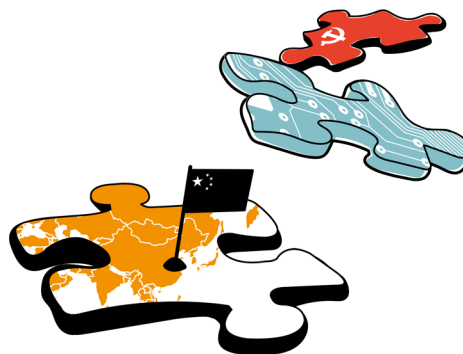


SEPTEMBER 26, 2025

MERICS China Essentials



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Mercator Institute for China Studies

TOP STORY

Trump's harsh criticism of UN helps China in presenting itself as a responsible global leader

China has used the General Debate of the 80th UN General Assembly (UNGA) from 23-29 September as an opportunity to advertise its responsible global leadership. On the same day that US President Donald Trump delivered a combative in-person speech to the UNGA in New York criticizing multilateral institutions and climate-change policies, Chinese premier Li Qiang told the concurrent High-level Meeting on the Global Development Initiative (GDI) that China was “ready to work with all countries to continuously deepen global development cooperation.”

The following day, 24 September, Chinese President Xi Jinping topped this when addressing the UN Climate Summit via video link, for the first time committing China to a concrete emissions-reduction target (of 7-10 percent by 2035).

While Trump's grievances with the global order extend beyond the UN to the North Atlantic Treaty Organization (NATO) and many individual allied nations, China is focused on channeling discontent of non-Western partners to push for reforming the international order in ways aligned with Beijing's objectives. To that end, China has been leveraging platforms such as the BRICS+ format or the Shanghai Cooperation Organization (SCO), both of which have gained members since 2024: BRICS welcomed five new countries, the SCO added Belarus.

In September, Beijing clearly signaled its reformist ambitions by announcing a new Global Governance Initiative that highlighted perceived underrepresentation of Global South actors, erosion of the UN authority and need for more effective governance.

But despite Beijing's attempts to portray its frameworks and initiatives as having a strong buy-in from partners, China's multilateralist ambitions are not without obstacles: It has a complicated relationship with SCO member India; its interest in supporting the global system is selective (favoring developmental and environmental initiatives while hampering multilateral efforts on labor and minority rights, which it views as interference in domestic affairs).

Like the US, China has increasingly been late in paying its dues to the UN, deepening the organization's budget crisis and raising doubts about Beijing's commitment. But because China is far from being a model leader of multilateralism, President Xi and Premier Li may well have felt particularly pleased that Trump this week made it all the easier for them to cast China as a responsible global leader.

“Beijing used the first days of the General Debate to once again contrast itself with Trump's positions and present China as a leader of multilateralism and globalization. Beijing has been capitalizing on the US withdrawal from global forums like the World Health Organization and Paris Agreement, and the end of its foreign-assistance program, USAID. At the same time, alternative frameworks, such as BRICS+ and the Shanghai Cooperation Organization, are helping Beijing channel the existing

discontent with the international order to try to reshape it in ways aligned with China's ambitions."

Grzegorz Stec, Head of the MERICS Brussels Office

Media coverage and sources:

- Reuters: [Trump tells world leaders their countries are 'going to hell' in combative UN speech](#)
- Chinese MFA: [Address by Chinese Premier Li Qiang at the high-level meeting on the Global Development Initiative](#)
- Chinese MFA: [President Xi Jinping Delivers Video Remarks at the U.N. Climate Summit](#)
- Deutsche Welle: [SCO summit: Xi pushes his vision, but is it resonating?](#)
- The New York Times: [How China Stands to Gain as the U.S. Steps Away From the U.N.](#)
- First Post: [What US and China's late payments mean for the UN](#)

METRIX

18.9

This is the percentage of Chinese 16- to 24-year-olds looking for work, a new record since youth unemployment statistics were revised in late 2023 to exclude students in secondary or tertiary education. The jump from 17.8 percent in August came after 12.2 million university students graduated in June and July – a record cohort chasing high-paying white-collar jobs that don't exist in sufficient numbers, while avoiding lower-skilled manufacturing and service jobs that remain unfilled. (Source [SCMP](#))

TOPICS

TikTok deal leaves questions about protecting US users from Chinese influence

The emerging deal to create a new US TikTok entity with majority American ownership may not address Washington's concerns about the Beijing-based social media platform manipulating public opinion. Previous reports suggested that the US company would license the recommendation algorithms from ByteDance, TikTok's Chinese parent. While such an arrangement complies with Chinese restrictions on the outright sale of the algorithm, it would also mean that the US will only have operational – not proprietary – control over it. This could leave the new US company little oversight over changes –

including updates, tweaks to the recommendation system, or entirely new features – decided in Beijing. Washington did not clarify this in the executive order it issued on September 25 to pave the way for a US TikTok entity.

If successful, the deal could potentially become a model for tech collaborations between China and the West. The creation of a separate US entity is meant to address US concerns that TikTok could access US users' data, and that its algorithms can manipulate what 170 million Americans see on the platform. TikTok US will house its data on US soil, beyond Beijing's reach. But licensing the algorithm will leave the risk of other forms of manipulation from China intact. While the company will train the algorithm using US user data – meaning what US users see should only be affected by their preferences – global software updates from ByteDance could still leave TikTok US vulnerable.

“The TikTok deal is a high-profile test of whether US oversight of an algorithm licensed from China creates real control or merely the illusion of security. If the settlement provides US regulators with practical authority and addresses security concerns, the EU could consider similar arrangements in the future to manage China's platforms in Europe.”

Altynay Junusova, Analyst, MERICS

Media coverage and sources:

- AP: [Trump signs executive order supporting proposed deal to put TikTok under US ownership](#)
- Bloomberg: [TikTok's algorithm to be secured by Oracle under Trump deal](#)
- China's Ministry of Commerce (CN): [A Ministry of Commerce spokesperson addressed reporters' questions on the TikTok case.](#)

European companies warn of more headwinds for doing business in China

The European Union Chamber of Commerce in China (EUECC) has painted a disruptive picture for its member companies there, highlighting structural imbalances, extreme price wars, and the lack of European access to rare earths from China. The annual “Position Paper” puts forth concerns and recommendations to Chinese authorities on how to improve its business environment for European companies.

A decade ago, the Chamber's big picture concerns were mainly market access restrictions, the unlevel playing field for foreign companies, and regulatory matters. Those issues persist, but the publication in recent years added concerns about the government's intense Made in China 2025 industrial policy, its growing self-reliance campaigns, and Beijing's handling of the pandemic.

This new Position Paper heaps on even more worries. It prioritizes China's rare earth export controls which an agreement hammered out at the EU-China Summit has done little to tackle. Chamber President Jens Eskelund said, “I think it's fair to say we have not sort of seen a material shift since the summit in the way that this has been handled.”

The paper goes on to frame the incoming 15th Five Year Plan as an opportunity for structural reforms that could shift the current focus on production to boosting consumption, which would help stoke growth. It also notes that continuous industrial policy is making China's industrial overcapacity problem worse and that the resulting "involution" (see the previous edition of [MERICS China Essentials](#)) is driving prices to the point of loss-making at scale.

“The days when European businesses prioritized market access seem quaint in comparison to today. Many European companies built a global strategy reliant on China, first as a high-margin growth market to feed their R&D budgets and second as a source of industrial inputs. China's structural economic problems have eroded growth potential, the market's vicious and unsustainable price wars have strangled margins, and Beijing is tightening its chokehold on rare earth exports where China is dominant.”

Jacob Gunter, Head of Program for Economy and Industry, MERICS

Media coverage and sources:

- EUCCC: [European Business in China Position Paper 2025/2026](#)
- Financial Times: [EU companies hit by renewed delays to Chinese rare earths licences](#)
- Bloomberg: [Europe's top business lobby in China urges end to price wars](#)

Ethnic Unity Law further chips away at minority rights

A draft law on Promoting Ethnic Unity reflects Beijing's aspiration to closely curate expressions of cultural identity by ethnic groups, especially minorities in border regions such as Xinjiang and Tibet. The new law is currently in a public consultation phase, after receiving priority status in 2024. A flurry of recent actions illustrates that Beijing's often discriminatory ethnic assimilation policies are expanding and becoming part of Xi's growing institutional legacy.

A recent Politburo discussion on the law chaired by Xi highlights how important the topic is to him, indicating it will likely be adopted in early 2026. Although it promises equality and autonomy for minority groups, the law also stresses that only a shared sense of community and belonging can foster ethnic harmony – and that the party leads the way. A recent revision for language standardization pushes for the use of Mandarin in all sectors. These legislative changes formalize years of language and education policy that have marginalized minority languages.

After a high-profile visit to Tibet in August, Xi attended the 70th anniversary celebration of the Xinjiang Autonomous Region in September, where he pressed for ethnic unity and progress. Two recent documents show that the messaging is also directed at international audiences. The Urumqi Declaration, released after an international forum on global partnerships and sustainable development, had participants voicing their support for Beijing's policies. A new white paper “on governing Xinjiang” promoted by Chinese state media similarly celebrates how the CCP has created stability and prosperity in the region.

“China is keen to hold up its model in handling ethnic relations as a good example of protecting internal stability, unity and cultural heritage. But the flurry of laws and measures highlight the CCP's underlying mission of ethnic homogenization to establish a unified national identity – and bring everyone into its fold.”

Katja Drinhausen, Head of Program Politics and Society, MERICS

Media coverage and sources:

- NPC (CN): [Full text of the draft Law on Promoting Ethnic Unity and Progress](#)
- Bloomberg: [China Politburo reviews draft law to push ethnic unity agenda](#)
- SCMP: [Beijing to roll out new rules on Chinese language use in ethnic integration drive](#)
- Xinhua (CN): [14th NPC Standing Committee reviews draft of Ethnic Unity Law](#)
- SCMP: [Xi Jinping is first Chinese president to attend Xinjiang anniversary celebration](#)

MERICS CHINA DIGEST

[China to stop claiming special WTO benefit for developing states \(Bloomberg\)](#)

China will no longer claim the benefits available to developing nations at the World Trade Organization, according to premier Li Qiang. The decision removes a point of contention with the US that's been a barrier to their agreement on reforming the organization. (25/09/25)

[Report: Germanium is becoming scarce in the EU \(Handelsblatt\)](#)

Exports from China to Europe slumped by almost 60 percent in the first half of the year, according to figures from commodity trader Tradium. In the EU, however, the opportunity was missed to build up strategic reserves of this raw material, which is important for the semiconductor and defense industries. (25/09/25)

[Local Chinese government's stimulus plan entices big spenders to dig in while dining out \(South China Morning Post\)](#)

Shaoxing city in eastern China announced plans to offer subsidies of up to 5.000 CNY to banquet holders who host five or more tables and spend more than 10.000 CNY. The move is intended to stimulate consumption amid strained economic growth but could raise questions about whether it runs contrary to the central government's crackdown on officials' extravagant practices. (25/09/04)

[AP investigation on how Silicon Valley enabled China's digital police state \(Associated Press\)](#)

American tech companies to a large degree designed and built China's surveillance state, through selling billions of dollars of technology to the Chinese police, government and

surveillance companies, according to AP's investigation based on leaked internal documents. These tech supports facilitated the regime's human rights abuses including in Xinjiang and Tibet. While American firms were by far the biggest suppliers, some German, Japanese, and Korean firms were also found to have played a role. (25/09/09)

[Chinese Covid whistleblower sentenced to four more years in jail, group says \(Reuters\)](#)

Chinese citizen journalist Zhang Zhan was sentenced to four years in prison on a charge of "picking quarrels and provoking trouble", for the second time. Prior to this, she was jailed for four years under the same charge for documenting the early phases of the Covid-19 outbreak in Wuhan and was released in May 2024. (25/09/21)

[Hong Kong political prisoners face physical and sexual abuse, report says \(Nikkei Asia\)](#)

The Hong Kong prison system has normalized abuse and neglect, and violated both international and local legal standards, the Washington-based Committee for Freedom in Hong Kong Foundation writes in a report. Political prisoners were found to be particularly targeted. (25/09/08)

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