

# China Bulletin

Prepared by the research staff of the  
U.S.-China Economic and Security Review Commission (USCC.gov)



**August 5, 2025**

## Highlights

**Deflationary Pressures Widen Gap between Real and Nominal GDP**  
**China's Export Footprint Rapidly Expands in Developing Countries So Far in 2025**  
**Xi Jinping Criticizes Excess Competition and Wasteful Spending**  
**Rare Earth Resurgence; China's Critical Mineral Crackdown Continues**  
**China-EU Summit Yields Limited Results as Relations Reach an "Inflection Point"**  
**Huawei to Store Spain's Wiretap Data, Raising Security Concerns**

## Deflationary Pressures Widen Gap between Real and Nominal GDP

China's gross domestic product (GDP) grew 5.2 percent in Q2 2025, according to official statistics, keeping China on track to achieve its full-year 5 percent target but masking deflationary pressure as too much supply chases too little demand.<sup>1</sup>

- Quarterly data showed that consumption's contribution to China's GDP growth rose to its highest level in a year as retail and industrial trade-in programs continued to drive spending. Meanwhile, the share of growth from net exports dropped compared to the prior quarter as U.S. tariffs came into effect.<sup>2</sup> Nonetheless, industrial value added remained elevated compared to the prior year as manufacturing continued to drive economic activity.<sup>3</sup>
- Nominal GDP growth—the amount GDP grew at current prices—was only 3.9 percent, down from 4.6 percent in Q1, reflecting deflationary pressures.<sup>4</sup> In other words, China produced and sold more products for less money in order to grow the same amount as Q1 in real terms. The producer price index (PPI), a measure of the prices of industrial goods sold by manufacturers, dropped 3.6 percent in June 2025, its steepest decline in nearly two years and a sign of continuing excess capacity.<sup>5</sup>
- China's continued expansion of production in goods like integrated circuits (+9% growth year-over-year in the first half of 2025), photovoltaic cells (+18%), new energy vehicles (+36%), and industrial robots (+36%) is contributing to deflationary pressures, especially in sectors like solar panels where China's domestic production capacity already outstrips total global demand.<sup>6</sup> Steel production also continued to expand despite steel producers reportedly being instructed to cut back.<sup>7</sup>

*This issue of the China Bulletin was prepared by Zoe Merewether, Daniel Blaugher, Graham Ayres, Benton Gordon, Matthew Dagher-Margosian, Nicole Morgret, and Charles Horne. You may reach us at [contact@uscc.gov](mailto:contact@uscc.gov).*

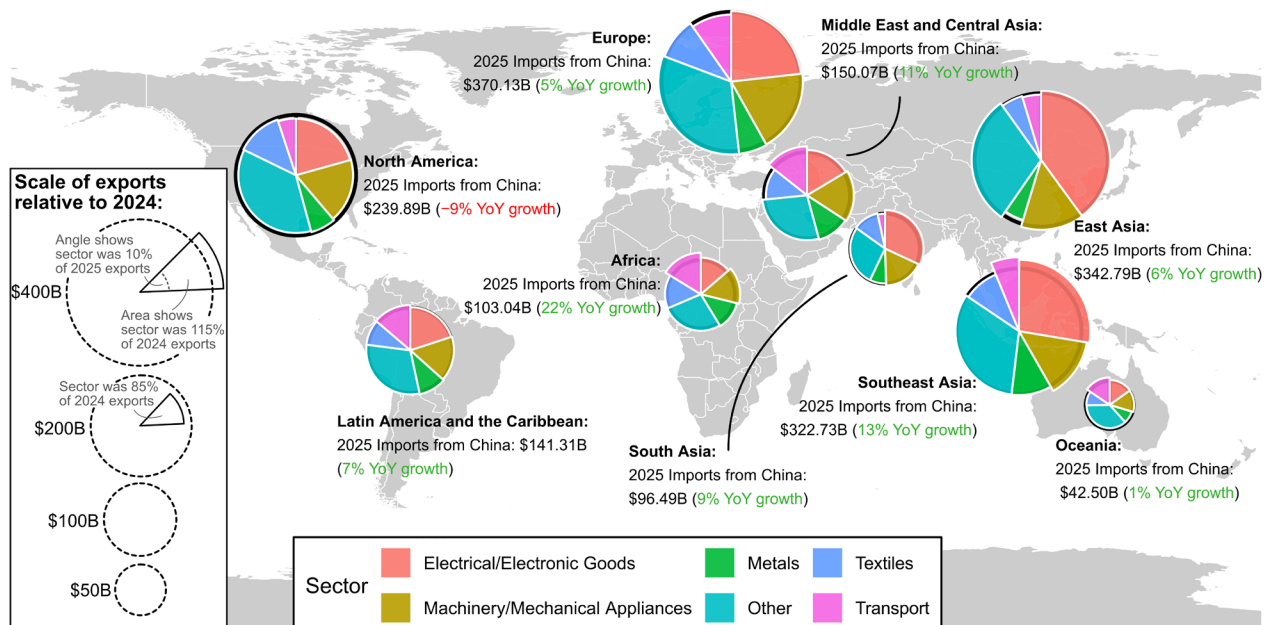
**Disclaimer:** This bulletin is the product of research performed by professional staff of the U.S.-China Economic and Security Review Commission (USCC) and was prepared to support the ongoing research and deliberations of the Commission. Posting of this bulletin to the Commission's website is intended to promote greater awareness and understanding of developing issues for Congressional staff and the public, in support of the Commission's efforts to "monitor, investigate, and report" on U.S.-China economic relations and their implications for U.S. national security, as mandated by Public Law 106-398 (as subsequently modified in law, see [uscc.gov/charter](https://uscc.gov/charter)). The public release of this document does not imply an endorsement by the Commission, any individual Commissioner, or the Commission's other professional staff, of the views or considerations raised in this staff-prepared bulletin.

## China's Export Footprint Rapidly Expands in Developing Countries So Far in 2025

In spite of continued trade tensions with the United States, Chinese exports rose to an all-time high in the first half of 2025 as Chinese goods diverted to other markets.

- Between January and June, China exported \$1.8 trillion in goods to the world, up 5.9 percent year-on-year.<sup>8</sup> As shown in Figure X, China's exports gained ground in virtually every region outside of North America. Though China's export sector demonstrated strength across sectors, export growth was particularly driven by its electronics, machinery, and transportation manufacturing sectors, which accounted for nearly three-quarters of the growth in China's global exports.

**Figure X: Mainland China's Exports by Region and Sector, 2025 H1 vs. 2024 H1**



*Note:* The map charts the scale of China's 2025 exports around the world by sector, displaying how China's sector-level exports changed relative to the first half of 2024. Because the chart relies on the most up-to-date information from China's customs authority, China's exports to Hong Kong are reflected as exports to East Asia. Hong Kong's trade with third countries is not shown in this graphic.

*Source:* China's General Customs Administration, *Custom Statistics*, July 28, 2025.\*

- Southeast Asia and Africa made up 55 percent of the growth in the first half of 2025 relative to 2024.<sup>9</sup> China-bound shipments to Southeast Asia have benefited from tariff-related trade diversion, driven by Chinese exporters both seeking new markets and attempting to circumvent higher U.S. tariffs. Moreover, a significant portion of \$150.3 billion in Chinese goods bound for Hong Kong (counted under East Asia) were intermediate goods bound for Southeast Asia.<sup>10</sup> While Africa remains a relatively small portion of China's overall trade, it was the fastest-growing export market for Chinese firms, with Morocco and other North African economies emerging as alternative production bases.<sup>11</sup>
- At the sectoral level, Chinese exports of electronics and industrial machinery contributed over half of China's export growth, with exports of vehicles and transportation machinery driving another 14 percent of export growth.<sup>12</sup> Southeast Asia, Africa, and Latin America were the fastest growing markets for China's vehicle exports.

\* The Electrical/Electronics Goods category is defined as products under Harmonized System (HS) chapter 85; Machinery/Mechanical Appliances as ch. 86; Metals as ch. 72–83; Textiles as ch. 50–67; and Transport as ch. 86–89.

---

## Xi Jinping Criticizes Excess Competition and Wasteful Spending

**In an unusual public acknowledgement of economic distortions caused by China's growth model, General Secretary of the Chinese Communist Party Xi Jinping derided excessive "competition" in key strategic verticals and pledged regulatory action to end price wars.**

- At separate July meetings, Xi vowed to crack down on "disorderly, low-price competition" and to cut outdated industrial capacity.<sup>13</sup> Xi also criticized wasteful investment in artificial intelligence (AI), data centers, and electric vehicle (EV) production.<sup>14</sup> Xi's remarks follow Chinese industrial planners' rebuke of BYD for slashing prices in May 2025 and critical reports in government-affiliated press on "race to the bottom" price wars and excess competition across sectors.<sup>15</sup> Following Xi's call for action, on July 30, China's National Development Reform Commission issued draft guidance for tightening oversight of any new funds used by local governments for industrial investment.<sup>16</sup> Experts believe this legislation is the launch of a larger "campaign" by China's central government to address these underlying market distortions.<sup>17</sup>
- Despite Xi's rhetoric and new central government oversight, local provinces are poised to continue to subsidize unproductive investments.<sup>18</sup> Although such support will further oversaturate industries and reduce firms' profits, local governments prefer those outcomes over unemployment or subpar scores in key government metrics around growth.<sup>19</sup> Another challenge to Xi's call for reform is that many overcapacity issues are concentrated in industries like EVs, AI, and food delivery services—where ostensibly private firms dominate rather than state-owned enterprises.<sup>20</sup>
- However, the biggest challenge for Xi remains his inability to acknowledge how China's central government is culpable for the industrial overcapacity, wasteful investment, and excess competition roiling China's economy.<sup>21</sup> As recently as last year, Xi insisted "overcapacity does not exist," and even this July, China's Foreign Ministry framed overcapacity as a false claim by Western governments to justify barring Chinese goods from foreign markets.<sup>22</sup> While state media outlets have parroted Xi's more recent critiques—citing self-interest of private sector firms and inefficient subsidy use by local governments—they, like Xi, have yet to admit that the central government's industrial policies have structurally incentivized overcapacity throughout China.<sup>23</sup>

## Rare Earth Resurgence; China's Critical Mineral Crackdown Continues

**China's exports of rare earth magnets to the United States surged seven-fold in June after a trade truce, highlighting China's continued leverage. Meanwhile, China's controls on other critical minerals tightened.**

- After imposing controls on rare earths in April 2025, Beijing relaxed restrictions following trade negotiations in Geneva.<sup>24</sup> In June 2025, China shipped 353 tons of rare earth magnets to the United States, a 660 percent gain from the sharp drop-off in May 2025 but still a significant 52 percent drop from June 2024 export levels.<sup>25</sup>
- Rare earth magnet exports from China to the rest of the world doubled from May but were down 38 percent year-over-year.<sup>26</sup> China has scrutinized exports to other countries because most rare earths enter the United States indirectly as part of intermediate or finished goods.<sup>27</sup> Companies are reportedly required to give intellectual property and confidential business information to Chinese officials to prove magnets will not be re-exported to U.S. military end users.<sup>28</sup>
- China retained controls on exports of other critical minerals, with germanium, antimony, bismuth, molybdenum, and tellurium exports to the world at approximately a tenth of average 2024 volumes and exports of germanium, bismuth, and molybdenum to the United States falling to zero, impacting auto manufacturers, defense firms, and data center builders.\*<sup>29</sup> Moreover, Chinese regulators supported by its spy agency, the Ministry of State Security, strengthened enforcement capacity, launching an anti-smuggling

---

\* Antimony exports from China to the United States are banned "in principle," and China's General Administration of Customs has no record of antimony shipments to the United States in 2025. However, the U.S. Census Bureau reports 1.9 million kilograms of antimony oxide imports and 78,000 kilograms of unwrought antimony imports from China between January and May 2025, roughly one-third of 2024 average levels. China's General Administration of Customs, "Customs Statistics," accessed July 31, 2025; U.S. Census Bureau, "USA Trade Online," accessed July 31, 2025; China's Ministry of Commerce, 商务部公告 2024 年第 46 号 关于加强相关两用物项对美国出口管制的公告 [Ministry of Commerce Announcement No. 46 (2024): Announcement Regarding Strengthening Controls Related to Dual-Use Goods Exported to the United States], December 3, 2024.  
[https://web.archive.org/web/20250710104808/https://www.mofcom.gov.cn/zwgk/zcfb/art/2024/art\\_3d5e990b43424e60828030f58a547b60.html](https://web.archive.org/web/20250710104808/https://www.mofcom.gov.cn/zwgk/zcfb/art/2024/art_3d5e990b43424e60828030f58a547b60.html).

---

campaign in May 2025, cracking down on antimony transshipment to the United States via Mexico and Thailand, and announcing plans to blacklist foreign importers found transshipping controlled minerals.<sup>30</sup>

## **China-EU Summit Yields Limited Results as Relations Reach an “Inflection Point”**

**EU-China tensions over trade imbalances and China’s support for Russia’s war in Ukraine overshadowed minor gains on export controls and climate in a meeting marking 50 years of official relations.**

- On July 24, 2025, top EU officials met General Secretary Xi and Chinese counterparts for a summit in Beijing. European Commission President Ursula von der Leyen said Europe’s growing trade imbalance with China has brought the relationship to an “inflection point” and emphasized the need to find “real solutions.” She cautioned Xi that relations with the EU could further deteriorate unless China acts to address overcapacity and market access concerns.<sup>31</sup> Xi proclaimed his oft-repeated slogan for “win-win” cooperation without offering concrete commitments.<sup>32</sup>
- At the summit, European Council President Antonio Costa called on China to exert more pressure on Russia to adhere to the UN Charter and end its war of aggression in Ukraine.<sup>33</sup> Europeans increasingly perceive the Russia-China relationship as a long-term threat with staying power, exemplified by new EU sanctions the week before the summit against two Chinese banks found to be financing Russia’s war effort.<sup>34</sup> In early July, China’s Foreign Minister Wang Yi reportedly told a top EU official that China wants Russia to win in Ukraine so the United States is unable to fully shift its focus toward the Indo-Pacific.<sup>35</sup>
- A joint statement reaffirming previous commitments on climate change and a separate agreement to speed licenses for critical mineral exports provided two bright spots amid an otherwise tense meeting.<sup>36</sup> The Europeans welcomed the export mechanism for rare earths, as EU businesses and carmakers have struggled to maintain adequate supply since China curbed critical mineral exports worldwide in April.<sup>37</sup>

## **Huawei to Store Spain’s Wiretap Data, Raising Security Concerns**

**In July, Spain signed a €12.3 million (\$14.3 million) contract with Huawei to store data intercepted by law enforcement agencies despite commitments to the EU to remove Huawei from its 5G telecommunications infrastructure.<sup>38</sup>**

- In response to the deal, officials from both the EU and the United States raised concerns about the security of the data stored on Huawei’s OceanStor servers, with U.S. House Intelligence Committee Chairman Rick Crawford and Senate Intelligence Committee Chairman Tom Cotton calling on the U.S. Director of National Intelligence to review intelligence sharing with Spain.<sup>39</sup>
- Spain’s Ministry of the Interior stated that the contract complied with its cybersecurity regulations, that no Huawei equipment was used for classified data, and that CNI, Spain’s intelligence agency, was not included in the contract.<sup>40</sup> However, analysts have pointed out that since other EU countries share intelligence with Spain, some of those wiretaps could potentially be stored on this system.<sup>41</sup>
- Spain’s decision to award the contract highlights inconsistencies in implementing an EU-wide approach to removing Chinese vendors from critical infrastructure. While Spain’s big three telecom providers have excluded Huawei equipment from 5G networks, Spain has taken a softer line confronting China than other EU countries as it courts Chinese investment in EVs and renewable energy.<sup>42</sup>

## Endnotes

- <sup>1</sup> China National Bureau of Statistics, *National Economy Made Steady Improvement despite Challenges in the First Half Year*, July 15, 2025. [https://web.archive.org/web/20250715042724/https://www.stats.gov.cn/english/PressRelease/202507/t20250715\\_1960408.html](https://web.archive.org/web/20250715042724/https://www.stats.gov.cn/english/PressRelease/202507/t20250715_1960408.html).
- <sup>2</sup> China National Bureau of Statistics, “China: Share of GDP Growth Rate: Final Consumption Expenditure,” via Haver Analytics; China National Bureau of Statistics, “China: Share of GDP Growth Rate: Net Exports of Goods & Services,” via Haver Analytics; Chad Bown, “Trump’s Trade War Timeline 2.0: An Up-to-date Guide,” *Peterson Institute for International Economics*, July 30, 2025. <https://www.piie.com/blogs/realtime-economics/2025/trumps-trade-war-timeline-20-date-guide>.
- <sup>3</sup> China National Bureau of Statistics, “China: Real Industrial Value Added,” via Haver Analytics; “China’s Growth Momentum Offers Rare Window to Fix Deflation,” *Bloomberg*, July 15, 2025. <https://www.bloomberg.com/news/articles/2025-07-15/china-s-growth-momentum-offers-xi-rare-window-to-fight-deflation?sref=mxblZFb4>.
- <sup>4</sup> China National Bureau of Statistics, “China: Gross Domestic Product,” via Haver Analytics.
- <sup>5</sup> China National Bureau of Statistics, “China: Producer Prices: All Industry Products,” via Haver Analytics.
- <sup>6</sup> Andy Liao, “China’s Semiconductor Investment Defies Economics—But Makes Perfect Strategic Sense,” *Sino-Southeast Initiative*, July 26, 2025. <https://sinosoutheastinitiative.com/2025/07/26/chinas-semiconductor-investment-defies-economics-but-makes-perfect-strategic-sense/>; China National Bureau of Statistics, *National Economy Made Steady Improvement despite Challenges in the First Half Year*, July 15, 2025; Colleen Howe and Kevin Xu, “China Solar Industry to Address Overcapacity Challenge but Turnaround Far Off, Experts Say,” *Reuters*, June 13, 2025. <https://www.reuters.com/sustainability/climate-energy/china-solar-industry-address-overcapacity-challenge-turnaround-far-off-experts-2025-06-13/>; G. Dan Hutcheson, “The Chip Insider—China’s IC Market Flooding,” *Tech Insights*, January 17, 2025. <https://www.techinsights.com/blog/chip-insiderr-chinas-ic-market-flooding>; Scott Kennedy, “The Chinese EV Dilemma: Subsidized Yet Striking,” *Center for Strategic and International Studies*, June 28, 2024. <https://www.csis.org/blogs/trustee-china-hand/chinese-ev-dilemma-subsidized-yet-striking>; Katrina Hamlin, “Solar Giant Illuminates China’s Overcapacity Bind,” *Reuters*, July 16, 2024. <https://www.reuters.com/breakingviews/solar-giant-illuminates-chinas-overcapacity-bind-2024-07-16/>; China National Bureau of Statistics, “Industrial Products Output: Photovoltaic Cells, Integrated Circuits,” via Haver Analytics.
- <sup>7</sup> China National Bureau of Statistics, “Industrial Products Output: Rolled Steel, Cold Rolled Steel Plate,” via Haver Analytics; Jing Zhang, “China Plans Steel Output Cuts but Production May Rise as Trade Tensions Ease,” *S&P Global*, May 14, 2025. <https://www.spglobal.com/commodity-insights/en/news-research/latest-news/metals/051425-china-plans-steel-output-cuts-but-production-may-rise-as-trade-tensions-ease>.
- <sup>8</sup> China’s General Administration of Customs, *Custom Statistics*, June 28, 2025.
- <sup>9</sup> China’s General Administration of Customs, *Custom Statistics*, June 28, 2025.
- <sup>10</sup> Connor Mycroft, “Hong Kong Exports Rise 11.9%, with Strong Showing in Mainland China, Asia Markets,” *South China Morning Post*, July 28, 2025. <https://www.scmp.com/news/hong-kong/hong-kong-economy/article/3319843/hong-kong-exports-rise-119-strong-showing-mainland-china-asia-markets>.
- <sup>11</sup> Patricia Cohen, “Why China Is Investing So Much Money in Moroccan Factories,” *New York Times*, May 7, 2025. <https://www.nytimes.com/2025/05/07/business/china-tariffs-morocco.html>; Ahmed Aboudouh, “Will Morocco Become a Battleground in a Global Trade War?” *Chatham House*, December 6, 2024. <https://www.chathamhouse.org/2024/12/will-morocco-become-battleground-global-trade-war>.
- <sup>12</sup> China’s General Administration of Customs, *Custom Statistics*, June 28, 2025.
- <sup>13</sup> Daisuke Wakabayashi, “China’s Problem with Competition: There’s Too Much of It,” *New York Times*, July 22, 2025. <https://www.nytimes.com/2025/07/22/business/china-involution-competition-deflation.html>; Bloomberg, “Xi Questions Local Officials on EV, AI Plans in Rare Rebuke,” June 17, 2025. <https://www.bloomberg.com/news/articles/2025-07-17/xi-wonders-if-all-chinese-provinces-need-to-flood-into-ai-evs>; “Xi Jinping Presided over the Sixth Meeting of the Central Financial and Economic Commission and Stressed: Deepen the Construction of a Unified National Market and Promote High-Quality Development of the Marine Economy” (习近平主持召开中央财经委员会第六次会议强调：纵深推进全国统一大市场建设 推动海洋经济高质量发展), *Xinhua*, July 1, 2025, Translation. <https://archive.ph/tMm0n#selection-201.17-204.0>.
- <sup>14</sup> Daisuke Wakabayashi, “China’s Problem with Competition: There’s Too Much of It,” *New York Times*, July 22, 2025. <https://www.nytimes.com/2025/07/22/business/china-involution-competition-deflation.html>; Bloomberg, “Xi Questions Local Officials on EV, AI Plans in Rare Rebuke,” June 17, 2025. <https://www.bloomberg.com/news/articles/2025-07-17/xi-wonders-if-all-chinese-provinces-need-to-flood-into-ai-evs>; “Xi Jinping Presided over the Sixth Meeting of the Central Financial and Economic Commission and Stressed: Deepen the Construction of a Unified National Market and Promote High-Quality Development of the Marine Economy” (习近平主持召开中央财经委员会第六次会议强调：纵深推进全国统一大市场建设 推动海洋经济高质量发展), *Xinhua*, July 1, 2025, Translation. <https://archive.ph/tMm0n#selection-201.17-204.0>.
- <sup>15</sup> Caiwen Chen, “China’s AI Data Centers Are Sitting Unused, Raising Questions about Efficiency,” *MIT Technology Review*, March 26, 2025. <https://www.technologyreview.com/2025/03/26/1113802/china-ai-data-centers-unused/>; Cheng Leng, “China’s Price Wars Hit Investment Banking as Underwriters Charge \$100 Fees,” *Financial Times*, July 25, 2025. <https://www.ft.com/content/5e0494ae-cde7-4441-82c0-109bbc93886d>; Daisuke Wakabayashi, “China’s Problem with Competition: There’s Too Much of It,” *New York Times*, July 22, 2025. <https://www.nytimes.com/2025/07/22/business/china-involution-competition-deflation.html>; Editorial Board, “China’s Battle with Deflation Isn’t Just a Demand Problem,” *Financial Times*, July 27, 2025. <https://www.ft.com/content/d5ab6bdb-689f-466c-94ea-0d4e5bbaa8f1>; Fan FeiFei, “Rational competition urged for platform economy,” *China Daily*, July 22, 2025.

- <https://archive.ph/zY0oP#selection-371.0-374.0>; “Xi Jinping Wages War on Price Wars,” *Economist*, June 30, 2025. <https://www.economist.com/finance-and-economics/2025/06/30/xi-jinping-wages-war-on-price-wars>.
- <sup>16</sup> Luna Sun, “China Unveils New Oversight Guidelines Seen as a Strategic ‘Anti-Involution Effort,’” *South China Morning Post*, July 30, 2025. <https://www.scmp.com/economy/china-economy/article/3320154/china-unveils-new-oversight-guidelines-seen-strategic-anti-involution-effort>.
- <sup>17</sup> “China Makes Ending Price Wars a Top Priority amid Trade Tensions,” *Bloomberg*, July 30, 2025. <https://www.bloomberg.com/news/articles/2025-07-30/china-politburo-signals-confidence-in-economy-despite-trade-war?embedded-checkout=true>; Eddy Loh, “Beijing’s Anti-Involution Campaign Will Make Chinese Techs Even More Attractive: Maybank,” *CNBC International*, July 30, 2025. <https://www.youtube.com/watch?v=i1ST7CLtRRs>.
- <sup>18</sup> Haohsiang Ko et al., “China Struggles to Break Its Addiction to Manufacturing,” *Financial Times*, July 29, 2025. <https://www.ft.com/content/f7979a8f-874a-4b47-8304-d93d30171980>; “Xi Jinping Wages War on Price Wars,” *Economist*, June 30, 2025. <https://www.economist.com/finance-and-economics/2025/06/30/xi-jinping-wages-war-on-price-wars>.
- <sup>19</sup> Daisuke Wakabayashi, “China’s Problem with Competition: There’s Too Much of It,” *New York Times*, July 22, 2025. <https://www.nytimes.com/2025/07/22/business/china-involution-competition-deflation.html>; Haohsiang Ko et al., “China Struggles to Break Its Addiction to Manufacturing,” *Financial Times*, July 29, 2025. <https://www.ft.com/content/f7979a8f-874a-4b47-8304-d93d30171980>.
- <sup>20</sup> Mimi Zhou, “DeepSeek is now a global force. But it’s just one player in China’s booming AI industry,” *UNSW*, February 26, 2025. <https://www.unsw.edu.au/newsroom/news/2025/02/deepseek-global-force-Chinas-AI-industry>; *China Daily*, “Rise of food delivery empire,” January 20, 2025. <https://archive.ph/X0NyJ>; Shuli Ren, “Xi Wants to End China’s Price Wars. But How?” *Bloomberg*, July 13, 2025. <https://www.bloomberg.com/opinion/articles/2025-07-13/xi-wants-to-end-china-s-price-wars-but-how>.
- <sup>21</sup> Daisuke Wakabayashi, “China’s Problem with Competition: There’s Too Much of It,” *New York Times*, July 22, 2025. <https://www.nytimes.com/2025/07/22/business/china-involution-competition-deflation.html>; Haohsiang Ko et al., “China Struggles to Break Its Addiction to Manufacturing,” *Financial Times*, July 29, 2025. <https://www.ft.com/content/f7979a8f-874a-4b47-8304-d93d30171980>; China Forced to Keep Unprofitable Firms Alive to Save Jobs and Avoid Unrest, *Bloomberg*, June 12, 2025. <https://www.bloomberg.com/news/features/2025-06-12/xi-keeps-china-s-unprofitable-businesses-alive-to-save-jobs-and-avoid-unrest>. Luna Sun, “China Unveils New Oversight Guidelines Seen as a Strategic ‘Anti-Involution Effort,’” *South China Morning Post*, July 30, 2025. <https://www.scmp.com/economy/china-economy/article/3320154/china-unveils-new-oversight-guidelines-seen-strategic-anti-involution-effort>.
- <sup>22</sup> “China’s New Energy Capacity Fills Global ‘Green Gap,’ Is Contribution to Green Development Not ‘Overcapacity’: FM,” *Global Times*, July 25, 2025. <https://web.archive.org/web/20250730041126/https://www.globaltimes.cn/page/202507/1339253.shtml>; State Council of the People’s Republic of China, 习近平：所谓‘中国产能过剩’问题根本不存在，May 7, 2024. [https://english.www.gov.cn/news/202405/07/content\\_WS66391c1fc6d0868f4e8e6cb6.html](https://english.www.gov.cn/news/202405/07/content_WS66391c1fc6d0868f4e8e6cb6.html).
- <sup>23</sup> Hanming Fang, Ming Li, and Zenan Wu, “Tournament-Style Political Competition and Local Protectionism: Theory and Evidence from China,” Penn Institute for Economic Research Working Paper No. 22-031, *University of Pennsylvania*, 2022; Editorial Board, “China’s Battle with Deflation Isn’t Just a Demand Problem,” *Financial Times*, July 27, 2025. <https://www.ft.com/content/d5ab6bdb-689f-466c-94ea-0d4e5bbaa8f1> <https://econpapers.repec.org/paper/penpapers/22-031.htm>; “Qishi Article on Involution and Overcapacity Hints at Policy Response,” *Trivium China*, July 2, 2025. <https://triviumchina.com/2025/07/02/qishi-article-on-involution-and-overcapacity-hints-at-policy-response/>.
- <sup>24</sup> Amy Lü and Colleen Howe, “China’s Exports of Rare Earth Magnets to the U.S. Surge in June,” *Reuters*, July 20, 2025. <https://www.reuters.com/world/china/chinas-exports-rare-earth-magnets-us-surge-june-2025-07-20>.
- <sup>25</sup> Amy Lü and Colleen Howe, “China’s Exports of Rare Earth Magnets to the U.S. Surge in June,” *Reuters*, July 20, 2025. <https://www.reuters.com/world/china/chinas-exports-rare-earth-magnets-us-surge-june-2025-07-20>; Rebecca Feng, “Chinese Rare-Earth Magnet Exports Surge after U.S. Trade Truce,” *Wall Street Journal*, July 19, 2025. <https://www.wsj.com/world/asia/chinese-rare-earth-magnet-exports-surge-after-u-s-trade-truce-f9f6e059>.
- <sup>26</sup> Amy Lü and Colleen Howe, “China’s Exports of Rare Earth Magnets to the U.S. Surge in June,” *Reuters*, July 20, 2025. <https://www.reuters.com/world/china/chinas-exports-rare-earth-magnets-us-surge-june-2025-07-20>; Rebecca Feng, “Chinese Rare-Earth Magnet Exports Surge after U.S. Trade Truce,” *Wall Street Journal*, July 19, 2025. <https://www.wsj.com/world/asia/chinese-rare-earth-magnet-exports-surge-after-u-s-trade-truce-f9f6e059>.
- <sup>27</sup> Edward White, Ryan McMorro, and Harry Dempsey, “Global Supply Chains Threatened by Lack of Chinese Rare Earths,” *Financial Times*, May 18, 2025. <https://www.ft.com/content/81ba803e-9cce-4752-8432-4dde4e77c691>; Noah Berman, “China’s Rare Earths Riposte,” *Wire China*, April 8, 2025. <https://www.thewirechina.com/2025/04/08/chinas-rare-earths-riposte>.
- <sup>28</sup> Jon Emont, “China Is Still Choking Exports of Rare Earths despite Pact with U.S.,” *Wall Street Journal*, June 26, 2025. <https://www.wsj.com/world/china/china-rare-earths-exports-2fd0dab4>; Ryan McMorro, Joe Leahy, and Kana Inagaki, “China Demands Sensitive Information for Rare Earth Exports, Companies Warn,” *Financial Times*, June 12, 2025. <https://www.ft.com/content/0fce7177-a713-4c06-ba22-0ae429efe73f>.
- <sup>29</sup> China’s General Administration of Customs, “Customs Statistics—HS 28045000, HS 28429020, HS 81021000, HS 81061010, HS 81061090, HS 81069010, HS 81069090,” accessed July 31, 2025; U.S. Census Bureau, “USA Trade Online—HS 8102100000, HS 8106100000, HS 8106900000, HS 8112926000, HS 8112926500,” accessed July 31, 2025. Lewis Jackson, “Chinese Exports of Two Critical Minerals Plunge Even as Rare Earths Rebound,” *Reuters*, July 21, 2025. <https://www.reuters.com/world/china/chinese-exports-two-critical-minerals-plunge-even-rare-earths-rebound-2025-07-21/>; Cheng Ting-Fang and Lauy Li, “China’s Critical Mineral Curbs

- Shake AI Data Center Suppliers,” *Nikkei Asia*, June 11, 2025. <https://asia.nikkei.com/Spotlight/Supply-Chain/China-s-critical-mineral-curbs-shake-AI-data-center-suppliers2>; Patrick Tucker, “China’s Rare-Earth Mineral Squeeze Will Hit the Pentagon Hard,” *Defense One*, April 23, 2025. <https://www.defenseone.com/threats/2025/04/chinas-rare-earth-mineral-squeeze-will-hit-pentagon-hard/404776>; Amy Lü, Divya Rajagopal, and Ernest Scheyder, “Rattled by China, West Scrambles to Rejig Critical Minerals Supply Chains,” *Reuters*, December 6, 2024. <https://www.reuters.com/markets/commodities/rattled-by-china-west-scrambles-rejig-critical-minerals-supply-chains-2024-12-06>.
- <sup>30</sup> “Chinese Authorities to Roll Out More Measures to Combat Smuggling, Illegal Export of Strategic Minerals as Situation Remains Severe: MOFCOM,” *Global Times*, July 24, 2025. <https://web.archive.org/web/20250725141128/https://www.globaltimes.cn/page/202507/1339176.shtml>; “‘零容忍、出重拳’！我国对战略矿产走私出口始终保持严查严打高压态势” [“Zero Tolerance, Crack Down Hard!” China Will Always Maintain Strict Investigations, Strict Enforcement, and a High-Pressure Posture toward Strategic Mineral Smuggled Exports], *Xinhua*, July 24, 2025. <https://web.archive.org/web/20250725141413/http://www.news.cn/fortune/20250724/a3fb9e95e4ec4715a1cece325125b03b/c.html>; [Note to Factchecker: 两个多月来... 5月9日] “China Says It’s Investigating, Arresting Illegal Exporters of Critical Minerals,” *Export Compliance Daily*, July 22, 2025. [https://exportcompliancedaily.com/article/view?search\\_id=37335&id=2410691](https://exportcompliancedaily.com/article/view?search_id=37335&id=2410691); Lewis Jackson, “Chinese Exports of Two Critical Minerals Plunge Even as Rare Earths Rebound,” *Reuters*, July 21, 2025. <https://www.reuters.com/world/china/chinese-exports-two-critical-minerals-plunge-even-rare-earths-rebound-2025-07-21/>; “China Spy Agency Accuses Foreign Agents of Stealing Rare Earths,” *Bloomberg*, July 17, 2025. <https://www.bloomberg.com/news/articles/2025-07-18/china-spy-agency-accuses-foreign-agents-of-stealing-rare-earths>; Alessandro Parodi et al., “How U.S. Buyers of Critical Minerals Bypass China’s Export Ban,” *Reuters*, July 9, 2025. <https://www.reuters.com/business/autos-transportation/how-us-buyers-critical-minerals-bypass-chinas-export-ban-2025-07-09/>; Shunsuke Tabeta, “China Antigraft Crackdown Targets Rare-Earth Producing Areas,” *Nikkei Asia*, June 26, 2025. <https://asia.nikkei.com/Spotlight/Supply-Chain/China-antigraft-crackdown-targets-rare-earth-producing-areas>.
- <sup>31</sup> Jorge Liboreiro, “EU Hails Progress on China’s Rare Earth Curbs but Insists Trade Be Rebalanced,” *Euronews*, July 24, 2025. <https://www.euronews.com/my-europe/2025/07/24/eu-hails-progress-on-chinas-rare-earth-curbs-but-insists-trade-be-rebalanced>; Ryan Mc Morrow, Joe Leahy, and Henry Foy, “Ursula von der Leyen Tells Xi Jinping EU-China Ties Are at ‘Inflection Point,’” *Financial Times*, July 24, 2025. <https://www.ft.com/content/268b2852-e83c-4676-9f3c-7ca41c12c1ba>.
- <sup>32</sup> China’s Ministry of Foreign Affairs, 习近平会见欧洲理事会主席科斯塔、欧盟委员会主席冯德莱恩 [Xi Jinping Meets with European Council President Antonio Costa and European Commission President Ursula von der Leyen], July 24, 2025. [https://web.archive.org/web/20250724161014/https://www.mfa.gov.cn/zyxw/202507/t0250724\\_11676247.shtml](https://web.archive.org/web/20250724161014/https://www.mfa.gov.cn/zyxw/202507/t0250724_11676247.shtml).
- <sup>33</sup> Zoya Sheftalovich, “EU Warns China to Push Putin to End War as Relations Hit ‘Inflection Point,’” *Politico*, July 24, 2025. <https://www.politico.eu/article/eu-warns-china-push-vladimir-putin-russia-end-ukraine-war-relations-hit-inflection-point-summit/>.
- <sup>34</sup> Zoya Sheftalovich, “EU Warns China to Push Putin to End War as Relations Hit ‘Inflection Point,’” *Politico*, July 24, 2025. <https://www.politico.eu/article/eu-warns-china-push-vladimir-putin-russia-end-ukraine-war-relations-hit-inflection-point-summit/>; “China Threatens Response to EU Sanctions on Banks, Firms,” *Bloomberg*, July 21, 2025. <https://www.bloomberg.com/news/articles/2025-07-21/china-threatens-response-to-eu-sanctions-on-banks-firms>; European External Action Services, *Speech by President von der Leyen at the EP Plenary Joint Debate on EU-China Relations*, July 8, 2025. [https://www.eeas.europa.eu/delegations/china/speech-president-von-der-leyen-ep-plenary-joint-debate-eu-china-relations\\_en?s=166](https://www.eeas.europa.eu/delegations/china/speech-president-von-der-leyen-ep-plenary-joint-debate-eu-china-relations_en?s=166); Tauno Tohk, “More Than a Systemic Rival: China as a Security Challenge for the EU,” *International Centre for Defense and Security*, March 24, 2025. <https://icds.ee/en/more-than-a-systemic-rival-china-as-a-security-challenge-for-the-eu/#:~:text=A%20Threat%20to%20Security%20and,%5B7%5D>.
- <sup>35</sup> Finbarr Bermingham, “Exclusive | China Tells EU It Does Not Want to See Russia Lose Its War in Ukraine: Sources,” *South China Morning Post*, July 4, 2025. <https://www.scmp.com/news/china/diplomacy/article/3316875/china-tells-eu-it-cannot-afford-russian-loss-ukraine-war-sources-say>.
- <sup>36</sup> European Council, *Joint EU-China Press Statement on Climate*, July 24, 2025. <https://www.consilium.europa.eu/en/press/press-releases/2025/07/24/joint-eu-china-press-statement-on-climate/>; Jorge Liboreiro, “EU Hails Progress on China’s Rare Earth Curbs but Insists Trade Be Rebalanced,” *Euronews*, July 24, 2025. <https://www.euronews.com/my-europe/2025/07/24/eu-hails-progress-on-chinas-rare-earth-curbs-but-insists-trade-be-rebalanced>; Keith Bradsher, “China and E.U. Reach Narrow Agreements on Climate and Rare Earths,” *New York Times*, July 23, 2025. <https://www.nytimes.com/2025/07/23/business/china-eu-trade-ukraine.html>.
- <sup>37</sup> Keith Bradsher, “China and E.U. Reach Narrow Agreements on Climate and Rare Earths,” *New York Times*, July 23, 2025. <https://www.nytimes.com/2025/07/23/business/china-eu-trade-ukraine.html>.
- <sup>38</sup> Natasha Buckley, Pia Huesch, and Jamie MacColl, “European Critical Infrastructure Still Struggles with Chinese ICT Vendors,” *Australian Strategic Policy Institute*, July 22, 2025.
- <sup>39</sup> Antoaneta Roussi, “Spain under Fire for Contracting Huawei to Store Judicial Wiretaps,” *Politico Europe*, July 17, 2025. <https://www.politico.eu/article/spain-huawei-contract-judicial-wiretaps/>; “Intel Chairs Cotton and Crawford to Gabbard: Review Intelligence Sharing with Spain,” July 17, 2025. <https://www.cotton.senate.gov/news/press-releases/intel-chairs-cotton-and-crawford-to-gabbard-review-intelligence-sharing-with-spain>.
- <sup>40</sup> Daniel Basteiro, “Spain Confirms Huawei Use for Wiretaps, Denies Security Risk,” *Bloomberg*, July 18, 2025. <https://www.bloomberg.com/news/articles/2025-07-18/spain-says-huawei-storage-is-minor-part-of-wiretap-systems?sref=mxbizFb4>; Antoaneta Roussi, “Spain under Fire for Contracting Huawei to Store Judicial Wiretaps,” *Politico Europe*, July 17, 2025. <https://www.politico.eu/article/spain-huawei-contract-judicial-wiretaps/>.

---

<sup>41</sup> Kris Cheng, “Spain’s Huawei Contract Exposes EU to Security Risks, Critics Say,” *Nikkei Asia*, July 30, 2025.

<https://asia.nikkei.com/Business/Technology/Spain-s-Huawei-contract-exposes-EU-to-security-risks-critics-say>.

<sup>42</sup> Natasha Buckley, Pia Huesch, and Jamie MacColl, “European Critical Infrastructure Still Struggles with Chinese ICT Vendors,” *Australian Strategic Policy Institute*, July 22, 2025. <https://www.aspistrategist.org.au/european-critical-infrastructure-still-struggles-with-chinese-ict-vendors/>; Jesús Maturana, “Huawei’s Paradox in Spain: No to 5G, but Yes to Wiretap Storage,” *Euronews*, July 13, 2025. <https://www.euronews.com/next/2025/07/13/huaweis-paradox-in-spain-no-to-5g-but-yes-to-wiretap-storage>; “Profiling European Countries’ Resilience towards China,” *MERICS*, October 31, 2024. <https://merics.org/en/report/profiling-european-countries-resilience-towards-china>; Patricia Cohen, “Spain Opens Its Doors to China as a European Trade War Looms,” *New York Times*, October 30, 2024. <https://www.nytimes.com/2024/10/30/business/spain-china-investment.html>.