

## Guideline to lift role of MF benchmarks

Sources: Rollout of relevant measures will proceed steadily and prudently

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China's securities regulator has set a regulatory framework to strengthen the role of performance benchmarks in regulating mutual fund investments, a milestone move to enhance the industry's investment performance and attract more long-term investments, officials and experts said.

Informed sources told China Daily that the rollout of relevant measures will proceed steadily and prudently, with a transition period of about one year to ensure existing products adjust their benchmarks smoothly if necessary. Fund managers will be encouraged to fine-tune benchmarks where needed, rather than make large-scale portfolio shifts.

Widely used in overseas markets yet less developed in China, performance benchmarks — typically stock or bond indexes — are the standards set by fund management companies to reflect a mutual fund's investment style, ensure that investment behavior aligns with the designated style, and evaluate fund performance.

On Friday, the China Securities Regulatory Commission released a guideline on enhancing the role of performance benchmarks in regulating mutual fund investment, setting out requirements for selecting and using the benchmarks, placing primary responsibility on fund managers and clarifying the roles of cus-

todians and distributors.

The guideline, accompanied by an operational rule book released by the Asset Management Association of China, requires performance benchmarks to reflect a fund's positioning and style, which should not be changed arbitrarily, including due to manager turnover, short-term market swings, or performance assessments and rankings.

The CSRC said the guideline is aimed at ensuring benchmarks effectively reflect a product's investment style and urging fund management companies to improve internal controls, with the ultimate goal of better protecting investors' legitimate rights and interests.

Prior to the guideline, there was a lack of specialized and systematic rules for performance benchmarks in China, leading to significant deviations in some actively managed, equity-focused funds with their benchmarks, which have negatively impacted investor returns.

Effective from March, the guideline has formed a comprehensive oversight framework surrounding performance benchmarks and filled a long-standing regulatory gap, experts said, helping promote a more standardized fund industry development, improve investor returns and attract long-term capital into the market.

A spokesperson for China Asset Management, a domestic mutual fund management company, said the guideline marks "an important milestone" in the mutual fund industry's

high-quality development.

"Putting investor interests at the core, the guideline directly targets long-standing pain points of investment style deviation, helping investors see more clearly what they are buying and hold with greater confidence, thereby improving the investing experience and sense of gain," the spokesperson said.

The spokesperson added that more standardized benchmark requirements will make fund positioning more precise and differentiated, while linking benchmarks more closely with fund managers' compensation will strengthen the alignment of interests between managers and investors and keep them focused on delivering long-term returns.

The guideline has called on fund management companies to evaluate their teams based on investment returns. Managers of actively-managed, equity-focused funds whose long-term performance significantly lags behind their benchmarks will see a marked reduction in performance-based pay.

The Asset Management Association of China will soon refine its compensation assessment rules and spell out detailed requirements for the pay reform.

This aligns with an action plan released by the CSRC last year to foster high-quality development of the mutual fund industry. According to the plan, managers whose over-three-year results fall more than 10 percentage points below the benchmark would see a notable cut in performance-based compensation, while those who outperform significantly may receive appropriate rewards.



A view of the Qingdao Port in Shandong province. ZHANG JINGANG / FOR CHINA DAILY

## Shandong GDP surpasses 10 trln yuan

By ZHAO RUIXUE in Jinan  
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Shandong, a major manufacturing hub that has all 41 categories in the United Nations' industrial classification system, has become the third province in China to exceed a gross domestic product of 10 trillion yuan, following Guangdong and Jiangsu provinces.

The milestone, announced on Friday, has been largely driven by the province's efforts to cultivate new quality productive forces, upgrade traditional industries and foster emerging sectors, with technological innovations leading the way.

As a province with a complete industrial system, Shandong has listed the industrial economy as its top priority, focusing on enhancing the proportion of innovation, high value-added and green elements to drive high-quality industrial development.

Last year, the added value of industrial enterprises in Shandong increased by 7.6 percent year-on-year. The province's investment in

transforming industrial technology to advanced ones increased by 5.3 percent year-on-year.

In the emerging sector, the output of industrial robots, electronic components and semiconductor discrete devices has maintained rapid growth in Shandong.

"Shandong's industrial structure is upgrading from traditional heavy chemical industry to high-end manufacturing," said Gao Fuyi, deputy director of the Shandong Academy of Macroeconomic Research.

"This transformation has made the 10 trillion yuan GDP more resilient and valuable," he said.

Last year, the world's first metro train constructed using carbon fiber material made its debut in the province's coastal city, Qingdao.

Developed by CRRC Qingdao Sifang and Qingdao Metro, the metro train offers advantages such as weight reduction and energy efficiency.

"By employing carbon fiber composite materials, the train achieves an impressive 11 percent weight reduction compared to traditional

metal trains, leading to enhanced energy efficiency with a 7 percent decrease in operational energy consumption," said Liu Jinzhu, a senior designer at CRRC Qingdao Sifang.

In another case, a recent technology achievement supercritical carbon dioxide power generation was held at Jigang Group Co Ltd based in Jinan, the provincial capital, aiming to promote the wide application of this cutting-edge technology in industrial fields.

Wang Mingnan, chairman of Jigang International Engineering Technology Co Ltd, said that the supercritical carbon dioxide power generation technology can be widely applied in steel, coking, cement and other industrial sectors, efficiently converting waste heat from production processes into electrical energy.

This innovative technology perfectly meets the green transformation needs of Shandong's traditional industries such as steel, chemical engineering, building materials, light industry and papermaking.

### Briefly

#### Safe freight transport ensured

Chinese railway operators have taken heightened measures to ensure smooth and safe rail transport by battling the recent cold spell. At Yuci Station in Shanxi province, freight inspectors braved wind and snow, shuttling back and forth between rails, while carefully inspecting the loading and reinforcement status of cargo on each vehicle. They conducted focused checks on trains carrying key materials such as thermal coal, fully ensuring the safety and punctuality of the trains and acting as a "sentinel" of railway freight transportation.



#### China expands futures mkt access

The China Securities Regulatory Commission has expanded access for overseas investors to 14 new futures and options varieties in China's futures market, as part of ongoing efforts to deepen financial opening up. The newly added specific domestic varieties include nickel futures and options on the Shanghai Futures Exchange, lithium carbonate futures and options on the Guangzhou Futures Exchange, the regulator said. They also cover select products on the Zhengzhou Commodity Exchange, as well as TSR 20 options, low-sulphur fuel oil options, and international copper options on the Shanghai International Energy Exchange.

#### Wealth management market growing

The outstanding scale of China's bank wealth management market reached 33.29 trillion yuan (\$4.78 trillion) by the end of 2025, up 11.15 percent from the beginning of the year, industry data show. In 2025, financial institutions launched 33,400 new wealth management products, raising a total of 76.33 trillion yuan to support high-quality economic and social development, according to a report released by the China Banking Wealth Management Registration and Depository Center.

### Full readiness

Staff members of Shouzhou Engineering Section in Shanxi province repair and rectify turnouts, as it prepares for the safe operation of trains during the 40-day Spring Festival travel rush that begins on Feb 2. The employees have been carefully examining every link in the rail equipment to ensure "zero error" and "zero defect" operations. This year's Spring Festival travel season will see an estimated 539 million passenger trips on trains nationwide, up 5 percent year-on-year. LI HAIFENG / FOR CHINA DAILY

## Private firms driving high-quality growth

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China's push for high-quality development is increasingly being driven by private enterprises that combine technological breakthroughs with stronger connectivity across regions, playing a growing role in industrial upgrading and supply-chain resilience.

The trend comes as national efforts to upgrade industrial chains and strengthen the real economy continue to create new space for private manufacturers to move up the value chain.

In the manufacturing sector, Silvery Dragon Group Co Ltd Tianjin has expanded its footprint along the prestressed materials value chain, supplying core components for major infrastructure projects nationwide.

The company is currently the leading enterprise in China capable of providing an integrated solution covering prestressed materials, prestressed concrete components and equipment, as well as technical services, digital engineering, operation and maintenance monitoring, said Xie Zhifeng, chairman of Silvery Dragon Group.

Its self-developed ultra-high-strength prestressed steel strands, with tensile strength ranging from 2,100 to 2,400 megapascals, have been applied in large-scale highway and railway bridge projects, helping to improve structural load-bearing capacity and optimize engineering design.

According to Xie, the company has achieved full-process independent innovation across the prestressed materials chain — from process control in upstream wire rod smelting, to precision processing of prestressed products, and intelligent production of downstream concrete components.

Silvery Dragon Group has also taken part in the formulation and revision of dozens of national and industry standards. Among these, the successful development of the CRTS III high-speed railway track slab has not only broken technical monopolies, but has also become a key technological support for China's high-speed rail projects overseas.

Beyond traditional infrastructure, Silvery Dragon Group has expanded into the wind power sector in line with the country's dual-carbon goals. It has developed prestressing construction management and intelligent monitoring systems for hybrid wind power towers, enabling real-time monitoring, intelligent diagnostics and automated maintenance, and improving structural safety and durability.

"We will continue to invest in wind power and photovoltaic projects at home and abroad, advancing a green development strategy aimed at carbon neutrality in the real economy," Xie said.

While manufacturers are strengthening industrial foundations through technological innovation, private enterprises in the logistics sector are reinforcing

growth by expanding cross-border rail services.

YXE Trading Service Group, also known as YXE Group, operates the YXE China Railway Express and provides integrated cross-border trade and logistics services linking China with Central Asia and Europe.

In 2025, the Zhejiang China-Europe Railway Express (Yiwu—Xinjiang—Europe route) operated more than 3,000 trains, with all major operational indicators hitting record highs.

By the end of 2025, the service had opened 26 international rail freight routes, with cumulative operations exceeding 14,900 trains and shipments totaling more than 1.22 million TEUs. High value-added goods such as photovoltaic modules, new energy vehicle components and intelligent equipment accounted for a growing share of cargo, according to the company.

Safety remains central to the service's expansion, said Feng Xubin, chairman of YXE Trading Service Group. Some measures, such as a full-chain safety management system, dynamic pricing mechanisms and closer international coordination, have helped address challenges including cargo loss, damage and regulatory gaps in cross-border operations, he said.

"Going forward, we will continue to build 'safe, digital and green' rail services to support more efficient, resilient and secure international logistics corridors," Feng said.

## China in spotlight at WEF in Davos

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As the World Economic Forum convened in the snow-capped Swiss town of Davos last week, the spotlight was firmly on China. Amid global uncertainties, Chinese leaders and delegates brought a clear message of solidarity and cooperation, presenting a "list of opportunities" that the world's second-largest economy offers to global development.

Addressing the annual meeting, Chinese Vice-Premier He Lifeng delivered a speech proposing four key points for global prosperity: firmly supporting free trade; firmly upholding multilateralism; persisting in win-win cooperation; and adhering to mutual respect and equal consultation.

This sentiment of partnership was palpable on the streets of Davos throughout the event. Among the dazzling array of showrooms from global enterprises and international organizations, Chinese elements were ubiquitous. Events such as "Dalian Night" drew significant attention, with attendees eager to explore the potential China brings to the table.

The optimism in Davos was underpinned by the resilience of the Chinese economy. In 2025, China made strides in high-quality development, with the value-added output of high-tech manufacturing rising to 17.1 percent of the total. Final consumption expenditure contributed over 50 percent to economic growth.

Data released on the opening day of the forum confirm that China's major development goals for 2025 were successfully met, prompting the International Monetary Fund to upgrade its 2026 growth forecast for the country.

Over the past five years, China's GDP has crossed the 140 trillion yuan (\$20.1 trillion) mark, maintaining an average annual growth of about 5.4 percent and contributing around 30 percent to global economic growth.

Attendees widely agreed that despite multiple risks, China remains a primary engine of global growth. In an uncertain world, China is viewed as a source of certainty.

Frontier technology was another key factor boosting confidence during the forum. From new energy vehicles to AI integration and humanoid robots, innovation is reshaping the economy. The World Intellectual Property Organization's Global Innovation Index 2025 placed China in the top 10, boasting 24 top-100 science and technology clusters — the highest number globally.

"China has made significant progress in scientific and technological innovation, which has become a new engine for global economic growth," said Dora Liu, CEO of Deloitte China. A report released during the forum highlights that nearly half of the selected AI application stars with high global impact hail from China.

Furthermore, China's commitment to high-level opening-up bolstered global expectations. French President Emmanuel Macron noted in his address that China is welcome, stating, "We need more Chinese direct investment in Europe."

Participants noted that China continues to refine its business environment, transforming corporate "demand lists" into government "service lists".

"We are full of confidence in China's business environment and will continue to increase investment in China," said Iskra Reic, executive vice-president of AstraZeneca. "China is not only our global strategic market, but also a global innovation hub."

With 2026 marking the start of China's 15th Five-Year Plan (2026-30) period, expectations are high. "Every 'Five-Year Plan' of China nurtures new development opportunities," said Jeff Rowe, CEO of Syngenta Group, noting that China's improving production quality boosts external confidence.

Brand Finance released its Global Soft Power Index 2026 in Davos, showing China leading in multiple metrics. David Haigh, chairman of Brand Finance Plc, said China's ranking rose against the trend due to its stability.

"China is showing the world the vitality and opportunities of high-quality development through the enhancement of soft power," Haigh said.