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MONDAY MORNING QUARTERBACK

ENERGY MARKETS CEO BRIEFING NOTE

"China Restores Growth to the Core of National Policy in the latest 5-Year Plan 2026-30"

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China Restores Growth to the Core of National Policy in the latest 5-Year Plan 2026-30

When China's leadership released the framework for its 15th Five-Year Plan last week, one phrase stood out above all: "economic development as the core mandate." After being quietly removed from the previous plan, this statement has returned to center stage — signaling not just a policy shift, but a political reorientation. Beijing is once again anchoring its legitimacy on sustained growth. For a nation navigating global fragmentation, aging demographics, and an energy transition, this renewed focus carries deep implications both domestically and globally.

By Sean Evers, Managing Partner, Gulf Intelligence

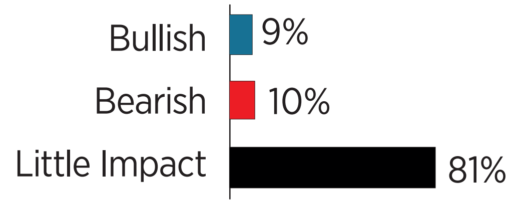
The reintroduction of "economic development" as the Party's central mission marks a clear break from the past five years of mixed messaging between growth and ideology. Beijing is effectively declaring that, for the next half-decade, stability and prosperity will take precedence over political experimentation or regulatory crackdowns. This new emphasis restores confidence among investors and local officials who have spent years navigating shifting policy winds. It also underscores China's enduring ambition to reach "middle advanced" economic status by 2035 — a target that now drives both domestic reform and foreign engagement strategies.

With growth restored to the core of national policy, China's government is expected to double down on fiscal stimulus, industrial modernization, and consumer spending. The next phase of economic management will likely feature expanded infrastructure investment, particularly in transport, digital networks, and clean energy systems. Yet Beijing's approach will not mimic the debt-heavy expansion of the early 2010s. Instead, it will pursue what officials call "quality growth" — supporting strategic sectors such as semiconductors, batteries, and green technologies, while keeping a firm hand on systemic risk. The message is clear: reform yes, but not at the expense of stability.

Energy security sits at the heart of this new plan. The leadership acknowledges that despite vast progress in renewables, China remains heavily dependent on imported crude oil and natural gas. This dependency is viewed as a strategic vulnerability, particularly amid Western sanctions and regional volatility. Over the next five years, China will prioritize diversifying its energy imports, expanding strategic reserves, and deepening ties with key suppliers such as Russia, the Middle East, and Africa. As energy markets fragment geopolitically, Beijing aims to ensure that energy security is never compromised by diplomacy.

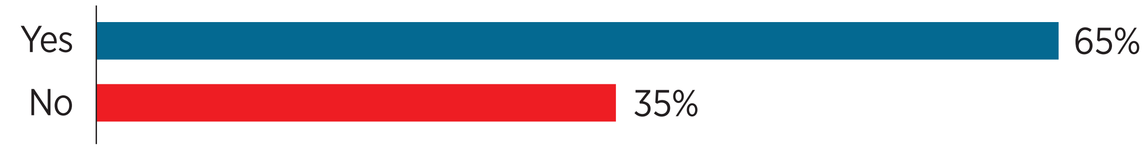
Beijing's Five-Year blueprint does not represent an abrupt green pivot, but a pragmatic balancing act. It recognizes that decarbonization and industrial modernization must progress together. The plan emphasizes a "dual-track" model — advancing renewables and electrification, while maintaining stable fossil fuel supply. This ensures that economic

What impact will continued FED Rate cuts have on oil markets through Q4?



How will Russian oil exports in 2026 compare to 2025:

Trump slashes Fentanyl Tariffs to 10%, China to buy US soybeans -- does this meet expectations outcome from summit?



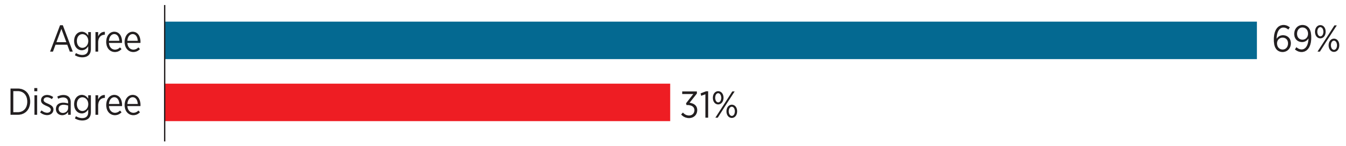
expansion is not derailed by energy shortages or price shocks. By promoting technological breakthroughs in hydrogen, nuclear, and grid-scale storage, China hopes to gradually reduce its dependence on imported oil without jeopardizing industrial competitiveness.

One of the clearest success stories in China's economic transformation is the rapid electrification of its transport sector. Electric vehicles now dominate new car sales, and heavy-duty trucks are increasingly powered by electricity or hydrogen. This shift has profound implications for global oil demand, as transport is one of the largest consumers of crude. For China, it also represents an industrial advantage: EV manufacturing, battery innovation, and charging infrastructure have become key drivers of growth, export strength, and employment. The new plan seeks to consolidate this lead, positioning China as the global standard-setter in clean mobility.

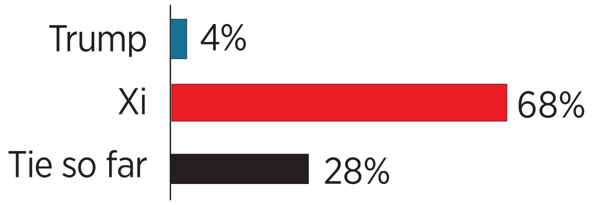
Despite the electrification push, China remains cautious about supply risk. As geopolitical uncertainties multiply, companies have been quietly front-loading crude imports, building reserves to hedge against potential disruptions. The government encourages such prudence under the broader goal of "energy self-sufficiency." While China does not publish official storage data, independent analysts estimate that stockpiles have grown significantly in recent quarters. This behavior reflects a lesson learned from past crises: in a world of sanctions, trade wars, and shipping bottlenecks, energy insurance is worth every yuan.

After three years of lockdowns and dislocation, China's economy appears to have regained its footing. Growth has stabilized around the 5% mark, with improving corporate earnings and declining leverage ratios. The worst of the COVID shock is clearly behind it. The Five-Year Plan capitalizes on this rebound, seeking to rebuild confidence and unleash private sector dynamism. By improving business conditions and reinforcing domestic consumption, Beijing hopes to shift the recovery from state-led stimulus to self-sustaining demand. In essence, the plan is a bridge from survival to rejuvenation.

US-China Trade deal will consolidate Brent crude oil back in $65-$70 range for rest of year?



Who's Winning US Declared 'Liberation Day' Trade War on China After 6 Months?



China's policymakers have learned from the turbulence of the U.S. trade war. The 2018–2019 response was reactive and fragmented; the new approach is strategic and anticipatory. The Five-Year Plan embeds lessons in economic resilience — strengthening supply chains, investing in homegrown technology, and deepening trade with non-Western partners. Beijing no longer sees global friction as a temporary irritant but as a permanent feature of the world order. Hence, the plan's focus on "internal circulation" — boosting domestic innovation and reducing dependency on foreign inputs — is not just economic policy; it's national strategy.

Unlike previous cycles of tension where private companies were uncertain about policy direction, there is now a broad consensus across China's corporate sector. Business leaders have internalized the long-term nature of external headwinds and are aligning with Beijing's self-reliance agenda. This pragmatic mindset — preparing for "bad days" while building competitive advantages — marks a maturing phase of China's economic evolution. It suggests that private enterprise is no longer merely reacting to state policy but actively participating in its design through innovation, exports, and industrial upgrading.

Perhaps most importantly, the new plan keeps China's long-term horizon intact. Despite slowing demographics and geopolitical constraints, Beijing remains committed to its 2035 goal of achieving high-income status and technological leadership. The next five years will serve as the decisive period to secure that trajectory. Economic growth, energy security, and digital transformation form the three pillars of this vision. The challenge for China — and for the world watching it — will be whether it can sustain momentum without reigniting imbalances that defined its previous growth miracles.

The 15th Five-Year Plan is not revolutionary; it is restorative. It restores confidence in China's economic pragmatism, reaffirms the Party's social contract through growth, and repositions the nation as a disciplined, adaptive power in a volatile world. By re-centering economic development as the "core mandate," Beijing is sending a signal — to its citizens, investors, and rivals alike — that China intends to navigate turbulence with strategy, not ideology.

The next five years may not deliver the spectacular growth of the past, but they will define a more measured, resilient China: one that learns, adapts, and plans for the long game.