

## Macro Roundup Article

**Headline:** Does “Made in China 2025” Work for China? Evidence from Chinese Listed Firms

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Publication	National Bureau Of Economic Research
Publication Date	November 21, 2022

**Tweet:** New research cast doubts on the impact of Made In China 2025, at least through 2018 “we see little statistical evidence of productivity improvement or increases in R&D; expenditure, patenting and profitability”

**Summary:** Using a Difference-in-Differences approach, we find evidence that participation [in Made In China 2025] enables firms to receive more innovation subsidies, which appears to induce increases in R&D intensity. However, there is no evidence that participation increases domestic and foreign patenting, labor productivity, TFP, or profitability of participating firms, suggesting the most important goals of the policy are still unrealized. There is no statistically significant evidence (at a 5% significance level) of positive effects of the “Made in China 2025” initiative on total subsidies, Chinese invention patents, US utility patents, log labor productivity, TFP, and profit margin.

**Primary Topic:** Innovation/Research

**Topics:** Academic paper, Data, Fiscal Policy, GDP, Government Spending, Growth, Innovation/Research, Productivity

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