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Inside China's Two Sessions: What Provincial Reports Reveal

In early March, thousands of delegates will convene in Beijing for the annual Two Sessions, the world's largest legislative gathering, where China's budgets, targets and priorities for the year ahead will be unveiled. To anticipate what might be on the table, the Tony Blair Institute for Global Change (TBI) has translated and analysed more than 60 provincial work reports published in the last two years – offering a unique, data-driven perspective on Beijing's evolving strategy.

This year, uncertainty around a new US administration has sharpened China's focus on resilience-building. But unlike during President Donald Trump's first term, Beijing now has fewer resources at its disposal. Its answer? Innovation. Increasingly, the central leadership is rejecting the idea that China must choose between security and growth. Instead, China's future prosperity and security both hinge on cementing itself on the right side of a new Industrial Revolution.

For policymakers across the system – especially provincial party chiefs – this means growing pressure to deliver innovative solutions on everything from consumer confidence to social stability. Nowhere is that clearer than in this year's provincial work reports, which offer critical insights on Beijing's priorities from those best placed to understand the central leadership's signals.

Through in-depth modelling and analytics, TBI's assessment goes beyond the headlines, offering a deeper understanding of the policy direction shaping China's next chapter.

Why Bother With Provincial Work Reports?

China's provincial work reports – which are rarely translated into English – are an under-explored resource. Every January, each of China's 31 provinces, municipalities and autonomous regions hosts its own mini-version of the Two Sessions, setting a provincial growth target and multiple work priorities (or “major tasks”) for the year ahead.

Provinces take their lead from central-party priorities, such as those laid out at December's [Central Economic Work Conference](#) and July's [Third Plenum](#), but these provincial sessions are also a chance for each province to stake out its own interests in the process.

Their priorities reflect China's sheer regional diversity. Fujian, for example, which sits directly across the strait from Taiwan, is the only province to list greater cross-strait integration as a priority – in fact, 34 of the total 38 references to Taiwan in this year's work reports come from Fujian. Similarly, Qinghai, a sparsely populated province that spans the Tibetan plateau, lists environmental protection as its top task – but environmental goals only feature in the top three for one other province.

Taken together, however, these provincial work reports paint a picture of what is likely to be on the national agenda – and some of the key changes since 2024.

Provincial Targets Suggest a Modest 2025 GDP Goal

GDP targets in China serve an unusual – and often misunderstood – purpose.

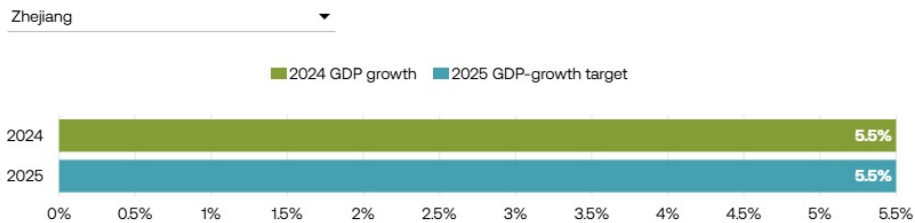
Annual discussions over whether China actually met its target risk missing the point: China's GDP target is an [input function](#). The point is not necessarily to accurately project China's growth, but to send a signal to policymakers across the country of how and where the central leadership wants resources directed.

This year's national target was set by top party officials at December's Central Economic Work Conference, but will not be announced until the Two Sessions in March. Taken together, however, public provincial growth targets can give a clue to the sort of signals the 2025 target is designed to be sending.

This year, the message again seems to be quality not quantity. An aggressive target looks unlikely, as provinces are relatively evenly split when it comes to revising their 2024 targets upwards or downwards, and subnational targets sit in a reasonable range from Qinghai's "around 4.5 per cent" to Tibet's "above 7 per cent". And a focus on quality means officials want ordinary people to feel they have shared in the benefits of growth – provinces are increasingly **aligning** resident-income targets with GDP goals and experimenting with new "high-quality" indicators for measuring economic success.

FIGURE 1

Figure 1: This year's provincial growth targets signal stability over speed



When weighted by their contributions to 2024 growth, provincial targets suggest an approximate national target of 5.3 per cent, meaning there is a strong chance this year's target will again be "around 5 per cent".

The use of "around" serves a dual purpose in what could be a tricky year for economic planning: it signals to officials that they should hold off on excessive stimulus, which could cause long-term imbalances, while also giving them flexibility to navigate external shocks beyond China's direct control.

And whatever the exact number, this year's message is clear: targets should be ambitious enough to require continued stimulus efforts, yet low enough to signal that the stimulus has to be "high quality".

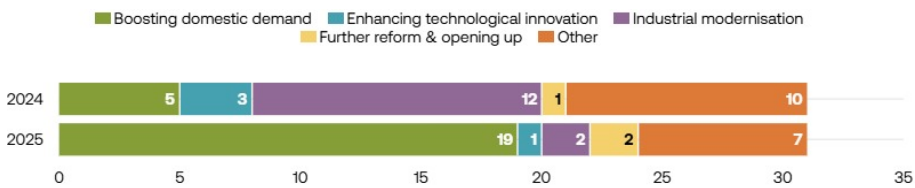
Boosting Domestic Demand Will Take 2025's Top Spot

Reaching 5 per cent growth may be a far cry from the 7 to 8 per cent targets of the early 2010s, but it will still require tapping new growth drivers.

Top of the list is boosting domestic demand – listed by 19 out of 31 provinces as their top priority for 2025 and almost certain to take the place of last year's number one, industrial modernisation.

FIGURE 2

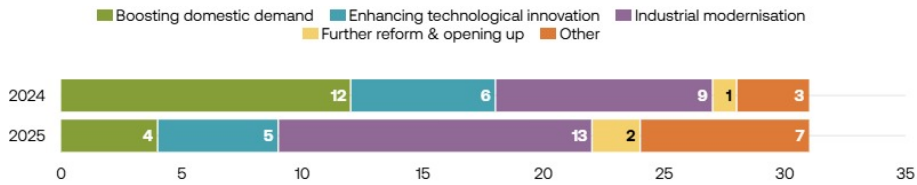
Almost four times as many provinces rank boosting domestic demand as their top priority in 2025 than in 2024



Source: TBI analysis

FIGURE 3

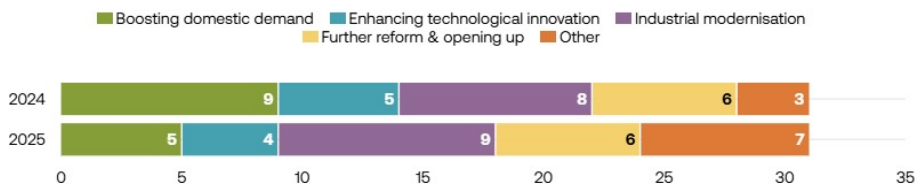
When it comes to second-ranked priorities, innovation-boosting measures like sci-tech support and industrial modernisation remain key



Source: TBI analysis

FIGURE 4

Third-place priorities are more diverse, including a continued focus on efforts to reform and open up



Source: TBI analysis

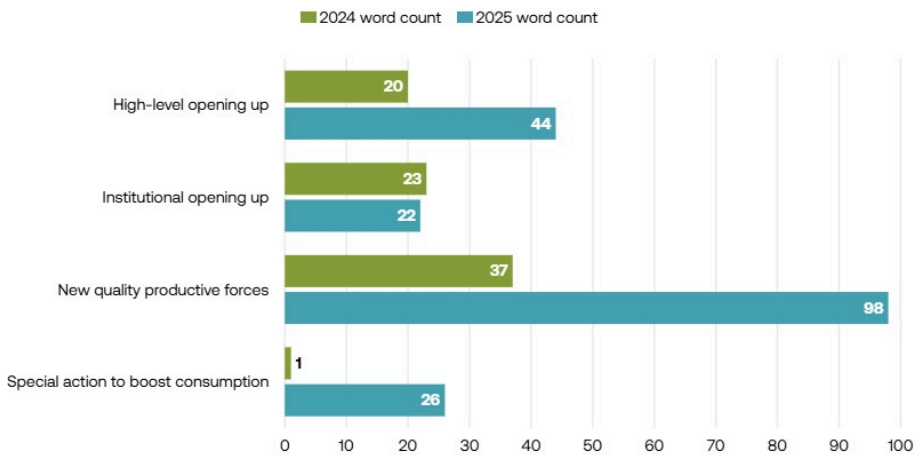
In the central leadership's eyes, geopolitical uncertainty is making it increasingly essential to rebalance China's economy away from exports and offset deflationary risks.

Ideas put forward in provincial work reports range from expanding [trade-in programmes](#), which offer subsidies for upgrading big-ticket purchases, to supporting livestream e-commerce in Beijing and developing the “silver economy” for elderly consumers in Zhejiang and Shanghai. Provinces are also increasingly looking to the service sector to drive consumption, with Yunnan and Chongqing aiming to promote “culinary tourism” and Guangxi using AI systems to distribute targeted “consumption vouchers”.

This focus on domestic demand is nothing new: 23 out of 31 provinces listed it as a top-three priority in 2024. But the challenge is growing more acute. This year, 26 different provinces – up from just one last year – call for “special action” to boost consumption, using language more commonly associated with [anti-corruption drives](#) to signal to the centre that they are preparing all-out efforts.

FIGURE 5

Mentions of particular phrases underline provincial priorities for the year ahead



Source: TBI analysis

Expect this to be a central focus at the national Two Sessions too. But it will be easier said than done, as the same stubborn [challenges](#) of weak consumer confidence, falling property prices and government financial constraints have not gone anywhere in the past year.

Innovation Increasingly Underpins *Everything*

Domestic demand may take this year's top spot, but that does not mean leadership is turning away from building out China's innovation capacities.

In fact, mentions of “new quality productive forces” (NQPF) – Chinese President Xi Jinping's flagship innovation [slogan](#) – have skyrocketed, almost tripling between 2024 and 2025's provincial work reports, as seen in Figure 5. The term refers to efforts to harness emerging technologies like AI and quantum to upgrade China's industrial production and secure advantage in key industries of the future.

This is not a singular policy goal. Instead, the need to boost innovation increasingly cuts through a range of policy priorities. Attempts to digitalise manufacturing, train and retain top sci-tech talent, and attract targeted outside investment into China's most advanced sectors all aim to build a self-sustaining, self-reliant innovation ecosystem.

But provincial work reports do not just reflect the central leadership's preoccupation with innovation: they increasingly reflect a key concern, too.

This year, 21 out of 31 provinces include commitments to develop NQPF “in line with local conditions” in their work reports, compared to none at all last year. This follows [warnings](#) from the central leadership, who worry that an interprovincial race to develop advanced technology could end up trapping China in the familiar boom-and-bust cycles of the early 2000s.

Interprovincial competition may have been good for breakneck growth back then, but it is less good for the far more delicate [process](#) of fostering cutting-edge innovation. Beijing wants a more efficient allocation of

resources that plays to regions' existing advantages, rather than, for example, pitting provinces at all levels of development against each other in a race to develop quantum.

But it will be difficult to unlearn decades of experience in which provincial success depended on outcompeting its neighbours and an individual's success within the province depended on their contribution to topline growth. Expect a strong focus on curbing those bad habits at the Two Sessions.

China Still Wants to “Open Up” to the World – Selectively

This year's top two priorities, domestic consumption and homegrown innovation, are laser-focused on building self-reliance.

But there is still a role for the rest of the world: 71 per cent of provinces list “opening up” measures in their top four priorities.

This year, provinces are increasingly concentrating on expanding trade that leverages China's advantages in areas like green technology. Mentions of “high-level opening up”, referring to targeted measures to deepen integration into the global economy while maintaining control over key sectors, have more than doubled since 2024, as shown in Figure 5. At that time provinces, freshly emerged from Covid-19 lockdowns, tended to focus on a more general stabilisation of exports and foreign direct investment.

Alongside that, as seen in Figure 5, is a parallel campaign of “institutional opening up”, a broad term that usually refers to efforts to better [align](#) China's trade and financial rules with international practices. This is not just for practical benefit; it is an essential part of China's attempts to pitch itself as a champion of open trade and development – in contrast with the US.

Attempts to differentiate China from the US are likely to be even more evident at the national level. Provinces tend to be more concerned with securing their own prosperity and stability, rather than driving diplomatic or

geopolitical priorities. In fact, this was the first year that “Global South” markets were mentioned in provincial work reports.¹ Instead, it tends to be Beijing driving sweeping initiatives to improve market access for developing countries. In November, it [removed](#) all tariffs on least-developed countries with which it has diplomatic relations. At the Forum on China-Africa Cooperation in September, it [pledged](#) to create new channels for African agricultural exports.

These sorts of measures might have limited impact on topline growth, but they have an outsized diplomatic impact. March’s national Two Sessions will have more of a global dimension than its provincial counterparts – and might give a sense of quite how far Beijing is willing to go to reinforce its image as an advocate for open trade.

Authorities Are Updating Their Social-Stability Toolbox

The Two Sessions come on the back of a year of high-profile mass-casualty incidents, including a [car attack](#) in Zhuhai in November that killed 35 people – the deadliest act of public violence in China in a decade. On a policy front, these so-called “[revenge on society](#)” attacks are challenging the traditional assumption that stability follows growth.

Addressing social stability will be – and already is – a national-level priority. But it is also a policy challenge that requires significant local discretion, not just at the provincial level but well below.

Authorities put a premium on the early identification and diffusion of social risks – as their worst-case scenario is a unifying grievance that crosses geographies or social groups. And increasingly, they have the tools to do that: the pandemic entrenched new systems of social oversight down to the “[grid](#)” level (often covering fewer than 1,000 people), blending traditional Mao-era forms of social organisation with powerful new technologies.

Provincial work reports give an idea of how these tools will be integrated to try and address emerging stability challenges, including by:

- Building cultural cohesion through strengthening “ideological work” and “spiritual civilisation” to create a clearer sense of national identity and bind citizens to a set of shared [values](#). This approach ranges from the national level, such as through many government employees’ mandated use of political education [apps](#), to community-specific civic-education programmes.
- Improving livelihoods through tackling the root causes of unrest, including employment, pensions and property (and hopefully boosting demand in the process).
- Adopting “proactive” risk management through tightened surveillance, including by using facial-recognition systems, big-data-based predictive policing and early intervention – such as [state-backed mediation](#) in citizens’ disputes – to prevent risks from escalating.

So while all eyes internationally will be on what the Two Sessions reveals about how China will ramp up stimulus efforts and navigate US trade and tech restrictions, the growing focus on social stability is a reminder that the Two Sessions are first and foremost a domestic meeting. China is not just searching for innovative ideas about how it relates to the rest of the world – it needs innovative ideas about how the state relates to its citizens too.

Endnotes

- 1 The term 全球南方 had previously only been mentioned in the context of deepening think-tank dialogues

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