



BLOG POST March 5th 2026

China's Five-Year Plan (2026-2030): Looking beyond the headline targets

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 Reading time: 4 min



On 5 March, China's top legislative body, the National People's Congress, unveiled the draft of the 15th Five-Year Plan (FYP, 2026–2030), widely anticipated as the blueprint guiding the country's economic and social development through the end of the decade. Over the coming year, China's bureaucratic machinery will translate this framework into more detailed sectoral five-year plans, including for the energy system and climate action. In this blog post, Li Shuo, Director of China Climate Hub, Asia Society Policy Institute, provides insights on what the plan's main targets mean for China's climate ambition and economy as well as their impacts in terms of decarbonization policies at the global level.

For now, the most eye-catching number in the current plan is the GDP growth target of 4.5-5%—the slowest growth target since China's reform and opening up, indicating a structural slowdown of its economy as the country enters into a new phase of its development.

Compared to other priorities such as technological self-sufficiency, economic upgrading, and military strength, climate and sustainable development were not expected to dominate this document. The most telling indicator of Beijing's climate ambition lies in its carbon intensity target—an indicator of how much emissions should be reduced per unit of GDP growth. The plan sets a reduction of 17% in carbon intensity by 2030—a level that will leave China short of its pledge to cut carbon intensity by over 65% from 2005 levels by the end of this decade, as committed in its first round of Nationally Determined Contributions (NDCs) under the Paris Climate Agreement.

That 65% goal was designed to be implemented across two planning cycles: the 14th FYP (2021–2025) and the 15th FYP (2026–2030). Economic disruptions and much slower than expected GDP growth during the COVID years, coupled with continued reliance on heavy industries, significantly complicated progress toward that trajectory. As a result, the second half of this decade was left with a daunting task of catching up with the deficit from the first. The target introduced in the 15th FYP reflects the government's attempt to downplay carbon intensity control, effectively admitting that reaching the original 2030 goal is too challenging.

But going beyond the headline target, two dynamics—unfolding largely outside the formal language of the FYP—deserve more attention from international climate observers.

First, China's absolute emissions trajectory. Growing [evidence](#) suggests that China's emissions are entering a phase of structural plateauing. According to the Centre for Research on Energy and Clean Air (CREA), China's energy-related CO₂ emissions likely saw a slight decline in 2025, extending a “flat-or-falling” trend that began in early 2024.

Structural instead of temporal forces are driving this shift: a broader economic slowdown, weakened demand for carbon-intensive materials such as steel and cement, and the rapid integration of renewable energy into the power grid.

Even though Chinese officials are still reluctant to recognize these latest emissions trends—partly due to conservative bureaucratic culture, and partly because an early peaking will lead to expectations for further emissions cuts—the debate in China is gradually moving from when emissions will peak to how quickly they should decline thereafter. Here, further rapid integration of zero-carbon energy sources such as wind and solar, and the [increasing role of batteries](#) in managing load fluctuation in the Chinese grid may [reduce](#) China's long standing reliance on coal, creating further space for climate progress over the next five years. Batteries, as a strategic new industry, are also expected to receive more political endorsement in China's upcoming sectoral five-year plans.

Second, the competitiveness of China's clean-technology sector. As decarbonization becomes increasingly intertwined with industrial policy, attention must extend beyond emissions metrics to the industries that enable mitigation. On this front, China remains globally dominant: it accounts for roughly 80% of global solar PV production and more than 70% of wind turbine and EV battery manufacturing.

While the 15th FYP emphasizes managing the domestic [downsides](#) of hyper-competition—including relentless price wars and over-investment in certain segments—these problems will hardly be fully addressed in the clean tech sector by simply enhancing domestic consumption. In the solar sector, for example, despite China's extraordinary pace of deployment, manufacturing capacity still exceeds domestic consumption by a factor of three. The rest of the world should therefore prepare for continued waves of cost-competitive Chinese solar panels, wind turbines, and electric vehicles.

China's advantage in these sectors has become structural. It reflects unmatched economic scale, deep and integrated supply chains, and sustained industrial policy support over more than a decade. In that sense, this dominance is a feature—not a bug—of Beijing's economic strategy.

The strategic question for other countries is therefore no longer whether China will remain central to clean-energy manufacturing, but how they choose to respond to that reality.

The prevailing narrative in some developed economies in recent years—that they can decouple from Chinese industrial inputs while rapidly constructing alternative supply chains—rests on questionable economic assumptions and an underestimation of China’s structural competitiveness. It also has yet to produce demonstrable large-scale substitution of Chinese products, nor has it articulated a timeline to do so that is compatible with climate goals.

The central dilemma for Western policymakers is thus how to navigate the trade-off between decoupling and decarbonization. While the rhetoric suggests both can be achieved simultaneously, in practice prioritizing one inevitably constrains the other.