

# China pauses regulations on Big Tech to kick-start economy

Article



**The news:** China's top internet regulator has plans to meet this week with China's tech giants —most of whom have been dealing with monthslong [regulations](#)—as a means to circumvent the rapidly deteriorating economy.

**What this means:** A sudden pause on Big Tech regulation in China could buoy the economy in the wake of pandemic-related factory closures, [per](#) The Wall Street Journal.

## How we got here:

- Manufacturing in China sank to a [five-month low](#) in March as the worst coronavirus outbreak since 2020 gripped the country.
- China's key manufacturing hubs in **Shanghai, Fuhong, Pudong, Changchun, Jilin, and Kunshan** have been [locked down](#) for a month due to Omicron surges.
- There is a lot of uncertainty concerning coronavirus outbreaks in China, which are likely to prolong factory closures indefinitely due to stringent [zero-COVID](#) lockdown strategies.
- The **Cyberspace Administration of China is set to meet** tech giants including **Tencent** and **Meituan**, ostensibly to loosen regulations, allowing the companies to generate [profits](#).
- China's Politburo said on Friday that coronavirus spikes and uncertainty stemming from the Ukraine crisis have increased risks and challenges facing the economy, according to state broadcaster China Central Television.

**What's next?** **Alibaba** and other Chinese technology stocks jumped by double-digit percentages on the news of easing regulatory restrictions, [per](#) Bloomberg.

- Investors in Chinese stocks might see short-term opportunities to invest during a period of government cooperation.
- The outlook is still cautious, however, since it seems [big tech regulation](#) can be switched on or off at the Chinese government's whim.