Why should Made in China 2025 matter to British businesses?

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Rolled out by China's State Council in May 2015, Made In China 2025 is a ten-year action plan to upgrade and promote national manufacturing capability in the following sectors:

New advanced information technology

Automated machine tools & robotics

Aerospace and aeronautical equipment

Maritime equipment and high-tech shipping

Modern rail transport equipment

New-energy vehicles and equipment

Power equipment

Agricultural equipment

New materials

Biopharma and advanced medical products

Are you or your customers active in any of these sectors? Then read on…

This Made In China 2025 plan is broader in scope than the previous leadership's focus on scientific R&D and "indigenous innovation" in advanced technology, launched a decade ago. It is aimed at the entire manufacturing process, not just innovation, and it includes traditional industries as well as advanced ones. Amongst its goals are that Chinese companies localise production, increase competiveness, move further up the "value added" chain, and achieve greater brand recognition internationally. As usual, the Chinese government is backing up this grand plan with investment, incentives and other practical measures. The Centre for Strategic and International Studies has commented that Made In China 2025 poses "a frontal challenge to advanced manufacturing in the US, Europe, and East Asia".[1]

As China-watchers are fond of pointing out, the Chinese word for "crisis" (å±æœº wei ji) combines the characters for threat and opportunity. Made in China 2025 represents just such a crisis for Chinese industry – albeit a protracted one. Xi JinPing's government is not so much overhauling the whole of Chinese industry, as "turning up the contrast" between those who are profitably competitive (and so are ready to benefit from the opportunity) and those who are doomed. Made in China 2025 also represents both a threat and an opportunity to UK businesses. The threat is obvious - China is determined push out into global markets across a wide range of sectors with high value-added products. So where is the opportunity?

As Chinese businesses in the 10 key areas seek to develop and upgrade they are looking for new partners, better equipment and smarter systems. Though there is a desire to source these within China where possible, what they want most of all is the technology that will enable them to compete with the World's best. If your company has it, then you have something that China wants and is ready to buy.

Furthermore, the listing out of 10 priority sectors allows UK businesses to align themselves with China's strategy. If for example you have the chance to meet a Chinese government delegation (national, provincial or even municipal) then market your business with reference to Made in China 2015, and its 10 priorities. If your business serves a range of vertical markets, when dealing with China choose to market your product in terms of one or more of the 10 priorities. Everyone knows that to get an advert seen you put it where there's most traffic – Made In China 2025 is telling you where the traffic is right now, in terms of China's political will.

Of course, even a government as "hands on" as China's can't force businesses to buy expensive new equipment from abroad; if they can't see the value, businesses won't buy. But Made In China 2015 does at leasttell us important information about the direction China intends to take in business and industry over the next ten years. It's market intelligence that UK businesses can take advantage of right now, and here at Chamber International we're ready to help you do just that.

By Matthew Grandage, Chamber International’s Associate for China Affairs (pictured right).

Contact him at matthewg@chamber-international.com and follow @ChamberIntChina

Chamber International recommends this further reading…

Made In China 2025 Thorough, insightful, free downloadable 2-part report produced jointly by China Britain Business Council and British Chamber of Commerce in China. Contains a section on each of the 10 priority sectors, specific regional initiatives and information about "key player" companies from China and the UK.

Made in China 2025 Succinct look at some key questions, by Centre for Strategic and International Studies

Still Made In China Journalistic piece from The Economist which takes a more critical approach, with quotes from companies