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Is 'Made in China 2025' a Threat to Global Trade?

China's industrial policy is aimed at rapidly expanding its high-tech sectors and developing its advanced manufacturing base, but President Trump and other leaders of industrial democracies see the plan as a threat.

Backgrounder *by* James McBride *and* Andrew Chatzky

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A worker handles smartphone chip components at a factory in Dongguan, China. Nicolas Asfour/AFP/Getty Images

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The Chinese government has launched “Made in China 2025,” a state-led industrial policy that seeks to make China dominant in global high-tech manufacturing. The program aims to use government subsidies, mobilize state-owned enterprises, and pursue intellectual property acquisition to catch up with—and then surpass—Western technological prowess in advanced industries.

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industrialized democracies, however, these tactics not only undermine Beijing’s stated adherence to international trade rules but also pose a security risk. Washington argues that the policy relies on discriminatory treatment of foreign investment, forced technology transfers, intellectual property theft, and cyber espionage, practices that have encouraged President Donald J. Trump to levy tariffs on Chinese goods and block several Chinese-backed acquisitions of technology firms. Meanwhile, many other countries have tightened their oversight of foreign investment, intensifying debate over how best to respond to China’s behavior.

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