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AN INTRODUCTION TO Doing Business in China 2026

Special Focus

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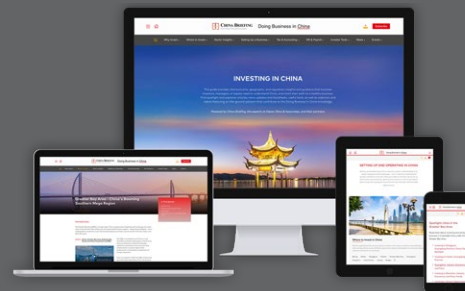
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This edition of Doing Business in China was produced by a team of professionals at Dezan Shira & Associates, with Qian Zhou as editor. Creative design of the guide was provided by Aparajita Zadoo.

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Dezan Shira & Associates is a pan-Asia, multi-disciplinary professional services firm, providing legal, tax and operational advisory to international corporate investors. Operational throughout China, India and ASEAN, our mission is to guide foreign companies through Asia's complex regulatory environment and assist them with all aspects of establishing, maintaining and growing their business operations in the region. With over 30 years of on-the-ground experience and a large team of lawyers, tax experts and auditors, in addition to researchers and business analysts, we are your partner for growth in Asia.

Introduction



ALBERTO VETTORETTI
Managing Partner
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China enters 2026 amid a complex global environment. Geopolitical tensions, particularly in China-US relations, continue to shape trade and investment flows, while local competitors intensify pressure on foreign firms. Yet, despite these challenges, China remains indispensable for global investors.

With a population of over 14 billion and a rising middle class, China offers consumption potential unmatched by most emerging markets. Retail sales reached RMB 41.2 trillion in the first 10 months of 2025. Meanwhile, China's integrated manufacturing ecosystem and logistics infrastructure provide efficiency and resilience that few markets can replicate. China offers unmatched speed in product development, new technology adoption, and supply chain efficiency – capabilities that often set global standards. For many firms, being in China is not just about serving local customers; it's about staying competitive worldwide and anticipating future rivals.

This explains why 53,782 new foreign-invested enterprises (FIEs) were registered in the country in the first 10 months of 2025, up 14.7 percent year-on-year, despite total foreign investment dipping during the same period. Foreign investors are still entering China, though they are doing so more cautiously.

In terms of noticeable regulatory changes for doing business in the country, 2025 saw the release of new government procurement rules favoring domestic products (effective January 1, 2026); tax supervision tightened and compliance became critical; data governance advanced with the Cybersecurity Law amendments and personal information protection audit rollout. Moreover, key actions indicated that China increasingly emphasizes the importance of using compliant service providers – whether legal, tax, or bookkeeping.

An Introduction to Doing Business in China 2026 equips investors with up-to-date and practical insights into market entry, regulatory compliance, and operational strategies under evolving conditions. Whether you are planning expansion or optimizing existing operations, this guide helps you navigate China's opportunities and challenges with clarity and confidence.



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