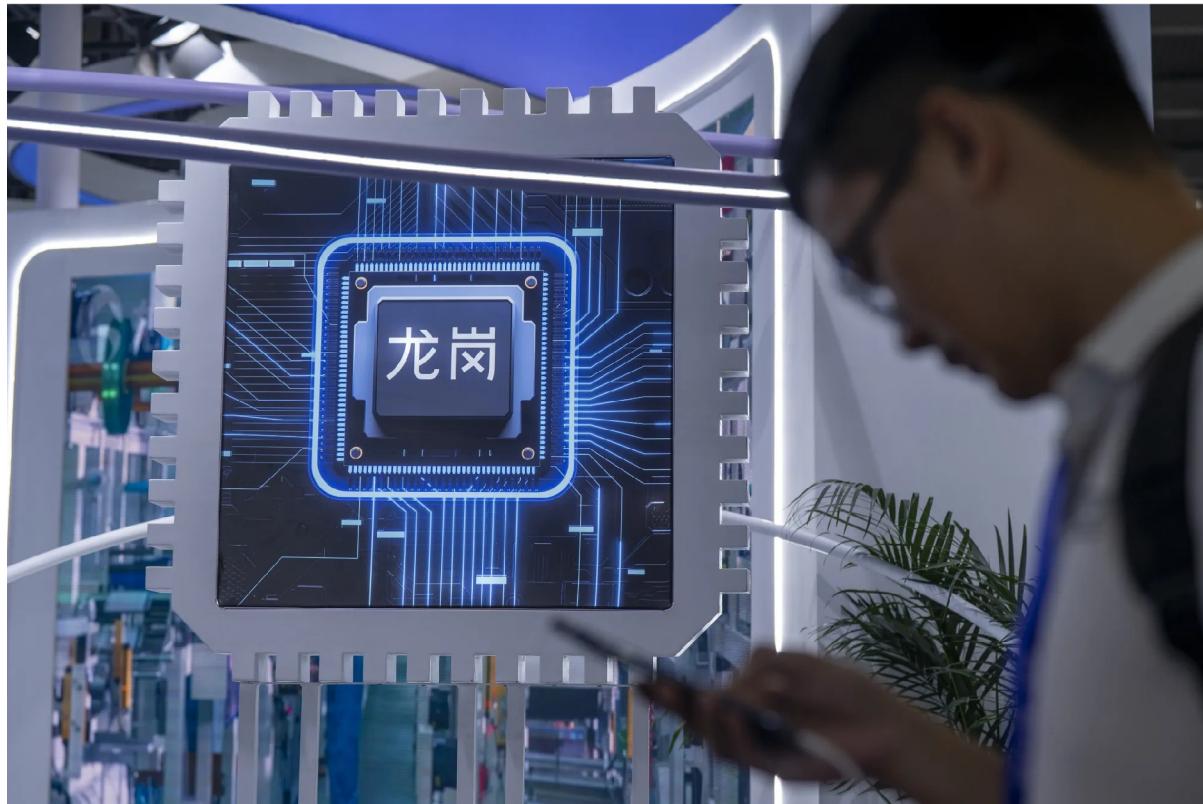


## Technology

# China Deepens Push for Tech Self-Reliance Ahead of US Talks



The Semiconductor Ecosystem Expo in Shenzhen. Photographer: Raul Ariano/Bloomberg

By Bloomberg News

October 23, 2025 at 10:05 AM GMT+1

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## ❖ Takeaways by Bloomberg AI

- China vowed to enhance technological self-reliance and grow the domestic market in the next five years to insulate the economy from foreign pressures and build a sustainable engine for growth.
- The country will aim to “greatly increase” the capacity for self-reliance and strength in science and technology and maintain manufacturing’s share in the economy at a “reasonable” level.
- China will continue to rely on external demand to support growth, with

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~~and strength in science and technology, according to a communiqué~~ released Thursday after a four-day conclave of the Communist Party's Central Committee. It will also seek to maintain manufacturing's share in the economy at a "reasonable" level as part of efforts to build a modern industrial system.

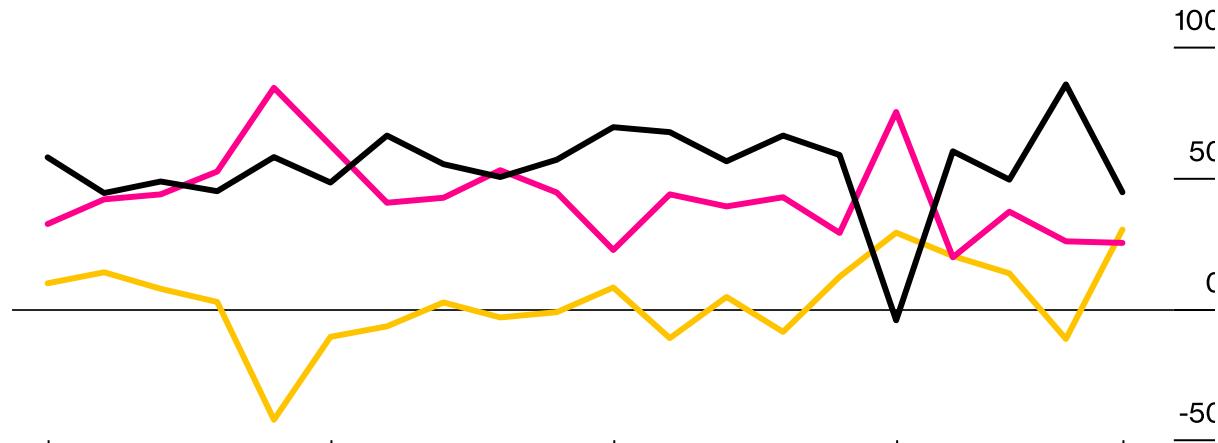
Initial outlines of the five-year plan come on the eve of a new round of trade talks with the US, which has accused Beijing of using unfair practices to dominate advanced manufacturing sectors such as electric vehicles and exporting too much. They broadly signal a continued reliance on industrial production and exports to drive growth, a model that is likely to remain a source of geopolitical friction.

The readout reflected "a doubling down on a growth model with advanced manufacturing as its 'backbone,'" said Duncan Wrigley, chief China economist at Pantheon Macroeconomics. "China will continue to rely on external demand to support growth, with domestic demand likely remaining soft."

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Consumption Capital formation Net exports



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At the same time, the authorities reiterated a pledge to bolster domestic consumption and expand investment, vowing to “firmly eliminate clogs hindering the building of a unified national market.” Economists have long seen increasing demand at home as critical for rebalancing the economy, while the push to remove regional barriers may curb wasteful investment that fuels excess capacity and weighs down prices.

The FTSE China A50 Futures held steady after the readout was released. The yuan and the yield on China’s 10-year government bonds were little changed.

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Market economy	Deepen reform, boost vitality of all market entities, improve market-based allocation of production factors
Opening-up	Promote innovative trade development, expand two-way investment cooperation
Rural revitalization	Accelerate modernization of agriculture and rural areas
Regional development	Promote coordinated regional development, let key areas play role of growth pole
Culture	Inspire innovation and creativity, enhance the reach and influence of Chinese civilization
Livelihood	Act within available means to strengthen inclusive, basic welfare programs; advance high-quality development of real estate sector
Green transition	Accelerate green transition, expedite building of new type of energy system, push for carbon peaking actively and steadily
National security	Modernize national security and governance systems, strengthen national security capability building in key areas
Defense	Modernize military, enhance strategic capability to safeguard national sovereignty, security, and development interests

Sources: Xinhua News Agency, Bloomberg

This intensified focus on technology builds on a strategy set in 2020, when the last five-year plan was announced after US President Donald Trump's first term. That drive has only become more urgent, as Washington now seeks what it calls "a strategic decoupling" from China, targeting a broader range of sectors from semiconductors to pharmaceuticals and sanctioning a growing number of Chinese firms.

China is sticking to the manufacturing push despite rising tariffs from the US and pushback from other trading partners over a deluge of Chinese shipments. Net exports have made up an increasing share of the economy's expansion in recent years while consumption has diminished.

The communique appeared to strike a milder tone on security issues compared to the 2020 version. The document invoked "security" 15

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As trade headwinds grow, Chinese households would need to spend more to help absorb the country's excess manufacturing capacity and break a record deflation streak. Economists and some foreign officials, including US Treasury Secretary Scott Bessent, have urged Beijing to use the plan to strengthen its social safety net and unleash household spending.

But the statement struck a cautious tone about more public spending on welfare, stating the government will "act within the means available" to strengthen basic programs for people's well-being even as it pledged to increase efforts to improve livelihoods.

It promised to "promote the high-quality development of the real estate sector," affirming officials' efforts to stabilize the critical industry linked to the bulk of household wealth.

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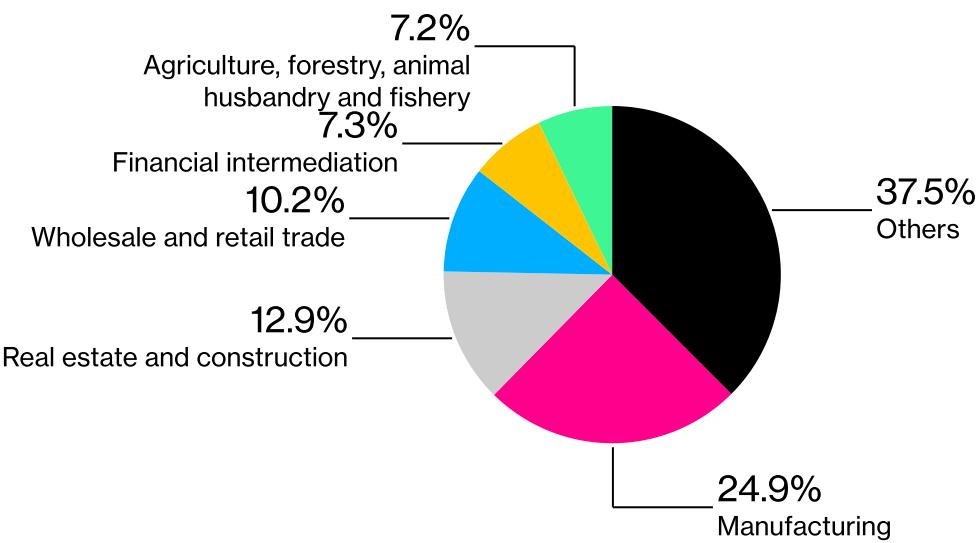
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may suggest fiscal constraints.

## Manufacturing Is Backbone of China's Economy

Sector makes up around a quarter of national gross domestic product



Sources: National Bureau of Statistics, Bloomberg calculations

Note: Numbers are for full year of 2024.

Economists broadly expect growth to decelerate in the coming years. The communique repeated a goal that implies an average annual growth target of about 4.5% over the next decade, according to Larry Hu, chief China economist at Macquarie Group. China's economy is on track to have grown at an average of 5.5% annually during the five-year period ending in 2025, according to previous government estimates.

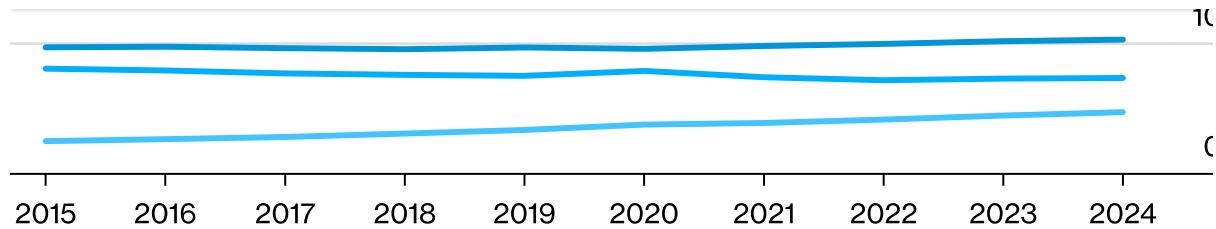
A central challenge in hitting that goal is China's stubbornly weak household spending, which made up only about 40% of GDP last year. That figure has barely budged from its 2019 level, before the pandemic stalled what had been a rising trend.

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Sources: National Bureau of Statistics, Bloomberg calculations

Note: Numbers show size of each sector as a percentage of China's gross domestic product.

Hu and his colleague Yuxiao Zhang said they expect China's two-speed growth model to continue until exports fall again, when Beijing will turn to domestic demand to achieve its expansion goal.

"The timing of such a shift is determined less by the 5-Year Plan made in Beijing, and more by policies made in Washington," they wrote in a note, referring to the potential impact of US trade curbs on China's ability to sell overseas.

The plenum also appeared to reveal the breadth of Chinese President Xi Jinping's anti-corruption campaign. Only 168 of the 205 central committee members were present at the meeting, a rare level of absence that the official readout did not explain.

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