

BUSINESS

Share of equity assets in insurers’ portfolios to rise

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China’s push to expand direct and equity financing is expected to draw further insurance funds into the stock market, with industry experts saying insurers may continue increasing their exposure to equities in 2026.

The country will deepen comprehensive investment and financing reforms in the capital market, improve market entry mechanisms for medium- and long-term capital, refine investor protection schemes and broaden exit channels for private equity funds and venture capital funds, according to a government work report submitted earlier this month to the country’s top legislature for deliberation.

Data from the National Financial Regulatory Administration show that by the end of 2025, the balance of funds in use in China’s insurance industry had reached 38.48 trillion yuan (\$5.57 trillion), up 15.7 percent from the end of 2024.

Of this total, the combined balance of two core equity assets — stocks and securities investment funds — held by property and life insurers amounted to 5.7 trillion yuan, a sharp increase of 1.6 trillion yuan from the end of 2024. The 5.7 trillion yuan accounted for 15.38 percent of property and life insurers’ total balance of funds in use, a historically high level.

Industry experts believe insurers’ appetite for increasing exposure to equity assets may continue in 2026. A recent survey released by the Banking and Insurance Asset Management Association of China found that stocks and securities investment funds are the most favored domestic investment assets among insurance institutions for 2026. More than 60 percent of insurers said they intend to moderately or slightly increase their stock investments, while about 30 percent indicated their stock positions will remain largely unchanged.

The survey collected responses from 127 insurance institutions, including 36 insurance asset management firms and 91 insurance companies.

The results show that most insurers hold a relatively optimistic view of China’s A-share market for 2026. Insurance institutions are bullish on sectors such as electronics, nonferrous metals, power equipment, computers, telecommunications, pharmaceuticals and biotechnology, and basic chemicals. They are also

closely watching investment themes, including chips and semiconductors, national defense and military industries, AI computing power, robotics, energy metals, commercial aerospace, pharmaceuticals and innovative drugs, as well as companies expanding overseas and pursuing globalization strategies.

Respondents believe corporate earnings recovery and liquidity conditions will be the main factors shaping the A-share market.

Hong Kong stocks are the most favored overseas investment target for insurers in 2026. According to the survey, about half of insurance asset management companies plan to slightly increase their allocation to Hong Kong equities, while around 40 percent of insurance companies intend to maintain their current allocation.

Kong Xiang, an analyst at Guosen Securities, said that amid declining interest rates, insurers are actively reducing allocations to low-yield assets and shifting funds toward equities and the bond market.

Looking at 2026, China Merchants Securities said that given strong premium growth on the liability side and positive expectations for China’s capital markets, the balance of funds under management by insurance companies is likely to maintain double-digit growth. The share of equity assets in insurers’ portfolios is expected to continue rising, with the growth of stock investments projected to remain at around the trillion-yuan level.

Ge Yuxiang, an analyst at Zhongtai Securities, estimated that under a neutral scenario, incremental funds flowing into equity funds from insurers in 2026 could reach about 713.3 billion yuan for the full year.

China recently released guidelines to accelerate the high-quality development of technology insurance, aiming to build a support mechanism better aligned with the needs of scientific and technological innovation.

China will seek to better leverage the long-term and patient capital characteristics of insurance funds, encouraging insurers to provide targeted support to companies undertaking major national science and technology projects. The guidelines also call for strengthening investment in emerging industries as well as industries of the future, while encouraging insurance institutions — under market-based and law-based principles — to step up financial support for venture capital firms focused on frontier technology sectors.



Volunteers in Hangzhou, Zhejiang province teach local residents on Wednesday how to use Open-Claw, an autonomous, open-source AI agent that leverages large language models to perform everyday tasks. LIN YUNLONG / FOR CHINA DAILY

Chinese tokens ‘crush’ foreign competitors

Tiny digital units now nation’s most efficient value-added energy trade

By **CHENG YU**
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A programmer in San Francisco types a prompt and hits “enter”. In milliseconds, the request travels through a fiber-optic cable beneath the Pacific Ocean and awakens a data center thousands of miles away in western China. There, rows of GPUs — fed by abundant green energy — crunch the query and beam the answer back to California almost instantly.

What actually crossed the ocean were not physical goods but “tokens” — the tiny digital units that measure how artificial intelligence models read and generate text.

For China, it is packaging its massive reserves of cheap electricity and computing power to process tokens.

To a great extent, this invisible, frictionless trade marks a new form of “token export” and a historic pivot for the world’s second-largest economy.

In a watershed moment in mid-February, Chinese AI models processed 4.12 trillion tokens on the global aggregator platform Open-Router, surpassing US models’ 2.94 trillion for the first time. The following week, Chinese developers — including MiniMax and DeepSeek — claimed four of the platform’s top five spots, heavily driven by US users who make up nearly half of the platform’s base.

Exporting tokens has quietly become China’s most efficient value-added energy trade. While raw power in China sells for roughly 0.5 yuan (\$0.07) per kilowatt-hour if exported, converting that same electricity into AI computing power and selling it as tokens yields an estimated 22-fold increase in value.

Industry insiders point out that the low cost is only part of the equation.

Shi Yuxia, a senior engineer at the China Academy of Information and Communications Technology, said: “Electricity prices are not the core factor allowing Chinese tokens to crush foreign competitors on cost. It is the combination of energy cost advantages, improved AI technical capabilities and supply chain dominance.”

Technologically, almost all leading Chinese AI large models are open-sourced. Chinese developers have also adopted lightweight Mixture of Experts, or MoE, architectures. Instead of activating the entire artificial “brain” for every simple question, MoE models wake up only the specific neural pathways needed for a given query. This drastically cuts the computing power — and the electricity — needed to produce a single token.

To maximize this, the Chinese government has included computing-electricity synergy as a national priority in its 2026 Government

Work Report at the recently concluded two sessions.

This infrastructure push connects China’s world-leading ultra-high-voltage grid with its tech sector, allowing high-latency AI training to soak up cheap, abundant green energy in the remote west, while real-time inference runs closer to eastern tech hubs.

Qiu Zeyu, a deputy partner at consulting firm Roland Berger, said that the elevation of computing-power and electricity coordination into national policy showed that China is betting big on its energy infrastructure to build a strategic moat for the digital economy.

The resulting cost-to-performance ratio has made Chinese models the quiet engines behind many Western software platforms, driving a staggering 421 percent global surge in Chinese token consumption over the past year.

Yet, economists cautioned that a structural cost advantage does not guarantee permanent success abroad, especially as AI becomes a focal point of global technological rivalry.

Xing Ziqiang, chief China economist at Morgan Stanley, said: “Token exports certainly have room to grow. But data security and geopolitical tensions remain key variables for international market acceptance.”

He pointed to the case of Chinese 5G equipment makers, which offered strong technology and competitive prices but faced restrictions in some Western markets after 2018.

Border town key port for trade with Europe

URUMQI — In the course of the past 10 years, Horgos Railway Port in Northwest China’s Xinjiang Uygur autonomous region has become one of the busiest gateways for China-Europe freight trains, handling more than 19,000 train trips since the first train departed in March 2016.

Data from Horgos Railway Station show that the variety of goods transported via the port has expanded significantly, from daily necessities and textiles in the early days to over 200 categories currently, including mechanical and electrical equipment, new energy vehicles, electronics and agricultural products.

This expansion reflects ongoing optimization from “moving available goods” to “moving high-value goods.”

“The China-Europe freight train service is our preferred logistics solution for reaching European markets, thanks to its speed, cost efficiency and reliability,” said Zhang Yunyu, business manager of a local international freight forwarding company.

The company has so far been involved in over 2,000 freight train trips.

19,000

number of train trips that Horgos Railway Port handled since the first train departed in March 2016

The steady growth in train volume at this port is underpinned by continuous improvements in customs clearance and operational efficiency. In recent years, Horgos has deepened port reforms and introduced an innovative model combining a “smart railway port” with localized fast-track clearance.

By coordinating resources across customs, border inspection and railway authorities, the port now synchronizes processes such as train disassembly, transshipment, inspection and release, boosting turnover efficiency by more than 20 percent.

The port also provides round-the-clock clearance services, streamlines transport procedures, moves document review forward in the workflow, and strengthens daily and weekly coordination with Kazakh railway authorities to address bottlenecks in cross-border transit.

“We fully leverage our production command center to ensure accurate train flow forecasting, seamless operational coordination and efficient transshipment, which allows us to reliably execute daily plans and keep trains moving smoothly,” said Yang Jiming, a production dispatcher at the station’s safety command center.

Customs procedures have been upgraded in parallel. Zhao Yuanfeng, deputy head of the third supervision division at Horgos Customs, noted that authorities have implemented supportive policies, integrated customs oversight into railway workflows, and set up dedicated service windows for China-Europe trains. Tailored solutions and green channels are also offered to expedite document checks, inspections and transshipment.

As a key railway hub in China’s westward opening-up endeavors, Horgos has seen rapid growth in port-related industries, cross-border e-commerce and logistics, driven by the freight train network. What was once a remote border town is now steadily expanding its role in international trade, serving the development of the Belt and Road Initiative.

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Keep the wheels turning



Workers from Hudong Rolling Stock Depot under China Railway conduct a bearing-rotation inspection before the bearing is pressed, ensuring that the quality of bearing accessories is in line with required standards. The depot has bolstered moves to guarantee the quality of vehicle equipment, helping safeguard the smooth operation of heavy-haul freight trains running on the Datong-Qinhuangdao Railway, which transports some 350 million metric tons of coal each year. MA JINYUAN / FOR CHINA DAILY

Briefly

Tech innovation sees good momentum

China’s technological innovation enjoyed good momentum during the first two months of the year, the latest tax data showed on Thursday. Data released by the State Taxation Administration revealed that in January and February, sales revenue of high-tech industries increased by 16.1 percent year-on-year, while that of the research and technical services sector surged by 23.6 percent compared with a year earlier. Data also revealed rapid advancement in the integration of the digital and real economies during this two-month period.

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High-strength carbon fiber unveiled

China has unveiled SYT80, a domestically developed T1200-grade ultra-high-strength carbon fiber, marking a major breakthrough in the country’s high-performance carbon fiber technology. This new material has achieved a hundred-metric-ton-level annual production capacity, making China the first nation to mass-produce this caliber of carbon fiber, according to its developer, China National Building Material Group Co Ltd.

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Zeiss Vision places high priority on China, vowing sustained investment and positioning the country not only as a key market but also as a core global innovation engine that drives advancements for the world, a senior executive said.

For the next five years, the German manufacturer of eyeglass lenses and ophthalmic instruments will focus on letting China continue to thrive as the largest market, while also becoming a global innovation hub.

“We have an innovation hub in China, and it is not intended only for China, but also for the rest of the world. We will integrate global resources and drive growth by advancing smart manufacturing, localizing R&D, and fostering ecosystem collaboration,” Sven Hermann, a member of the executive board of the 180-year-old Zeiss Group, said in an exclusive interview during the China (Shanghai) International Optics Fair that concluded earlier this month.

At this year’s fair, the company unveiled an independent exhibition house featuring five thematic zones, displaying the latest breakthroughs in technologies and focusing on

in-depth communication, strategic co-creation, and immersive experiences.

A highlight was the global launch of the company’s new flagship product, Zeiss MyoActive Lens, at the fair. As the latest addition to Zeiss’ myopia management portfolio, the lens powered by Zeiss M.O.V.E. (micro optical variable elements) technology has been clinically proven to control myopia progression.

“China has been one of the fastest-growing markets for Zeiss, which has been rooted in the market for three decades, with Zeiss Vision China maintaining double-digit growth in recent years,” said Hermann, who is also president and CEO of Zeiss Consumer Markets.

“Every time I visit China, I find something new. The market is evolving so quickly,” he said.

To fuel innovation, the company has built a robust local innovation ecosystem, collaborating with leading Chinese universities and hospitals such as Zhongshan Ophthalmic Center of Sun Yat-sen University in Guangzhou, Guangdong province, and developing an AI-powered eye care assistant in partnership with Tencent Health to advance intelligent eye health management.

The company’s commitment to

China is also underscored by significant investments and tangible achievements. It has established six legal entities in Guangzhou with a total investment of over 4.2 billion yuan (\$608 million), evolving from an initial manufacturing base into a comprehensive eye health industry ecosystem.

Earlier this year, Zeiss Vision Care Guangzhou Manufacturing Base was named a “lighthouse factory” by the World Economic Forum owing to its end-to-end digital transformation in optical precision manufacturing, setting a global benchmark.

By deploying technologies like machine learning, digital twins, and AI agents, the manufacturing base also significantly enhances product personalization, tailoring solutions to customers’ age, visual needs and lifestyle, while reducing delivery time by 29 percent.

Zeiss is also accelerating the expansion of new businesses in China, having entered orthokeratology, mixed reality, augmented reality and smart glasses in 2025.

“We will be investing significantly in AR, virtual reality and smart glasses, among others. We’ve had some discussions with local governments and shared our plans, obtaining positive feedback and assistance,” said Hermann.