

Chinese business & finance

Chinese premier's meeting with tech executives fuels stock rally

Sector appears back in Beijing's favour as government sees role for companies in rivalry with US



Chinese premier Li Qiang told tech executives to 'increase their international competitiveness and dare to compete on the global stage' in a meeting on Wednesday © Mark Schiefelbein/AP

Ryan McMorrow and Nian Liu in Beijing, Qianer Liu in Hong Kong 11 HOURS AGO

Chinese tech stocks are rallying after top government officials indicated a shift from reining in the companies' influence to helping them grow and strengthen China's position on the world stage.

Premier Li Qiang offered his support to senior tech executives in a meeting on Wednesday in Beijing, while the country's internet regulator on Thursday said it would push for innovation in generative artificial intelligence as it released updated rules for the sector.

The country's state planning agency had also praised groups including Tencent and Meituan for bolstering the country's semiconductor efforts.

The official outreach follows the conclusion of a regulatory campaign against Jack Ma's Ant Group, which was [hit with a nearly \\$1bn fine](#) last week. The central bank said financial platform operators such as Ant and Tencent had ironed out most of their outstanding problems.

The apparent end to the crackdown on major [tech](#) groups has lifted the New York-listed shares of Ant sister company Alibaba 12 per cent in the past week, while the Hang Seng Tech index rose 4 per cent on Thursday and is up nearly 9 per cent since

Monday. Alibaba shares remain 70 per cent lower from when Beijing called off Ant's blockbuster public debut in 2020, and are up just 3 per cent since the start of the year.

Beijing's shifting regulatory stance comes amid stuttering economic growth, with a range of official data pointing to a broad slowdown in [China](#). There has also been a growing recognition that clamping down on domestic tech groups has damaged the country's technological competitiveness with the US.

Li, China's number-two leader, told the assembled tech executives they needed to "push to increase their international competitiveness and dare to compete on the global stage".

In the audience were executives from TikTok owner ByteDance, food delivery group Meituan and Alibaba Cloud, according to state media. Li said the government would normalise regulation and called on all levels of government to create a better market environment.

Officials should "reduce the costs of compliance and promote the healthy development of industry", Li said. "On the journey of building a modern socialist country, the platform economy has great potential."

Meanwhile, the Cyberspace Administration of China on Thursday said it would "promote innovation" and "attach equal importance to development and security" in the newly released interim measures governing AI, wording that was not included in an earlier April draft. The rules set to take effect in mid-August also encouraged all industries to use generative AI for the first time.

Generative AI providers with products capable of "influencing public opinion" have to submit them for security reviews and all generated content must adhere to "core socialist values", the measures say.

A person close to regulators said the updated rules were not final and that the CAC was still working on the details of a licensing system for the final version.

Earlier, China's state planning agency on Wednesday praised Tencent and Meituan for backing semiconductor start-ups at the heart of the tech battle with the US.

Shanghai-based Enflame Tech, backed by Tencent, has designed chips used in large-scale clusters of artificial intelligence servers, the National Development and Reform Commission said, while Rong Semiconductor, backed by Meituan, is advancing chip manufacturing. "Both are important emerging players in the semiconductor

industry,” the agency said.

Robin Zhu, a Bernstein analyst, said China's official displays of support were a “shoe-drop moment for investors who'd chosen to look past an assortment of announcements delivering a similar message over the past year”.

But Zhu cautioned that the shifting regulatory tide would not lift all boats in Chinese tech. “Investors will increasingly need to be selective when picking stocks, given the increasingly divergent fundamental outlooks across the sector,” he said.

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