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China Develops "Token Factories" to Support AI Economy
China is accelerating a token economy as AI applications expand. Beijing's 2026-28 action plan calls for "token factories" integrating computing power, chips, data and AI models to supply tokens as a standardized service. Beijing's first token factory can process up to 1.4 trillion tokens daily, while national daily token calls exceeded 500 trillion by June. Local governments are exploring token trading and cross-border AI services. **(China Daily)**

China's Generative AI Users Exceed 700 Million
China had more than 700 million generative artificial intelligence (AI) users in the first half of 2026, with penetration exceeding 50%. AI computing capacity reached 2,185 EFLOPS, up 177% year-on-year, while over 30% of large manufacturers used AI. AI-related financing totaled 250.14 billion yuan (about $37.32 billion), exceeding 2025's full-year total. **(China Daily)**

Chinese Smartphone Makers Raise Flagship Prices Amid Rising Memory Costs
Chinese smartphone makers have raised prices for new flagship models launched in September, with standard versions starting at around 5,500 yuan (about $820). Prices for equivalent storage configurations rose by over 1,000 yuan, with top-tier models increasing by as much as 2,500 yuan. Rising memory costs are the main driver, adding about 1,500 yuan to the cost of a 12GB+256GB phone. **(China Daily)**

AI Demand Drives Price Increases Across China's Copper-Clad Laminate Industry
Chinese copper-clad laminate (CCL) makers are raising prices as electronic-fabric costs surge and demand from artificial intelligence (AI) computing infrastructure boosts printed circuit board (PCB) orders. On Oct. 13, Kingboard Laminates raised prices for products using thin glass fabric by 15%. China's electronic-fabric prices have climbed sharply, with thick-fabric prices up over 200% year-on-year. **(China Securities Journal)**

China's Data Storage Device Price Growth Slows in September
China's data storage device prices rose 1.7% month-on-month in September, down from 2.1% in August, while mobile phones and computers increased 3.7% and 2.0%, respectively. Storage prices remain elevated as artificial intelligence (AI) demand strains supplies of advanced memory, while manufacturers prioritize high-bandwidth memory and server products over consumer-grade components. **(Economic Daily)**