

China Development Forum 2024

The Continuous Development of China

Thematic Seminar on Opportunities for the Continuous Development of China and International Cooperation (Second Half)

The China Development Forum (CDF) 2024, hosted by the Development Research Centre of the State Council (DRC) and organized by the China Development Research Foundation (CDRF), was held at Diaoyutai State Guesthouse in Beijing on 24-25 March, 2024. The “Thematic Seminar on Opportunities for the Continuous Development of China and International Cooperation” was held on the morning of 25 March, chaired by LONG Guoqiang, Vice President, DRC. The second half of the seminar featured seven speakers: JIN Zhuanglong, Minister, Ministry of Industry and Information Technology, Roland Busch, Chairman of the Managing Board, President & CEO, Siemens AG, Ola Källenius, Chairman of the Board of Management, Mercedes-Benz Group AG, Stefan Hartung, Chairman of the Board of Management, Robert Bosch GmbH, Florent Menegaux, CEO, The Michelin Group, Sanjay Mehrotra, President & CEO, Micron Technology Inc., and LIU Haoling, President and Chief Investment Officer, China Investment Corporation.

JIN Zhuanglong pointed out that in 2023, China’s total industrial added value approached 40tn yuan, accounting for 31.7% of China’s GDP, with the manufacturing scale accounting for more than 30% of the global share, ranking first in the world for 14 consecutive years. The optimization and upgrading of the industrial chain and

supply chain have strongly supported the rapid growth of the national economy, significantly improved people's living standards, and provided key support for China's creation of the two miracles of rapid economic development and long-term social stability. Currently, China's economic development contributes more than 30% to global economic growth, making it a major partner for more than 140 countries and regions and an important engine driving global economic growth. Foreign-invested enterprises are an important part of China's industrial chain and supply chain. Their operating income and profits in China account for 20.4% and 23.4% of China's large-scale industrial companies, respectively, and 30.2% of China's total import and export volume, playing an important role in stabilizing China's industrial growth and promoting high-quality development.

Looking to the future, JIN Zhuanglong expressed that as China advances the process of new industrialization and accelerates the construction of a modern industrial system, it will release tremendous developmental energy, provide broad space for deepening international cooperation in industrial chains and supply chains, and also offer significant opportunities for foreign companies to innovate and start businesses in China. China will continue to expand its high-level opening-up, fully remove foreign investment access restrictions in the manufacturing sector, deepen mutually beneficial cooperation with companies from all over the world, jointly promote the optimization and upgrading of industrial chains and supply chains, and jointly build a global industrial chain and supply chain system that is secure, stable, smooth, efficient, open, inclusive, and mutually beneficial.

Roland Busch said that high technology, high efficiency, and high quality are the core content of new quality productive forces. He explained his understanding of new productive forces through three cases. The first case is BYD, where automation and digital applications have brought higher efficiency and a better driving experience to BYD users. The second case is the shipbuilding industry, where digital twin

technology has made the assembly of large and costly components more efficient. The third case is Siemens, where industrial AI and digital twin technology have increased Siemens' factory capacity by 200% and reduced energy consumption by 20%. To better use new technologies, international technological cooperation needs to be strengthened. The development of new productive forces requires high-quality cooperation.

Ola Källenius proposed that China is not only the largest new energy vehicle market but also the centre with leading industry companies and a mature new energy supply chain. As the world's largest automobile exporter, China should actively participate in setting international common standards and regulations to achieve trade freedom and mutual benefit. Taking the currently formulated energy consumption limits for electric vehicles as an example, he suggested that policies and regulations should be formulated from a more balanced perspective to meet the diverse needs of customers with a variety of products. In terms of international cooperation, China should remain open to different technical solutions and routes, especially in rapidly developing technological fields such as autonomous driving, to consolidate China's position as a global innovation centre for the automotive industry.

Stefan Hartung said that innovation, sustainable development, and open cooperation are important pillars for building a modern industrial system. In terms of innovation, the Chinese automotive industry has actively adapted to the green transformation trend through technological innovations such as new energy, AI, digitalization, and intelligent manufacturing, serving as a model for innovation-driven growth. Sustainable development is reflected in production development, supply chain management, and other links, rooted in technological innovation and business operations, to minimize environmental impact. In terms of open cooperation, the Chinese automotive industry has achieved significant accomplishments in the past 70 years through open cooperation. As a foreign-invested enterprise in China, Bosch has

witnessed China's rapid growth. In the future, as more Chinese manufacturing companies participate in international competition, Bosch will use its expertise to support the global development of Chinese companies.

Florent Menegaux said that for companies to achieve “sustainability in everything”, a balance must be kept between people, profits, and the environment. Multinational companies resonate with China's sustainable development goals, promoting company development. He suggested that China should continue to take practical actions to fully guarantee national treatment for Foreign-invested enterprises, and make new progress between governments and multinational companies in areas such as industrial policy and standard setting, fair government procurement, and equal competition. Achieving high-quality sustainable development relies on innovation and, more importantly, cooperation among all stakeholders.

Sanjay Mehrotra pointed out that in the process of modernization in industrialized countries, companies need to expand technological research and development and investment to promote industrial development and build ecosystems closely connected with communities and academic institutions. Under the policy support of the Chinese government for foreign investors to develop in China, multinational companies continue to deepen technological cooperation with Chinese companies and share China's development opportunities. The recently released Action Plan to Solidly Promote High-Level Opening Up and Make Greater Efforts to Attract and Utilize Foreign Investment demonstrates the Chinese government's commitment to strengthening high-level opening up and attracting and utilizing foreign investment. He emphasized that investing in local communities requires attention to local talent cultivation, creating more job opportunities with suppliers, and thus promoting the construction of the industrial ecosystem.

LIU Haoling said that with the restructuring of the global industrial chain and supply chain, sustainable development and international cooperation face new

situations and challenges: firstly, the global macro paradigm is shifting, and global policy space is further squeezed; secondly, global financial markets are becoming more volatile and fragile, with risks in weak links in the financial system not to be overlooked, and non-traditional risks increasingly apparent; thirdly, the global industrial chain and supply chain are accelerating restructuring, with the drivers of global industrial chain layout shifting from economic factors to security, resilience, and cost, and the characteristics of regionalisation, nearshoring, and localization are becoming more prominent. In the face of the aforementioned challenges, there are several necessary improvements to be made. Firstly, all of us should strengthen economic and trade policy dialogues to maintain the stability and diversity of the global industrial chain and supply chain. Secondly, the cooperation environment should be more amicable. We should jointly support a robust recovery of the global economy. Thirdly, the cooperation scope should be intensified. Efforts should be made to actively promote further cooperation among global investors in areas such as technology, industry, and investment financing, in order to share the benefits of the new wave of technological revolution.

(China Development Press Written by: Wu Si, Wu Jia, Du Qianqian, Xu Jing, Luo Rensheng, Du Jun, and Liu Changjie Reviewed by: Cui Keliang)

--Background Information--

Under the mandate 'Engaging with the world for common prosperity', China Development Forum (CDF) serves as an important platform for Chinese government to carry out candid exchanges and discussions with leaders of global businesses and international organizations as well as foreign and Chinese scholars. Initiated in 2000, CDF has made remarkable contributions for the policy exchange and international collaborations between China and the world.

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