

MADE IN CHINA 2025: A GRAND INDUSTRIAL AMBITION

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Executive Summary

1. China's State Council unveiled a 10-year grand manufacturing strategy—Made in China 2025—in May 2015 to upgrade the nation's manufacturing capacity. More than 20 government ministries and departments and over 150 experts from the China Academy of Engineering were involved in drafting the document.
2. Made in China 2025 which draws inspiration from Germany's "Industry 4.0" is China's first 10-year long term action plan to transform China into a world leading manufacturing power by the year 2049.
3. Made in China 2025 aims to inject new impetus into the manufacturing sector and in China's overall economic and industrial restructuring to tackle the economic growth deceleration.
4. The Chinese government believes that there is a need to strengthen the overall competitiveness of its manufacturing industry given the rising competition from both emerging and advanced economies.
5. With the plan, it hopes to narrow the immense technological gap with advanced countries to become a powerful world manufacturer.
6. The major idea behind Made in China 2025 is to promote information technology and advanced technology in the manufacturing industry, upgrade the sector by improving innovation, integrate technological advancement and industrial development, develop Chinese brands and support green manufacturing.
7. Specifically, the government highlighted 10 priority industries and laid out numerous milestones for creativity, quality, digitisation and greenness. The document also heightened market mechanisms as the crucial driver under government guidance.

8. Unlike previous policies, Made in China 2025 is a long term, high-level and grand industrial strategy that emphasises not only traditional industry but also advanced industries and modern services.
9. The plan faces various challenges. It depends critically on China's ability to innovate and advance in science and technology, which is the area China lags and where the government could only play a limited role.
10. To promote the Made in China 2025 plan through technological advancement, China needs to open its door wider for foreign technology and foreign participation. However, with the rise of nationalism in China and other countries, such technological cooperation and China's import of foreign technologies may meet with growing difficulties.
11. Coordination among different government agencies to realise this grand strategy could be strenuous as members are from multidisciplinary fields. Effective communication is needed for the implementation of the plan.