



# CHINA UPDATE

MARCH 2025

New targets in the GWR from the National People's Congress

	2025 target	2024 target
GDP growth	Around 5%	Around 5%
CPI	Around 2%	Around 3%
Budget deficit	4%	3%
Special bonds	CNY 4.4 trn yuan (USD605 bn) in special-purpose bonds for local governments. Ultra-long bond issuance increased to 1.3 trn yuan. Special treasury bonds of 500 bn yuan issued to inject into big banks	3.9 trillion yuan of special-purpose bonds for local gov. on. It is proposed that, starting this year and over each of the next several years, ultra long special treasury bonds be issued. 1 trillion yuan will be issued in 2024
Fiscal policy wording	We should adopt a more proactive fiscal policy...We have set the deficit-to-GDP ratio for this year at around 4 percent, an increase of one percentage point over last year	We should appropriately enhance the intensity of our proactive fiscal policy and improve its quality and effectiveness.
Private consumption	We will boost and upgrade consumption to stimulate economic flows. Vigorously boosting consumption and investment returns. We will launch special initiatives to boost consumption.	We will promote steady growth in consumer spending. We will take a full range of steps to unlock potential demand.
Housing	We will make continued efforts to stem the downturn and restore stability in the real estate market. Facilitate the purchase of commodity housing stock. Expand the scope for using the relending facility for government-subsidized housing. Effectively prevent debt defaults by real estate companies	We will refine real estate policies and meet justified financing demands of real estate enterprises. We will scale up the building and supply of government subsidized housing.
Employment	Over 12 million new urban jobs	Over 12 million new urban jobs
Unemployment	Urban unemployment around 5.5%	Urban unemployment around 5.5%
RMB	The RMB exchange rate should remain generally stable at an adaptive, balanced level	The RMB exchange rate should remain generally stable at an adaptive, balanced level
Energy	A drop of around 3% in energy consumption per unit of GDP	A drop of around 2.5% in energy consumption per unit of GDP

(Source: Danske Bank)

## CHINA'S TWO SESSIONS & GOVERNMENT WORK REPORT - CONFIDENCE IN CONTINUITY, BUT CHALLENGES LOOM

On Tuesday, March 4, the Third Session of the 14th National People's Congress commenced, with Premier Li Qiang delivering the **Government Work Report (GWR)** on behalf of the State Council. This report not only reviewed the government's work in 2024 but also outlined the major tasks for 2025. The Two Sessions reinforced a message of continuity, as Beijing seeks to project confidence in its economic and political direction despite growing challenges. The GWR acknowledged both external tensions, navigating an increasingly complex landscape and domestic economic weaknesses, but outlined a broad set of policies aimed at stabilizing growth, boosting domestic demand, and advancing key strategic industries.

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## TOPICS

### GWR - REVIEW

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- [Key Takeaways from China's 2025 Two Sessions – Policy Priorities, Annual Budget, and Legislative Plans \(Dezan Shira & Associates\)](#)
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- [Key Takeaways from the Two Sessions 2025 \(AHK China\)](#)
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- [China's Two Sessions economic targets signal greater confidence \(ING\)](#)
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