Firstpost.

How China's 'Two Sessions' signal Beijing gearing up for a superpower tussle

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China is preparing for prolonged strategic competition with the US, with technological self-reliance, military modernisation and supply chain resilience being central to its strategy



Delegates and party members applaud as Chinese President Xi Jinping arrives for the opening session of the Chinese People's Political Consultative Conference (CPPCC) at the Great Hall of the People in Beijing, China, March 4, 2026. Image: Reuters

Come March, the political spotlight in Beijing turns to the most significant meetings — the 'Two Sessions' (Liang Hui), the yearly gatherings of the 'National People's Congress' (NPC), a rubber-stamp parliamentary body, and the 'Chinese People's Political Consultative Conference' (CPPCC). While largely choreographed, the two concurrent sessions serve as a platform for China's top leadership to outline the country's economic priorities, set growth targets, define foreign policy direction, approve legislation and ensure ideological alignment with the Communist Party's goals.

This year, the sessions held over a week from March 4-5 to 12 were of special significance, given the heightened global tensions, Beijing's growing technological competition with Washington and China's slowing economic growth.

The central theme of the conclave was economic stabilisation and systematic transformation, implying a transition towards a new development cycle leading into the 15th Five Year Plan (FYP), to be implemented during the coming five years (2026-30). The 141-page document which bears President Xi Jinping's stamp, unveiled at the NPC, lays down the national strategy to dominate technologies and define the next generation of economic cum military strength. It serves as a crucial milestone for Beijing to achieve its 2035 modernisation goals. The emerging message was China recalibrating its economic model while scaling up technological autonomy and strategic resilience.

Premier Li Quang's 'Government Work Report' provided clear articulation of China's domestic priorities. The headline announcement was the GDP growth target of 4.5 to 5 per cent, the lowest in decades, facing a confluence of pressures, reflecting weak domestic demand, a struggling property sector, a shrinking workforce, slowing exports and global economic uncertainty. It signified both ambition and realism amidst structural headwinds. Instead of pursuing aggressive stimulus, the government has emphasised 'high-quality development' rather than 'high growth', prioritising productivity, innovation and industrial upgrading.

The work report outlined several key economic priorities, including revision of fiscal policy to support manufacturing, reviving domestic markets and accelerating industrial-technological transformation, with a thrust on green energy. The switch marks a transition from old investment-led growth to one driven by technology, productivity and internal demand. With a record $1.2 trillion trade surplus last year, China's growth has become increasingly export-reliant, creating global imbalances. Economists both inside and outside the country have long called for China to shift its economy to one driven by internal consumption and less by manufacturing and exports. It means stepping back from the earlier strategy of subsidising export-oriented production and

moving low-value manufacturing to outside locations. The fiscal deficit target of around 4 per cent of the GDP remains in line with that of last year.

One of the reasons that China has settled for the lower GDP growth is to allocate greater resources for the strategic sectors like semiconductors, artificial intelligence (AI), robotics and quantum technologies. The goal is to strengthen technological self-reliance and speed up national efforts to achieve breakthroughs in AI-related industries, expected to exceed around $1.4 trillion in value by the end of the decade. It is intended to spread AI around the entire economy, from heavy industry to services. Robotics is meant to anchor industrial production across the spectrum, especially in space-earth quantum communication networks. Export controls and restrictions on advanced chips imposed by the US have reinforced Beijing's determination to build indigenous capabilities to shape the global environment.

The defence budget allocations have been increased by 7 per cent, ensuring steady modernisation of the People's Liberation Army (PLA) through deep-rooted reforms, rapid maritime expansion and scaling up capabilities to fight 'high-tech' wars. The objective is to transform the PLA into a 'world-class military' by 2035, as documented in the 'White Papers on the National Defence'. This is in sync with Beijing's assessment that in the prevailing global security environment, strategic spaces are being intensely contested.

During the press conference at the end of the conclave, Foreign Minister Wang Yi conveyed a message of continued pursuit of 'major power diplomacy' with Chinese characteristics. It underscored Beijing's aspirations to play a more influential role in global governance. Wang Yi criticised Washington's efforts to contain China, particularly in technology and trade. He also reiterated China's support for multipolarity and deeper partnership with the nations of the Global South. On India, the Foreign Minister stated that the two countries should act as partners and not rivals; urged India and China to maintain good neighbourliness, stabilise border areas and enhance cooperation as key members of the Global South.

On sensitive issues such as Taiwan and the South China Sea, China continues to maintain a firm stance based on the sovereignty claims and warns against external interference. Towards the Indo-Pacific, China's policy approach suggests that economic engagement will co-exist with geopolitical rivalry, a stance similar to the US enunciated in its National Security Strategy-2025. India is seen as a principal long-term competitor. This demands Delhi deepen its partnership across the Indo-Pacific, strengthen its role in the multilateral frameworks and build a resilient economic network, given that the border dispute with China will remain a central security concern.

This year's "Two Sessions" reveal China entering a crucial phase of slow economic growth. To achieve one of its top political goals – namely, attaining a per capita GDP of a "mid-level developed country" by 2035, China needs an average growth of 4.17 per cent or more over the next decade. The economic agenda reflects communist leadership intent of shifting the country's growth model towards innovation, with industrial power being the engine.

China is preparing for prolonged strategic competition with the US, with technological self-reliance, military modernisation and supply chain resilience being central to its strategy. The 15th Five-Year Plan economic plan is more like a war plan; it marks a major transition and signals Beijing's strategic posture of firmly maintaining the trajectory of rise besides furthering its ambition to reconfigure the international system.

(The writer is a war veteran, former assistant chief and currently professor of geostrategy & international relations. Views expressed in the above piece are personal and solely those of the author. They do not necessarily reflect Firstpost's views.)