

China Development Forum 2024 The Continuous Development of China

Symposium on Digital Empowerment for Industrial Transformation (Panel Discussion II)

Hosted by the Development Research Centre of the State Council (DRC) and organized by the China Development Research Foundation (CDRF), the China Development Forum (CDF) 2024 was held at Diaoyutai State Guesthouse in Beijing from March 24th to March 25th. On the afternoon of March 25, the "Symposium on Digital Empowerment for Industrial Transformation" took place, presided by Zhang Junkuo, Chairman, China Development Research Foundation (CDRF); Deputy Director of the Committee on Proposals, the 14th CPPCC National Committee. Among them, there are three speakers in the "Panel Discussion II", namely LI Dongsheng, Founder and Chairman, TCL Technology; Christian Hartel, President & CEO, Wacker Chemie AG, and Kim Fausing, President & CEO, Danfoss.

Li Dongsheng gave a speech on the digital and intelligent evolution and enhancement of the manufacturing industry. He noted that the digital and intelligent efforts undertaken over the past two decades have established the foundational conditions and

driving force for enterprise transformation and advancement. The evolution of manufacturing businesses has progressed from merely adopting the internet and digital support for supply chain production systems to progressively integrating more advanced intelligent technologies. Firstly, to achieve digitally-supported automated factories, employ more machinery and implement digital systems in the production process to bolster management and enhance efficiency in production and operations. Subsequently, intelligent technology will be introduced to resolve relatively straightforward issues and substitute certain manual positions. Currently, the semiconductor display and chip sectors have essentially achieved unmanned production system operations. Within the semiconductor display industry's product design process, AI systems can now identify over 95% of design issues, significantly reducing design cycles and enhancing product quality.

Li Dongsheng emphasized that incorporating digital and intelligent technologies into manufacturing can also elevate enterprises' operational and managerial capabilities, particularly in supply chain management, expedite technological R&D and new product development, and substantially boost their competitiveness. Moving forward, more complex intelligent technologies, backed by enhanced computing power, should be expanded across the entire manufacturing system, making them the most crucial driving force for enterprise transformation and advancement.

Christian Hartel highlighted the significance of digitalization for the chemical sector. As an energy-intensive chemical corporation, Wacker Chemie AG's offerings directly or indirectly cater to various

facets of daily life.

Christian Hartel noted that while Wacker Chemie AG's products are not subject to digitization, the Company, following the trend, still requires digital technology to empower its entire developmental process. Like many firms, Wacker Chemie AG depends on digital empowerment to realize sustainable and green transformation, which represents both a path of development and a method of transformation. He believed that the application of digital technology could reduce energy consumption and costs, enhance product quality, and better meet consumer needs; the application of digital empowerment could connect systems, optimize processes, increase data circulation, reduce emissions, and contribute to achieving carbon neutrality; the application of digital empowerment could optimize construction planning, integrate traditional technologies with virtual technologies, and seize opportunities for digital development.

Wacker Chemie AG has set an objective: The company's solutions will make the world a better place, Christian Hartel said. The advancement and empowerment of digital technology will assist Wacker Chemie AG in realizing this goal more effectively and swiftly.

In Kim Fausing's view, industrial transformation based on digital technology was taking place and would eventually form interconnections between market players to make the production process more transparent, efficient, and smarter. It had become an industry consensus that digital technology would assist enterprises in achieving low-carbon and sustainable development. Digital

technology was the cornerstone of Danfoss' low-carbon development and high-quality growth. For enterprises, utilizing digitalization to achieve green transformation was a process of connecting with other entities and fostering win-win cooperation. Different entities had to collaborate more closely to achieve their established goals. From Danfoss' experience, digital technology brought about higher development quality for the company. Digital technology could render the manufacturing processes of enterprises more intelligent and efficient. Conversely, should a company fail to proactively implement digitization, its future competitiveness would likely diminish, and employee morale could be impacted.

Regarding data centre distribution and construction scale, China has ranked among the world's leaders. Kim Fausing suggested that China's digital development should not focus on speed, but rather target sustainable growth. This is because the energy consumption for operating data centres is considerable, and China needs to explore a technical path to reduce water and electricity consumption in order to achieve sustainable development of the digital economy. These technologies encompass reducing energy use in data centre operations, while also encouraging enterprises to consolidate operating systems and recycle resources.

(China Development Press Authors: Liu Changjie, Luo Rensheng, Xu Jing; Reviewer: 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.

--Media Contact--

CDRF

Guo Silu 18666028168/64255855-8014

Shi Yafan 13810361966/64255855-8223

Xia Tian 18801375838/64255855-8086

Shi Wanjing 18801090391/64255855-8090

Qiu Kaixian 18301078627/64255855-8103



中国北京东城区安定门外大街138号
皇城国际中心A座15层

邮编: 100011
电话: 86-10-64255855
传真: 86-10-64255855-8100
网址: www.cdrf.org.cn
电邮: cdrf@cdrf.org.cn

Floor15, Tower a, Imperial International Center, No.138
Andingmen Wai Avenue, Dongcheng District, Beijing, 100011, China

Tel: 86-10-64255855
Fax: 86-10-64255855-8100
Website: www.cdrf.org.cn
E-mail: cdrf@cdrf.org.cn