China Technology

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ByteDance to raise spending on AI infrastructure this year by 25% to 200bn yuan; DeepSeek seeks to raise as much as 50 billion yuan and the founder may make a personal investment of about 20 billion yuan; Unitree's humanoid robots are being deployed by Japan Airlines for baggage and cargo handling.

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China Technology
Jiong Shao, CFA
+1 212 526 5562
jiong.shao@barclays.com
BCI, US

Lian Xiu (Roger) Duan
+1 212 526 4633
lianxiu.duan@barclays.com
BCI, US

Xinyao Song
+1 212 526 6972
xinyao.song@barclays.com
BCI, US

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Government/Industry News

- **President Trump to hold summit with President Xi on Thursday morning Beijing time:** According to Sina News, President Donald Trump will arrive in Beijing on Wednesday evening and hold a summit with President Xi on Thursday morning, citing White House deputy press secretary Anna Kelly in a conference call. Trump's visit is May 13-15.

- **China issued guidelines to promote the standardized application and innovative development of AI agent:** According to Cyberspace Administration official statement, the Cyberspace Administration with NDRC and MIIT jointly issued new guidelines on implementing the "AI Plus" initiative to foster the orderly growth of AI agents as key forms of AI products and services. The document defines AI agents as intelligent systems capable of autonomous perception, memory, decision-making, interaction and execution that are rapidly integrating with cyberspace and the physical world as advanced technologies such as LLM emerge.

- **China's retail sales of NEV in April was 849k units, down 6.8% yoy and -0.3% mom:** According to CPCA official WeChat account, China Passenger Car Association (CPCA) today announced April total passenger vehicle and NEV retail sales data. The retail sales of passenger NEV reached 849k units, down 6.8% yoy and down 0.3% mom. The NEV retail sales penetration rate was 61.4%, up 9.7% from April last year. The passenger NEV unit export was 406k units, +111.8% yoy and +18.3% mom. The April retail sales of total passenger vehicles reached 1.384 million units, -21.5% yoy and -16.0% mom.

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- **China is investigating EV makers as owners say their cars lost up to 125 miles of range after software update:** According to Bloomberg, authorities summoned over eight EV makers, three of whom were placed under investigation, and instances reported by owners refer to a company limiting peak charge and power outputs by EVs via software updates. Tesla and BYD denied claims that they were part of the probe, while NIO also denied being a part of the list of brands summoned by authorities.

- **China's export growth rebounded by rising 14.1% yoy in April due to an investment surge in AI:** According to Sina News, China's export growth rebounded in April, with exports rising 14.1% in April due to an investment surge in AI, based on the data from the General Administration of Customs.

- **China's PPI grew at the fastest pace since four years ago as Iran war sharply raises costs:** According to NBS, China's factory prices grew at the fastest pace since four years ago as the Iran war sharply raises costs and leaves profits under pressure, with PPI rising 2.8% yoy in April. Consumer inflation also climbed to 1.2% yoy, driven by higher motor fuel and gold prices.

Company News

- **ByteDance to raise spending on AI infrastructure this year by 25% to 200 billion yuan:** According to 36kr, ByteDance plans to raise AI infrastructure spending in 2026 by 25% to 200 billion yuan, as memory costs rise and the company aims to ramp up its AI presence.

- **Alibaba plans to integrate the AI platform Qwen with Taobao:** According to 36kr, Alibaba plans to integrate its AI platform Qwen with its online marketplace Taobao. The integration will enable customers to compare and buy products using Qwen by chatting with an AI agent instead of navigating product listings

- **DeepSeek seeks to raise as much as 50 billion yuan and the founder may make a personal investment of about 20 billion yuan:** According to The Information, DeepSeek CEO and Founder Liang Wenfeng plans to provide funding to the company, which seeks to raise as much as 50 billion yuan. Mr. Liang's personal investment may account for 40% of the total capital being raised. DeepSeek also plans to accelerate model releases including the update to its V4 model, V4.1, in June.

- **Kuaishou reportedly plans Kling AI spin-off at $20bn valuation:** According to Bloomberg, the spin-off is ahead of an IPO next year. Kuaishou held talks with potential investors for a pre-IPO funding round that values Kling at $20bn. The valuation is based on projections that may reach annualized revenue of around $1.3bn in 1Q next year. Kuaishou didn't comment on the report.

- **Unitree's humanoid robots are being deployed by Japan Airlines for baggage and cargo handling:** According to Sina News, Unitree Robotics' G1 humanoid robots are being deployed by Japan Airlines for baggage and cargo handling. Japan Airlines said that it would launch a two-year trial using humanoid robots for ground-handling operations at Tokyo's Haneda Airport.

- **Baidu's new Ernie 5.1 model only using 6% of the pre-training cost compared to similar models:** According to Baidu's official WeChat account, Baidu officially launches the AI model Ernie 5.1 today, and Baidu demonstrated performance comparable to leading models while significantly reducing training costs. Baidu claimed that it only uses 6% of the pre-training cost compared to similar models.

- **BYD secures 100k EV orders agreement with car rental company Car Inc.:** According to Sina News, BYD has secured 100k EV procurement order agreement with Chinese car rental company Car Inc. The two companies will build BYD's latest flash charging stations at rental stores in a move to promote the "Flash Charging" strategy.

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