

## 14th Five-Year Plan (2021-2025) and the Long-range Objectives Through 2035

March 11, 2021

On March 11, The National People's Congress adopted the 14th Five-Year Plan (FYP). Prepared in accordance with the Proposal of the Central Committee of the Communist Party of China, this year's plan was passed amidst a backdrop of sharpened US-China tensions and a faltering global economy due to COVID. The 14th FYP seeks to boost technological innovation and self-sufficiency, domestic demand, and national security.

**Background:** A central tenet of China's planned economy, the central government has quinquennially released a FYP since 1953. The plan sets out targets for the next five years, announces market reforms, and indicates priority investment sectors for the government. This year's plan is divided into 19 chapters and 65 articles. AmCham Shanghai has summarized below what we consider the most relevant elements of the plan to American businesses in China. The following list is not exhaustive.

**Headline Numbers:** Chapter 1, Article 3 begins with specific targets to be reached by 2025:

1. Increase the urbanization rate of the resident population to 65%.
2. Average annual growth of over 7% in social investment in R&D.
3. Cut energy consumption and carbon dioxide emissions per unit of GDP by 13.5% and 18% respectively and increase forest coverage rate from 23.04% to 24.1%.
4. Keep urban survey unemployment rate within 5.5%.
5. Synchronize growth of per capita disposable income with GDP growth.
6. Increase average years of education of the working-age population to 11.3 years.
7. Increase participation rate of basic pension insurance to 95%.
8. Increase life expectancy per capita by 1 year.
9. Increase percentage of the digital economy core industry added value on GDP to 10%.

**Frontiers of Science and Technology:** Chapter 2, Article 2 prioritizes:

1. **Next Generation Artificial Intelligence:** R&D of special chips, construction of open-source algorithm platforms, innovation in natural language recognition processing.
2. **Quantum Information:** Research and development of intra-city, intercity and free-space quantum communication technologies.
3. **Integrated Circuits:** R&D of key materials, breakthroughs in advanced and special integrated circuit processes, development of broadband semiconductors.

4. **Brain Science and Brain-like Research:** Brain major disease mechanism and intervention research, child and adolescent brain intelligence development.
5. **Genes and Biotechnology:** Genetic cell and genetic breeding, synthetic biology and biopharmaceuticals, creation of major new varieties of crops, livestock, aquatic animals and agricultural microorganisms such as innovative vaccines.
6. **Clinical Medicine and Health:** Basic research on the pathogenesis, prevention and treatment of major transmissible diseases and major chronic non-transmissible diseases.
7. **Deep Space Deep Earth Deep Sea and Polar Exploration:** Interstellar exploration, space transportation systems.

**Manufacturing Core Competitiveness Enhancement:** Chapter 3, Article 8 prioritizes:

1. **High-end New Materials:** Advanced metallic and inorganic non-metallic materials, high-performance fibers and resins, and key technologies for electronic high-purity materials in photoresists for integrated circuits.
2. **Major Technical Equipment:** High speed class Chinese standard rolling stock and metro trains, advanced engineering machinery and equipment.
3. **Intelligent Manufacturing and Robotics:** Industrial control equipment, key technologies in intelligent robots and additive manufacturing.
4. **Aero Engines and Gas Turbines:** Key materials and other technologies for advanced aviation engines.
5. **Industrial Application of *Beidou*:** Communication and navigation integration and other technologies, establish an industrial innovation platform.
6. **New Energy Vehicles and Smart (Connected) Vehicles:** High-safety power batteries, high-efficiency drive motors and high-performance power systems for new energy vehicles, R&D of hardware and software systems for intelligent (internet-linked) vehicles, wire-controlled chassis and intelligent terminals.
7. **High-end Medical Equipment and Innovative Medicines:** High-end imaging, radiotherapy and other large-scale medical equipment, and special drugs.
8. **Agricultural Machinery and Equipment:** Advanced and applicable agricultural machinery, high-efficiency special agricultural machinery for agricultural production in hilly and mountainous areas, as well as green and intelligent farming equipment.

**Major Industries in the Digital Economy:** Chapter 5, Article 15 prioritizes:

1. **Cloud Computing:** Iteration and upgrading of cloud operating systems, technological innovation promotion, and cloud service industries.
2. **Big Data:** Big data collection, cleaning, storage, mining, analysis and visualization algorithms, cultivate the whole life cycle industrial system of data collection, labeling, storage, transmission, management and application, and improve the big data standard system.
3. **Internet of Things:** Sensors, network slicing and high-precision positioning, the Internet of Vehicles, Medical Internet of Things and Home Internet of Things industries.

4. **Industrial Internet:** R&D of industrial software applications, promote the construction of the industrial ecology of “industrial Internet + intelligent manufacturing.”
5. **Blockchain:** Promote technological innovations such as smart contracts, multiple consensus algorithms, asymmetric encryption algorithms and distributed fault tolerance mechanisms; financial technology, supply chain management and government services with a focus on alliance chains.
6. **Artificial Intelligence:** Intelligent medical equipment, intelligent delivery tools and intelligent identification systems.
7. **Virtual Reality and Augmented Reality:** 3D graphics generation, dynamic environment modelling, real-time motion capture and rapid rendering processing.

**Dual Circulation:** The FYP also makes numerous mentions of Xi Jinping’s “dual-circulation” initiative and dedicates an entire article to the strategy (Chapter 4, Article 13), which emphasizes increasing domestic circulation. On foreign investment, the dual circulation strategy promises to:

1. Make openings in the telecommunication, internet, education, culture, and healthcare industries.
2. Accelerate internationalization of service industries, including financial, consulting, accounting, and legal.
3. Support foreign investment projects in mid- and high-end manufacturing.
4. Support foreign investment in China’s central and western regions.
5. Increase and optimize foreign investment services.

On international trade, the strategy promises to:

1. Lower trade barriers and import duties.
2. Diversify import sources.
3. Expand import of high-quality consumer goods, advanced technology, energy resources, and other important equipment.
4. Expand trade with neighboring countries.
5. Develop emerging markets.
6. Promote China’s international trade fairs, including the China International Import Expo.

The full text of the FYP is available in Chinese [here](#).