stores in the city over the coming years in high-footfall districts. According to Zhao, each Galbot store is run by wheeled humanoid robots powered by the company's embodied foundation model, AstraBrain, the South China Morning Post reports.

LOW-ALTITUDE ECONOMY

Commercial operations in low-altitude economy still facing many hurdles



New regulations, breakthroughs in electric vertical takeoff and landing aircraft, expanding manufacturing capacity and growing market demand have pushed the low-altitude economy into the spotlight as a potential driver of new quality productive forces. Yet behind the ambitious trillion-yuan market forecasts and frequent technological milestones lies a fundamental challenge: transforming industrial strength and technological breakthroughs into sustainable commercial operations. China's revised Civil Aviation Law, which took effect on July

1, 2026, introduced a dedicated chapter on low-altitude economic development, providing a legal foundation for the sector's expansion. The new framework establishes classified airspace management for low-altitude zones below 300 meters and replaces some case-by-case approval procedures with more streamlined filing mechanisms for qualified flights. The regulatory shift is expected to help move the industry from scattered regional trials toward a more standardized development model.

Along with the evolving regulatory environment, **China has made notable progress in manned eVTOL commercialization, although most applications remain at an early demonstration stage.** EHang's EH216-S – a pilotless passenger-carrying aerial vehicle – became the world's first eVTOL model to obtain type certification, air carrier and production certification from Chinese civil aviation authorities. The aircraft began commercial trials in Hefei, Anhui province, in August, allowing public reservations and flight experiences within designated demonstration zones. The milestone marked one of the earliest attempts globally to move autonomous passenger aircraft toward commercial operation. However, such services are still limited to specific parks and tourism routes rather than serving as a widespread urban air-mobility solution for daily commuting.

Another example is Aridge, formerly known as Xpeng Aeroht, which highlights a different challenge facing the industry: strong manufacturing capabilities but incomplete commercialization conditions. In August, Aridge's flying car manufacturing base in Guangzhou, Guangdong province, produced its thousandth set of 800-volt high-voltage electric propulsion units, demonstrating China's growing ability to manufacture key eVTOL components at scale. The company's modular Land Aircraft Carrier has completed a series of tests, including automatic separation, independent flight, and docking between its ground vehicle and detachable aircraft cabin. It has attracted more than 7,000 global pre-orders and purchase intentions from individual consumers, government and enterprise customers, as well as overseas markets. However, the aircraft has not yet obtained the suitable certificate required for formal manned commercial operations and its planned mass deliveries remain dependent on the completion of airworthiness reviews.

The situation reflects a broader challenge across the industry: **technological readiness is advancing faster than regulatory approval and commercial deployment.** Industry forecasts nevertheless point to enormous growth potential. According to CCID Consulting, China's low-altitude economy is expected to surpass CNY1 trillion in market scale in 2026, with the figure projected to reach CNY3.5 trillion by 2035. The consulting firm said there were more than 127,000 companies in China involved in low-altitude-related businesses by the end of June, covering areas ranging from aircraft manufacturing and

airspace management to operations and technical services. Industry participants, however, caution that the sector remains in an early development stage.

While China has identified promising growth areas, large-scale commercialization is still constrained by airspace management, digital supervision systems, infrastructure development and business model innovation, said participants at the 2026 China Entrepreneur Future Star Annual Forum held in Guangzhou in July. Executives from aircraft manufacturers, intelligent solution providers and industrial service companies also discussed the opportunities and challenges facing the market at the annual event. Compared with passenger eVTOL services, agricultural, logistics and industrial applications are expected to achieve commercialization sooner, they said. **"Agricultural drone operations currently account for the largest share of our civilian business,** with mature and large-scale applications already established," said Meng Yuehua, Director and Deputy General Manager of Gifore, a subsidiary of United Aircraft that specializes in drone R&D, production and service. United Aircraft's products are also used in emergency rescue, low-altitude logistics and power industry services.

For logistics applications, United Aircraft has developed a product portfolio covering different payload capacities. Lightweight drones carrying about 5 kilograms are mainly used for urban patrols and inspections, while 10-kg-class models can support short-distance delivery services in urban areas, the China Daily reports.

ARTIFICIAL INTELLIGENCE

Ulanqab: From pastureland to one of the world's largest AI computing centers



Ulanqab – a city several hundred kilometers northwest of Beijing whose Mongolian name means “red cliff pass” – **was known for its windswept pastureland**, where cattle grazed and potatoes grew under long hours of sunlight. Its economy hinged on the weather, driven by the cool, strong breezes sweeping through the Yinshan mountain range. **Today, giant wind turbines stand next to livestock** across those sloping grasslands. As the global artificial intelligence boom fuels a scramble for more computing power and electricity, the same climate that has sustained Ulanqab's pastoral economy is turning this Inner

Mongolian city into one of China's most coveted industrial assets.

Earlier this month, Chinese renewable energy company Envision Group brought its Galaxy Campus online in Ulanqab. The AI computing facility has, at its heart, a **120,000-square-meter AI data center, roughly the area of 20 standard football pitches.** Designed to accommodate up to one million AI accelerators, the campus has a planned power capacity of over two gigawatts, a scale that would make it one of the world's largest AI computing facilities. For comparison, Colossus 2, the massive U.S.-based AI data center run by Elon Musk's SpaceX AI, has a projected 1.5-gigawatt IT power capacity, according to a ranking by consultancy Epoch AI. Envision selected the Ulanqab location because it could pair computing infrastructure directly with renewable power, with the Galaxy Campus partly powered by Envision wind farms. Ulanqab accounts for about one-tenth of China's total wind resources and one-third of the Inner Mongolia autonomous region's. “Much of that **wind** once simply blew past, wasted,” said Yang Wenlong, Project Director at Envision Group. “Now it **can be turned into electricity for computing, and then into tokens.**” About 67% of Ulanqab's energy was powered by green electricity,

including solar power, Yang noted.

Ulanqab's shift from raising cattle and potato harvesting to the AI frontier has followed a decade-long path. In 2013, Huawei Technologies began working with the Ulanqab municipal government to expand its data center. Five years later, Apple announced plans to host its iCloud service on data centers in the city, the same year Chinese cloud platform UCloud began building its own facility in Ulanqab. Short video firm Kuaishou initiated construction of a data center in 2020, and completed the first phase designed for 300,000 servers several years later. Traditional data center operators VNET, Centrin Data and Chindata have since added green, AI-focused computing projects in Ulanqab, and Hangzhou-based AI model start-up DeepSeek was reportedly set to add one gigawatt of computing capacity in the city earlier this year.

As of June, **Ulanqab had signed 89 data center deals, 86 of which were AI computing projects**, according to local government figures. The city has a combined 12.5 gigawatts of capacity under development or planned, three times the 4.2 GW projected for Johor, the southern state of Malaysia that has emerged as one of the largest data center sites in the Asia-Pacific region, according to Goldman Sachs. "We are no longer selling computing power; we are selling tokens," said Liu Huansuo, Deputy Director of Ulanqab's Big Data Management Bureau. China's appetite for tokens has exploded in recent years. Daily use rose from about 100 billion at the beginning of 2024 to 100 trillion by the end of 2025, before exceeding 140 trillion in March 2026. This surge in token demand is driving a greater need for the electricity and computing infrastructure required to produce them. For Ulanqab, the wind blowing across the grasslands is no longer merely an energy resource – it helps to power an AI query. "Every one million tokens generated requires two to three kilowatt-hours of electricity," said Luo Xiyong of data center operator Zhonglian Data. **In Ulanqab, data center operators have access to some of China's cheapest**

power. Rates vary by supply arrangement, but some operators have secured electricity for about CNY0.35 per kilowatt-hour, less than half the roughly CNY0.70 charged in eastern provinces. Electricity can account for 60% to 70% of a data center's operating costs, making even modest savings significant.

At full utilization, a one-gigawatt AI computing center might consume as much as 8.76 billion kilowatt-hours of electricity a year. Cutting the electricity cost by just CNY0.1 per kilowatt-hour might reduce a center's annual power bill by about CNY876 million. For China's burgeoning AI industry, which is still searching for viable ways to monetize its models, cheap power is no marginal advantage – it is a central part of the business model. But it is only half the equation. The electricity consumed by computing equipment ultimately becomes heat that has to be removed. That is how Ulanqab's cold, dry climate provides another advantage. With an annual average temperature of about 5 degrees Celsius, **the city can use outside air as a natural cooling resource** for much of the year, reducing reliance on energy-intensive mechanical systems and leaving more electricity available for computing.

Power usage effectiveness (PUE) measures the ratio between a data center's total electricity consumption and the electricity delivered to its servers. A PUE of 1.0 means every watt goes directly to computing, while a higher figure indicates more power is consumed by supporting systems such as cooling and power conversion. Leading data-center clusters in the region have a PUE below 1.15, against a national average of close to 1.5, meaning that more of each watt reaches its chips. A difference of only a few cents can translate into hundreds of millions of yuan in savings at gigawatt scale. Those efficiencies matter because the amount of electricity consumed by computing has been rapidly rising, the South China Morning Post reports.

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CHINA NEWS ROUND-UP

Chinese companies are "In Europe, For Europe"

More and more Chinese companies report strong half-year sales in Europe. Chinese electric appliance manufacturer Midea achieved impressive growth in both revenue and profit in the first half of this year, according to its newly released fiscal report, with its air conditioners witnessing outstanding sales in Europe. Separately, a Chinese construction machinery

manufacturer reported a robust overseas performance, with an increasing footprint across Europe. As more Chinese companies post rising sales and forge closer ties with local partners in Europe, the trend highlights the growing strength of Chinese enterprises and their strong commitment to the "In Europe, For Europe" strategy, a Chinese expert said.

Midea reported operating revenue of CNY261.05 billion in the first half of this year, a year-on-year increase of 3.5%, and net profit attributable to shareholders of CNY26.45

billion, up 1.7%. Midea Group's revenue growth was mainly driven by growth in overseas markets, which contributed CNY113.13 billion, a year-on-year increase of 5.5%, compared with an increase of 1.9% for the Chinese mainland market. Sales and revenue of the **PortaSplit portable split air conditioner**, a customized product developed to meet the specific needs of the European market, surged by more than 200% year-on-year in the first half of 2026, becoming a hit in Europe and successfully breaking through in the broader consumer market.

Zoomlion reported first-half operating revenue of CNY27.14 billion, up 9.17% year-on-year, with both domestic and overseas businesses posting gains. Overseas revenue surged 12.45% to CNY15.54 billion. The company said that as of end-June, it had nearly 7,000 local employees overseas. Its smart manufacturing facility in Hungary was completed and put into operation, while its German plant was expanded and upgraded. Chinese companies have become more competitive globally after years of deep-rooted presence overseas. In Europe, as long as they pinpoint market needs and stay localized, they can perform well even when the business environment gets challenging, Cui Hongjian, Professor at the Academy of Regional and Global Governance at Beijing Foreign Studies University, told the Global Times. With the strategy of "In Europe and For Europe," Chinese enterprises in Europe are creating jobs and generating tax revenue for local communities, facts that speak for themselves, Cui said. "Rejecting Chinese investment would come at a high cost: not just the capital, but the welfare, jobs, and social stability that come with it," Cui added.

Printer toner maker turns to chipmaking

Hubei Dinglong, a business built on printer toner, is increasingly being reshaped by materials that polish and pattern silicon wafers. The Wuhan-based company reported CNY3.66 billion in revenue in 2025, with semiconductor material and chip business contributing 57% of the total, after growing 37.3% year-on-year. Revenue from printing consumables, once its defining business, fell 13% to CNY1.56 billion, according to its annual report. Dinglong's shift began with an internal question: Could the chemistry used to make printer toner particles be redirected toward chipmaking? "The opportunity came when our toner team found that previous experience in high-purity inorganic synthesis, surface modification and colloid chemistry could be applied to chemical mechanical planarization (CMP) slurry's nanoscale abrasive particles," said Zhu Shunquan, General Manager of the company.

CMP materials have long been a weak link constraining China's advanced chip manufacturing. Zhu said the main bottleneck in developing domestically produced CMP slurries lies in the supply of abrasive particles, a key upstream raw material that accounts for as much as 70% of total slurry costs. The global supply of such materials, however, has long been dominated by a handful of international companies, which have erected formidable market barriers and created closed supply-chain ecosystems through close joint-development arrangements and exclusive agreements, he noted. "This

structural imbalance has long left domestic CMP slurry producers with formulas but without the essential abrasive particles needed to put them into production, making it difficult to achieve stable mass production and independently improve high-performance products," Zhu added.

Against this backdrop, Dinglong moved into the CMP slurry business in 2021, targeting research and development (R&D) toward four core abrasives: high-purity silica, ultra-pure silica, alumina and ceria. Zhu said producing these abrasive particles in-house could give researchers more control over particle size and surface properties, allowing materials to be adjusted for a customer's process. To date, the company has overcome technical barriers in alumina abrasive particles, a field previously dominated by a single global supplier. Its product has entered mass production at a major domestic manufacturer, with monthly deliveries now running into hundreds of drums, the company said. It has also completed the development of a ceria-based CMP slurry for more advanced memory chips, which is undergoing a key qualification process before being introduced into mass production.

Notably, one of the company's proprietary CMP slurries had even outperformed an incumbent supplier's product in a key defect-control metric. "It delivered better scratch control than the incumbent product, helping us secure repeat orders from customers," Zhu said. Dinglong said it has invested more than CNY1.4 billion in slurry and abrasive-particle operations, the China daily reports.

Chinese carmakers branch into robotics

From BYD to Chery, XPeng to Leapmotor, around 20 automakers have invested in the humanoid robot sector. This highlights an industrywide strategic shift toward embodied intelligence, driven by deep synergies between the automotive and robotics industries in technologies, supply chains and manufacturing systems that enable seamless capability migration.

XPeng secured more than USD900 million in the first round of financing for its robotics business, pushing the unit's post-money valuation above USD6.3 billion. The deal marks the largest single private equity fundraising round in China's embodied intelligence sector to date, underscoring investor confidence in automakers' push into next-generation robotics. As a pillar of XPeng's physical AI strategy, the Iron humanoid robot is built on full-stack in-house hardware and software development. The company plans to start mass production by the end of 2026 and begin official deliveries across China and overseas markets in 2027. He Xiaopeng, CEO of XPeng, projected that the full life-cycle revenue and gross margin per Iron robot will surpass those of the company's passenger vehicles. Since June, He has also served as CEO of the robotics business.

Li Tengfei, Vice President of **Leapmotor**, noted that NEV companies, particularly those with full in-house R&D capabilities, are among the best-positioned to develop robots. Leapmotor confirmed that it has formulated plans in the robotics field. The company also expanded its strategic cooperation with FAW to include embodied intelligent

robots. Meanwhile, **Nio** announced that its Autonomous Driving Manager Ren Shaoqing has founded an embodied intelligence startup, with Nio set to make a strategic investment.

The primary driver behind automakers' enthusiasm for humanoid robots lies in inherent industrial synergies. **Core NEV components**, including motors, electric controls, sensors and chips, as well as precision manufacturing expertise, **are highly transferable to robot development**. **BYD's** first commercial humanoid robot, Xiaodi, made its global debut earlier in August. An insider close to BYD revealed that Xiaodi heavily reflects the company's automotive roots, with over 80% of its technologies developed in-house and largely repurposed from BYD's electric vehicle systems and intelligent driving technologies.

Beyond technical overlap, automakers boast mature supply chain management, rigorous vehicle-grade quality standards and large-scale mass production experience, systematic engineering strengths that most pure-play robotics startups lack. Zhang Guibing, Executive Vice President of **Chery Automobile**, pointed out that the auto and robotics industries share roughly 70% synergistic potential, particularly in supply chain and manufacturing management. While automobiles focus on intelligent mobility, humanoid robots extend capabilities to physical execution, and the technological boundary between the two is blurring amid advancing automotive intelligence. "More than 85% of the entire robot supply chain overlaps with XPeng's automotive supply chain. Therefore, we are very confident that XPeng's robots will achieve industry-leading cost competitiveness," He said, as reported by the China Daily.

Policies to stabilize property sector issued

A package of measures are to be implemented to shift home sales in China's vast property market away from a pre-sales model. A notice to local governments, jointly issued by the Ministry of Housing and Urban-Rural Development, the Ministry of Natural Resources and the National Financial Regulatory Administration (NFRA), **instructed them to prioritize completed-home sales**. Two other documents released the same day dealt with property sector financing. The central bank and the NFRA set out new rules on development loans, while the securities regulator said it would support listed developers in mergers and restructurings. "The policies are stronger than what the market expected," said Zhang Zhiwei, President and Chief Economist at Pinpoint Asset Management.

China's sluggish domestic demand was "to a large extent" caused by the troubled property sector, he said, adding that the measures suggested policymakers recognized the urgent need to stabilize the market. The housing notice called for the "vigorous and orderly" roll-out of completed-home sales. Projects on newly transferred land, as well as those on land already sold but without a construction planning permit, should prioritize the completed-home sales model, it said. Projects already holding permits were also encouraged to adopt it. Pre-sales will remain, but under tighter rules. Where they continue, individual

buildings must be topped out before units can be sold, and buyers' down payments, mortgage proceeds and other purchase funds must all be placed in supervised accounts.

To help developers deal with the funding pressures that come with the shift to completed-home sales, the notice also called for greater financing support and a lead-bank system for property projects, with one bank designated for each project to provide development loans or lead a lending syndicate. The central bank and the NFRA set out the terms, requiring development loans to match a project's construction and sales cycle and to run no longer than five years for presale projects and seven years for completed-home and commercial projects. Mortgage loans will also be released later under the new rules: after a sale is registered for completed homes, and only after a project is registered as complete for pre-sold ones. Buyers would "get the home first, then repay the loan", a central bank official said in comments published alongside the document. The maximum mortgage term was extended to 40 years from 30, the South China Morning Post reports.

Big Data Expo attracts more than 300 exhibitors

The **China International Big Data Industry Expo 2026 in Guiyang, Guizhou Province, attracted more than 300 exhibitors** and with key themes ranging from computing infrastructure to data supply. The advances of China's digital economy were on vivid display at the Expo: inside the exhibition hall, a humanoid robot performed a Miao ethnic dance and martial arts; outside, driverless buses and retail pods hit the streets – signs of high-tech leaving the showroom for the real world. This year marks the 12th edition of the Big Data Expo, and for Miao Yu, a Hangzhou-based industry insider attending the fair for the fifth time, the broad transformation is obvious. "China's data industry has come a long way in just a few years. From the early rush to build data centers and computing capacity, to the push for compute-driven applications, and now this year's spotlight on the token economy, it really charts the trajectory of China's digital economy, moving from resource accumulation to full-scale ecosystem innovation," he told the Global Times.

The theme of this year's Big Data Industry Expo is "Token: A new path for unlocking the value of data elements." As generative artificial intelligence (AI) scales up in application, the measurable, priceable, and tradable nature of tokens is being progressively unlocked. Token call volume is emerging as a key indicator for measuring AI activity, the depth of industrial penetration, and the level of intelligent development. China's data industry reached CNY6.78 trillion in 2025, up 15.7% year-on-year, maintaining sustained and rapid growth, according to the National Data Administration's National Institute for Data Development. Data-oriented software products, including AI application software, and data resource products, including token-based services, together generated CNY4.99 trillion in output value, accounting for 73.6% of the total, said Hu Jianbo, Dean of the Institute. Looking ahead, token-based services will give rise to new industrial ecosystems.

AI will open up new horizons for data industry development. Breakthroughs in AI-native data technologies and industrial innovation will accelerate, and the data

industry will continue to maintain relatively rapid growth, said Hu. Chinese companies are also mapping their token business and even exploring overseas opportunities. Peng Hailin, who is from the Guizhou Data Treasure Network Technology Co, said that his company is already in talks with overseas manufacturers who have made substantial computing power requests. The sector is advancing so quickly that overseas computing power exports could begin as early as this year, with Southeast Asia likely leading the charge, he said. Overseas attendees at the Expo also hailed vast potential for cooperation among developing countries in emerging industries, the Global Times reports.

China's NEV output up 30% in July, penetration rate hits 61%

China's production of new-energy vehicles (NEVs) rose 30% year-on-year in July to 1.55 million units, with a penetration rate of 61%, the China Passenger Car Association (CPCA) said. Total vehicle production remained flat year-on-year, reaching 2.53 million units. **Conventional fuel vehicle production stood at 980,000 units, down 27% year-on-year.** With robust production and a rising penetration rate, NEVs have become one of the most visible symbols of progress in Chinese manufacturing, analysts said. In the first seven months of 2026, NEV production reached 8.95 million, up 10%, with a penetration rate of 51%. Total vehicle production reached 17.61 million, down 3% year-on-year. The output of conventional-fuel vehicles stood at 8.67 million, down 14% year-on-year. The robust NEV production was achieved as the Chinese economy made a good start with improved quality and efficiency in the first seven months, despite facing multiple challenges, including the complex international environment, Cui Dongshu, Secretary General of the CPCA, said.

Profits in the equipment and high-tech manufacturing sectors grew rapidly, while the raw materials and manufacturing sectors posted double-digit profit growth, Cui said. "China has now entered a harvest period as earlier heavy, long-term investment in research and development is paying off, and new quality productive forces show accelerated speed. The nation's NEV sector is a typical example," Jin Siyu, an industry analyst, told the Global Times.

In the first seven months of 2026, the vehicle industry's revenue was CNY6.078 trillion, up 2.7% year-on-year. The industry had a profit margin of 3.6%. According to the China Association of Automobile Manufacturers (CAAM), China's auto exports maintained strong growth in July, with shipments exceeding 1 million units for a second consecutive month. **In July, China exported 1.043 million vehicles, up 0.6% month-on-month and 81.3% year-on-year.** For NEVs, China exported 553,000 units, up 150% year-on-year. NEVs accounted for more than half of China's total auto exports for a second consecutive month. China's annual NEV sales have risen to 16.49 million units, and China accounts for more than 70% of the global output of NEVs, power batteries and key materials, the Global Times reports.

Profits of China's semiconductor industry up 18.5-fold in first seven months

Profits in China's integrated circuit industry surged 18.5-fold year-on-year in the first seven months of 2026, as the accelerated expansion of the "AI+" initiative and sustained growth in computing-power demand boosted demand for related products, pushing up prices and driving rapid profit growth in electronics industries linked to AI production and applications. AI is moving beyond model development and becoming a source of demand for physical infrastructure and advanced manufacturing, with its impact increasingly visible in corporate earnings, Chinese experts said. The National Bureau of Statistics (NBS) announced that profits at major industrial enterprises totaled CNY4.58206 trillion in the first seven months, up 17.6% year-on-year. Operating revenue rose 6.5%, while profits increased 11.2% year-on-year in July alone. Industry observers said the more telling change lies in the composition of that growth. Electronics and high-tech manufacturing are emerging as major profit engines, as demand generated by AI spreads from chips and computing infrastructure into a much wider manufacturing ecosystem.

In the first seven months, the broader electronics sector as a whole saw profits more than double, rising 110% year-on-year and contributing 9.3 percentage points to total industrial profit growth. That made electronics the single largest driver of industrial profit growth, said Yu Weining, NBS Chief Statistician. The integrated circuit industry accounted for more than 80% of the increase in electronics-sector profits, with computing chips and memory chips among the main drivers. Elsewhere in the chain, profits in computer manufacturing, computer peripheral equipment and industrial control computers and systems rose 3.3 times, 2.5 times and 1.6 times, respectively.

Computing chips and high-bandwidth memory (HBM) are key hardware for AI computing, as both the training and inference of large models require substantial computing power and memory bandwidth, Ma Jihua, a veteran telecom industry observer, told the Global Times. "The rapid development of AI over the past two years has driven a sharp expansion in demand across both upstream and downstream industries," Ma said. Upgrades in large models and robotics are pushing up investment in chips, data centers and memory, while stronger industrial output is translating into faster revenue and profit growth for related companies. The spillover is also visible in communications infrastructure. Profits in optical-fiber manufacturing jumped 468.4% in the first seven months, while optical-cable manufacturing and communications-system equipment manufacturing posted increases of 62.6% and 55%, respectively. High-tech manufacturing profits overall rose 50.1%, contributing 9.6 percentage points to total industrial profit growth, the Global Times reports.

China adds autonomous vehicle chapter to Road Traffic Safety Law

China has dedicated a chapter to autonomous vehicles in a draft revision to the Road Traffic Safety Law, seeking to strengthen the legal framework for the rapidly developing sector. The draft was submitted to the Standing Committee of the National People's Congress (NPC) for its first reading. It defines autonomous vehicles and driver-assistance functions, clarifies the conditions for autonomous vehicles to operate on public roads, sets principles for handling traffic violations and outlines insurance arrangements for such vehicles. It also specifies the responsibility of automakers and importers in handling road safety violations that might occur when the vehicle's self-driving function is activated. It contains 170 articles in nine chapters and introduces a dedicated chapter on autonomous vehicles, while also addressing distracted driving, electric bicycles, road-occupying activities and traffic risks involving delivery platforms.

The existing Road Traffic Safety Law took effect in 2004, with individual provisions amended in 2007, 2011 and 2021. While introducing the draft revision to lawmakers,

Minister of Justice He Rong said that with socio-economic development and rapid changes in transport technologies, existing provisions can no longer fully meet practical needs in areas including traffic safety responsibilities, management measures, law enforcement and legal liability. According to the draft, China supports the safe, orderly and regulated testing, demonstration and operation of autonomous vehicles on public roads.

Before applying for production approval or import permission, automakers and importers would have to ensure that autonomous vehicles pass tests confirming their compliance with road traffic rules. Once registered, autonomous driving functions could only be activated under designated operating conditions. The draft also clarifies liability. If a traffic violation occurs while autonomous driving is activated, the manufacturer or importer would handle the violation. If they argue that the violation was unrelated to the autonomous driving system, they would have to prove it. Manufacturers and importers would be required to ensure road safety, cybersecurity and data security, and would be prohibited from making false or exaggerated claims about autonomous driving functions, the China Daily reports.

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Mr. Johan Verstraete, Vice President Weaving Machines, PICANOL
Mr. Arnaud Poitel, Global Head of Supply Chain, Procurement & ESG, ECO3
Mr. Wouter Ghyoot, Vice-President Government Affairs, UMICORE

Membership rates for one year:

- SMEs: €590.00 (VAT excl.)
- Large enterprises: €1,375.00 (VAT excl.)

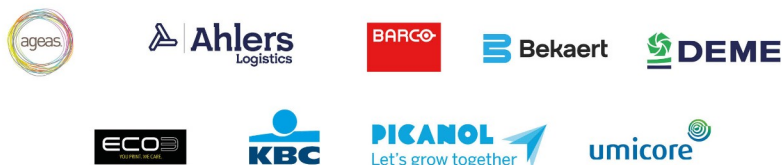
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