

NEWSLETTER

MACHINERY & AUTOMOTIVE

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Terminal passenger flow and sales are expected to rebound month-on-month in March

Due to the Spring Festival holiday, new energy vehicle purchase tax cuts, and late 2025 demand overdrift, China's auto market faces heavy first quarter pressure. Though February's dealer inventory warning index (56.2%) stays above the boom-bust line, combined data from January to February show the top tier remains steady, with overseas markets emerging as the true "second engine." **(Sohu)**

The policy of trading in old consumer goods for new ones will be further optimized

The March 2026 National Two Sessions set a clear path for the automobile industry, with the government planning 250 billion yuan (\$36.2 billion) in ultra-long-term special treasury bonds for consumer trade-ins. The Ministry of Commerce and local governments followed with details: individuals can get up to 20,000 yuan (\$2900) in subsidies for scrapping old cars and buying new energy passenger vehicles. **(China Daily)**

Construction machinery overseas market breakthrough history

According to China Construction Machinery Industry Association, a total of 35,934 excavators were sold from January to February 2026, a year-on-year increase of 13.1%. Among them, domestic sales decreased by 9.19% year-on-year. Exports increased by 38.8% year-on-year. Export sales accounted for 60.8% of total sales, breaking through the 60% mark for the first time and setting a record high. **(Sohu)**

Artificial intelligence data center power demand triggers gas turbine orders

With the explosion of AI computing power, the power supply gap in the US has expanded and the demand for power has increased significantly. Gas turbines are the first choice for self-built power sources. China's supply chain has achieved technological breakthroughs in gas turbine complete machines and core components and can fully benefit from the spillover dividends from overseas orders. **(Sina Finance)**

Automation equipment leads the gains, while photovoltaic equipment is under pressure

From the capital market, the SW Machinery Equipment Index fell 2.81% last week (March 2-6) but is up 0.83% year-to-date. The laser equipment sector leads with a cumulative increase of 47.2% since the beginning of the year, while other automation equipment is up over 34%. In contrast, photovoltaic and lithium battery equipment have seen significant corrections, falling by 12.2% and 7.2%, respectively. **(Sina Finance)**