Munkholm & Zhang Consulting ApS
Building bridges between cultures

Author: Kjeld Friis Munkholm. Shanghai, Thursday, September 7, 2023,

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Building bridges between cultures

Author: Kjeld Friis Munkholm. Shanghai, Thursday, September 7, 2023,

China focus 2023 and outlook towards 2035.

This document aims at providing the reader with basic information, and an option to investigate deeper by following the links in cooperated in the document, furthermore Munkholm & Zhang Consulting will be able to provide you and your company with our services.

Introduction to Munkholm & Zhang Consulting

Munkholm & Zhang Consulting were founded in August 2020, by me the owner and sole employee, Mr. Kjeld Friis Munkholm. I am a Danish native who has been living and working in China since 1998. I have rich technical and commercial experience from jobs, in various locations such as Shanghai, Guangzhou, Beijing, and Suzhou. In 2022, MZC expanded the geographical area that is covered by the services of the company, so it now includes ASEAN, Europe, and USA.

Munkholm & Zhang Consulting (MZC) were founded with the aims to bridge business and culture between Chinese and Western enterprises. MZC specializes in Renewable Energy, Energy Storage, Waste Management and Water Management sectors, as well as the sub suppliers to these industries.

Besides these focus areas, I have also been involved in a wide range of industries during my 25 years in China, which enables me to support clients across different fields and sectors, apart from the focus industries.

You may wonder what makes Munkholm & Zhang Consulting stand out from other consulting firms?

The answer is, 25 years of continuous presence in China, working with industries, manufacturing processes, sourcing, business development, sales, general management, and China related business in general. Moreover, I have a deep understanding of Chinese/Asian culture, which allows me to navigate easily and secure best results for clients.

Munkholm & Zhang Consulting is a reputable and reliable consulting company that always delivers on its promises. MZC never takes on more work than can be managed to the satisfaction of our client, and MZC always prioritizes the quality of all services provided. MZC is not a trading company, so MZC does not profit from anything other than the actual consulting service. MZC always act in the best interest of clients, being their loyal prolonged arm at any given point of time. If you are looking for a professional and trustworthy consulting partner, please do not hesitate to contact MZC.

Some of the core capabilities at Munkholm & Zhang Consulting are market research and sourcing, in China. Europe and USA. If you or your company need external support for market research, sourcing, supplier evaluation, supplier selection, RRQ, RFP or any other related service, MZC warmly welcome your inquiry. The present supplier base of MZC holds information on sixty-eight industrial categories and 6860 companies that offer various products and services in China, Europe, and United States.

Munkholm & Zhang Consulting's 25 years of experience gained in the Chinese market, enables MZC to apply the company's deep knowledge of right work methods to other markets worldwide, securing our clients optimal deliveries in shortest possible time.

Your inquiry is warmly welcome.

Best regards/med venlig hilsen
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In deep information about each of the indicated countries

Country	Status	Cia factbook	The Global Economy	World bank	Our world in data
Brunei	ASEAN	cia factbook click	the global economy click	world bank click	our world in date click
Cambodia	ASEAN	cia factbook click	the global economy click	world bank click	our world in date click
China	PLUS	cia factbook click	the global economy click	world bank click	our world in date click
Hong Kong	PLUS	cia factbook click	the global economy click	world bank click	our world in date click
Indonesia	ASEAN	cia factbook click	the global economy click	world bank click	our world in date click
Japan	PLUS	cia factbook click	the global economy click	world bank click	our world in date click
Laos	ASEAN	cia factbook click	the global economy click	world bank click	our world in date click
Macau	PLUS	cia factbook click	the global economy click	world bank click	our world in date click
Malaysia	ASEAN	cia factbook click	the global economy click	world bank click	our world in date click
Mongolia	PLUS	cia factbook click	the global economy click	world bank click	our world in date click
Myanmar	ASEAN	cia factbook click	the global economy click	world bank click	our world in date click
Pakistan	PLUS	cia factbook click	the global economy click	world bank click	our world in date click
Philippines	ASEAN	cia factbook click	the global economy click	world bank click	our world in date click
Singapore	ASEAN	cia factbook click	the global economy click	world bank click	our world in date click
South Korea	PLUS	cia factbook click	the global economy click	world bank click	our world in date click
Sri Lanka	PLUS	cia factbook click	the global economy click	world bank click	our world in date click
Taiwan	PLUS	cia factbook click	the global economy click	world bank click	our world in date click
Thailand	ASEAN	cia factbook click	the global economy click	world bank click	our world in date click
Vietnam	ASEAN	cia factbook click	the global economy click	world bank click	our world in date click

By clicking the above links, you will get access to detailed information, about each individual country, in this document MZC is focusing on China in particular.

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The essence of the 14th 5year plan of China including information about focus or so-called pillar industries included in the plan

- The plan covers the years 2021 to 2025 and presents China's 2035 vision of becoming a "modern socialist country."
- The plan is divided into nineteen sections and sixty-five chapters, touching on all aspects of development such as economic, social, and environmental.
- **The plan highlights:**
- High-quality green development and emphasizes innovation as the core of modern development, relying on the dual circulation strategy as the growth paradigm coupled with reforms to increase living standards.
- The plan aims to reduce the carbon intensity of the economy and peak carbon dioxide emissions before 2030 and achieve carbon neutrality by 2060.
- The plan sets modest targets for GDP growth (above 6% per year), urbanization rate (65%), R&D expenditure (more than 7% of GDP), and poverty alleviation (no one living below the current poverty line)
- The plan identifies seven strategic emerging industries as the pillars of innovation driven growth. They are:
  1. Biotechnology: developing new drugs, vaccines, medical devices, and biobased materials
  2. New energy vehicles: expanding the production and sales of electric, hybrid, and fuel cell vehicles.
  3. High-end equipment: upgrading the manufacturing capabilities of sectors such as aerospace, rail transportation, marine engineering, and robotics.
  4. New materials: developing advanced materials such as graphene, carbon fiber, rare earths, and superconductors.
  5. New energy: increasing the share of renewable energy sources such as wind, solar, hydro, and biomass in the energy mix.
  6. Digital technology: enhancing the digitalization of industries, services, and governance through cloud computing, big data, blockchain, and internet of things.
  7. Artificial intelligence: applying AI technologies such as machine learning, computer vision, natural language processing, and speech recognition to various fields and scenarios.
- The plan also supports the development of traditional industries such as **agriculture**, **manufacturing**, **services**, and **infrastructure**, with a focus on quality improvement, efficiency enhancement, and green transformation.
- The plan promotes the integration of urban rural areas with deeper social inclusion, addressing issues such as population aging, education inequality, health care accessibility, and social security coverage.
- The plan fosters the development of the domestic consumer market for an enlarged middle class, while maintaining openness to foreign trade and investment and advancing the Belt and Road Initiative

- Translation: 14th Five-Year Plan for National Informatization Dec2021 Click
- China's 14th Five-Year Plan – strengthening the domestic base to become a superpower Click
- China's 14th Five-Year Plan (2021-2025) Report Click

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The expected essence of the 15th 5year plan of China including information about focus or so-called pillar industries included in the plan

- The 15th 5year plan (FYP) will cover the years 2026 to 2030 and will be the first long term blueprint since Jiang Zemin.
- The plan will be based on the 14th FYP and the 2035 vision, which aim to achieve high quality development, technological self-reliance, green transformation, social equity, and common prosperity.
- The plan will also reflect China's commitment to peak carbon emissions by 2030 and achieve carbon neutrality by 2060.
- Some of the **focus or pillar industries** that are likely to be included in the plan are:
  - New energy vehicles
  - Biotechnology
  - Artificial intelligence
  - Semiconductors
  - Aerospace
  - New materials
  - Modern agriculture

- Five-year plans of China Click

The essence of the 2035 vision plan of China including information about focus or so-called pillar industries included in the plan

- The 2035 vision plan is a long-term development strategy that aims to make China a "modern socialist country" by the centenary of the founding of the People's Republic of China in 2049.
- The plan is divided into nineteen sections and sixty-five chapters, covering all aspects of economic, social, and environmental development, as well as presenting China's 2035 vision.
- The plan emphasizes the importance of:
  - Innovation, quality,
  - Green development,
  - Opening and cooperation, and
  - People's wellbeing as the main drivers of China's development.
- The plan identifies several key industries that will support China's vision, such as:
  - Advanced manufacturing, such as new energy vehicles, smart appliances, biomedicine, aerospace, and high-end equipment.
  - Digital economy, such as artificial intelligence, big data, cloud computing, blockchain and internet of things.
  - Modern services, such as finance, logistics, education, health care and culture.
  - Green and low carbon industries, such as renewable energy, clean technology, circular economy, and environmental protection.
- The plan also envisages the development of megacities that will foster stronger regional trade and investment partnerships with ASEAN, the Belt & Road region, and other developing economies across the world.
- The plan is aligned with the Sustainable Development Goals (SDGs) and the Paris Agreement on climate change and reflects China's commitment to global cooperation and multilateralism.

- China's Vision 2035: From Beijing's Forbidden City to Interconnected Eurasian Megacity Click
- Power is 'up for grabs': Behind China's plan to shape the future of next-generation tech Click
- An examination of the 2035 vision for China & Africa cooperation Click.

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Three homepage addresses with information about China Provinces GDP

1. List of Chinese administrative divisions by GDP Click
    a. This page provides a table of thirty-one provincial level administrative divisions in mainland China by nominal GDP in 2022, as well as historical data from previous years. It also shows the growth rate, real growth rate, and share of each province in the national GDP. The source of the data is the National Bureau of Statistics of China.
2. China 2022 Economic Growth – A Breakdown of Provincial GDP Statistics Click
    a. This page offers a breakdown of 2022 economic indicators for each province in China, including GDP, GDP per capita, GDP growth rate, industrial output, fixed asset investment, retail sales, and foreign trade. It also provides a map and a chart to visualize the regional disparities and trends. The source of the data is the provincial statistics bureaus.
3. Real growth rate of the gross domestic product (GDP) in China in 2022, by province or region Click
    a. This page displays a bar chart of the annual real growth of the gross domestic product (GDP) in different regions in China in 2022. It also provides a link to download the data as a PNG, PDF, XLS or PowerPoint file. The source of the data is CEIC Data.

Three homepage addresses with information about China provinces GDP, expectations for 2023, 2024 and 2025

1. List of Chinese administrative divisions by GDP Click
    a. This page provides the nominal GDP of 31 provincial level administrative divisions in mainland China for 2022, as well as the historical data from 2000 to 2021. It also shows the real growth rate, the share of national GDP, and the rank of each province. The source of the data is the National Bureau of Statistics of China.
2. Gross domestic product (GDP) at current prices in China from 1985 to 2022 with forecasts until 2028 Click
    a. This page shows the gross domestic product (GDP) at current prices in China from 1985 to 2022 with forecasts until 2028 (in billion U.S. dollars). It also provides a chart that illustrates the trend of China's GDP over time. The source of the data is the International Monetary Fund.
3. China GDP per Capita Click
    a. This page displays the GDP per capita of China from 1952 to 2020 with forecasts until 2026 (in U.S. dollars). It also provides a comparison with other countries and regions in terms of GDP per capita. The source of the data is CEIC Data.

Political outlook for China towards 2035

China is expected to face multiple challenges and opportunities in the next decade and beyond, as it seeks to maintain its economic growth, social stability, and international influence. Some of the key issues that will shape China's political outlook include:

- The transition to a more consumption-driven and innovation-oriented economy will require structural reforms, environmental protection, and social welfare improvements. According to the World Bank, China's GDP per capita reached $10,410 in 2019, surpassing the high-income threshold of $10,000. However, China still faces significant challenges in reducing inequality, improving productivity, and fostering innovation.
- The management of domestic and external risks, such as demographic aging, debt accumulation, public health crises, territorial disputes, and strategic competition with the US and other powers. China's population is projected to peak at 1.44 billion in 2029 and decline thereafter, posing challenges for labor supply, social security, and health care. China's debt-to-GDP ratio rose to 317% in 2020, amid the COVID-19 pandemic and stimulus measures. China also faces rising tensions with its neighbors over territorial claims in the East and South China Seas, as well as growing rivalry with the US over trade, technology, and security.
- The adaptation to a changing global order will demand more active and responsible participation in multilateral institutions, regional cooperation, and global governance. China is the world's second-largest economy, the largest trading nation, and the largest emitter of greenhouse gases. China has also increased its diplomatic presence and influence in various regions and platforms, such as the Belt and Road Initiative, the Asian Infrastructure Investment Bank, and the United Nations. China will need to balance its national interests with its global responsibilities and expectations, as well as cooperate with other countries on shared challenges such as climate change, pandemic prevention, and nuclear non-proliferation.

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- The consolidation of the Communist Party's legitimacy and authority will entail strengthening ideological guidance, anti-corruption efforts, and social control, as well as addressing the aspirations and grievances of different segments of society. China's political system is characterized by the dominance of the Communist Party of China (CPC), which claims to represent the interests of the Chinese people and nation. The CPC has launched a series of campaigns to enhance its governance capacity, combat corruption, promote patriotism, and maintain social stability. The CPC has also sought to respond to the diverse and changing needs of its citizens, such as improving public services, expanding social protection, and allowing more public participation. However, the CPC also faces challenges in managing dissenting voices, ensuring accountability and transparency, and respecting human rights and rule of law.
- China's political outlook will depend on how well the leadership can balance these competing demands and navigate the uncertainties and complexities of the evolving domestic and international environment. China will likely continue to pursue its vision of building a "moderately prosperous society" by 2021 and a "great modern socialist country" by 2049, while also adapting to changing circumstances and adjusting its policies accordingly.

- China's 2035 plan raises fears of greater confrontation with US Click
- China's Strategy for Europe in 2035 Click
- China's education modernization plan towards 2035 Click

Expectations to FDI in China

China is expected to remain an attractive destination for foreign direct investment (FDI) in 2024, despite the challenges posed by the global pandemic, trade tensions and environmental issues. According to the World Investment Report 2023, China ranked second in the world in terms of FDI inflows in 2022, with $163 billion, only behind the United States. The main drivers of FDI into China are its large and growing domestic market, its diversified industrial base, its strong innovation capacity, and its strategic position in the global value chains. China has also taken measures to improve its business environment, such as reducing administrative barriers, opening more sectors to foreign investors, and enhancing intellectual property protection. These reforms have increased the confidence and competitiveness of foreign investors in China. However, China also faces some risks and uncertainties that may affect its FDI prospects in 2024. These include the potential escalation of trade disputes with the United States and other major partners, the rising labor and environmental costs, the increasing competition from other emerging markets and the possible social and political instability. Therefore, China needs to continue to implement policies that foster a stable, transparent, and fair market environment for FDI, as well as to address the structural and environmental challenges that may hamper its long-term development.

- The FDI Report 2023 Click
- China's long-term success will depend primarily on addressing its internal challenges Click
- China's Growing Influence in Latin America Click
- China's engagement in Africa: Activities, Effects and Trends Click
- China-LAC Trade: Four Scenarios in 2035 Click

The China manufacturing industry is adopting semi and fully automatic processes to enhance its efficiency, quality, and competitiveness.

The China manufacturing industry is undergoing a rapid transformation towards semi and fully automatic processes, which are expected to increase the efficiency, quality, and competitiveness of its products. According to a report by PwC, China's semiconductor manufacturing capacity continues to grow faster than the worldwide semiconductor industry, and its share of worldwide wafer fabrication capacity increased to 14.2% in 2016. China has also achieved a breakthrough in developing quasi-7-nanometer chips, which are more powerful and economical than 14-nanometer chips, despite the U.S. sanctions that limit its access to advanced lithography machines. In addition, China is applying intelligent manufacturing technology to its steel industry, which is one of the largest and most important sectors in its economy. Intelligent manufacturing technology integrates information technology, automation technology and artificial intelligence to optimize the production process, reduce energy consumption and improve product quality.

The level of implementation of semi and fully automatic processes in the China manufacturing industry in 2023 is projected to be higher than the current level, as China continues to invest in research and development, infrastructure, and talent cultivation to support its industrial upgrading. According to a report by the Ministry of Industry and Information Technology of China, the proportion of intelligent manufacturing equipment in key industries will reach 70% by 2025, and the digitalization rate of the design and manufacturing process will reach 80%. By 2035, China aims to become a global leader in intelligent manufacturing, with a prominent level of integration between industrialization and informatization, and a strong innovation capability in core technologies.

The manufacturing industry is one of the pillars of China's economic development and a key driver of its innovation and competitiveness. According to the China Statistical Yearbook 2022, the value added of the manufacturing industry accounted for 27.8% of the GDP in 2021, and the industrial structure continued to optimize, with the proportion of high-tech manufacturing increasing to 15.6%. To achieve the goals of high-quality development and carbon neutrality, China has formulated a series of policies and plans to guide and support the transformation and upgrading of the manufacturing industry in the next decade and beyond.

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- Industrial Internet of Things (IIoT): A network of interconnected machinery, tools and sensors that collect and share data. IIoT devices help optimize the production process, track inventory levels, and analyze data.
- Artificial intelligence (AI): A technology that can process and analyze data in real time, identify patterns and trends, and detect anomalies and defects. AI systems can also help with decision making, quality control and process optimization.
- Robotics: A technology that uses machines to perform tasks that are difficult, dangerous, or repetitive for humans. Robotics can help improve productivity, accuracy, and safety in manufacturing.
- Cloud and edge computing: Technologies that enable data storage, processing, and access on remote servers or on the devices themselves. Cloud and edge computing can help reduce latency, bandwidth, and cost, as well as enhance security and scalability.
- Blockchain: A technology that uses a distributed ledger to record transactions and data in a secure and transparent way. Blockchain can help improve traceability, accountability, and trust in manufacturing.
- Digital twins: A technology that creates virtual replicas of physical assets, processes, or systems. Digital twins can help monitor performance, simulate scenarios, and optimize outcomes in manufacturing.
- 3D printing: A technology that creates physical objects by depositing layers of material. 3D printing can help reduce waste, customize products, and enable rapid prototyping in manufacturing.
- Predictive analytics: A technology that uses data, statistics, and machine learning to forecast future events or outcomes. Predictive analytics can help prevent failures, reduce downtime, and improve maintenance in manufacturing.

- The Future of Chinese Manufacturing: Predictions and Trends Click
- China's manufacturing outlook towards 2035 Click
- CIMT 2023: China is Seeking Automation NOW Click

Links to information about manufacturing in China:

- Chinese Academy of Engineering Click
  - The Chinese Academy of Engineering (CAE) is a national academic institution that provides strategic advice and technical support for major national projects and issues in engineering and technology. It has conducted several studies and consultations on the development of the manufacturing industry, especially in emerging fields such as intelligent manufacturing, green manufacturing, and biomanufacturing.
- The China Machinery Industry Federation Click
  - The China Machinery Industry Federation (CMIF) is a national non-profit organization that represents and serves the interests of the machinery industry. It organizes various activities and events to facilitate communication, cooperation, and innovation among its members and partners. It also publishes industry news, analysis, and forecasts on its website.
- The China Council for the Promotion of International Trade Click
  - The China Council for the Promotion of International Trade (CCPIT) is a national trade promotion agency that aims to enhance China's trade relations with other countries and regions. It provides information, services, and platforms for Chinese enterprises to explore overseas markets, especially in the manufacturing sector. It also hosts and participates in various trade fairs, exhibitions, and forums related to the industry.

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China is a global leader in manufacturing, with many competitive advantages

- **Low cost:**
  - China has a large and skilled workforce that can offer high-quality production at lower costs than many other countries.
  - China also has a well-developed infrastructure and supply chain network that can reduce transportation and logistics expenses.
  - Additionally, China has favorable tax policies and incentives for foreign investors that can lower the overall cost of doing business.
- **Large market:** China is not only a producer, but also a consumer of goods and services.
  - China has a huge and growing domestic market, with over 1.4 billion people and a rising middle class that demands more variety and quality in their purchases.
  - By manufacturing in China, businesses can access this lucrative market and tap into the preferences and trends of Chinese consumers.
- **Innovation:**
  - China is not only a follower, but also a leader in innovation and technology.
  - China invests heavily in research and development, especially in emerging fields such as artificial intelligence, biotechnology, renewable energy, and 5G.
  - By manufacturing in China, businesses can benefit from the latest technologies and innovations that can improve their products and processes.
- **Sustainability:**
  - China is not only a polluter, but also a protector of the environment.
  - China has made significant efforts to reduce its carbon footprint and transition to a green economy.
  - China has implemented strict environmental regulations and standards for manufacturing, as well as invested in renewable energy sources and clean technologies.
  - By manufacturing in China, businesses can demonstrate their commitment to sustainability and social responsibility.
- **Stability:**
  - China is not only a challenger, but also a partner in the global community.
  - China has maintained political and economic stability, despite the challenges posed by the COVID-19 pandemic, trade disputes, and geopolitical tensions.
  - China has also fostered cooperation and collaboration with other countries and regions, through initiatives such as the Belt and Road Initiative, the Regional Comprehensive Economic Partnership, and the Comprehensive Agreement on Investment.
  - By manufacturing in China, businesses can enjoy a stable and supportive environment that can facilitate their growth and success.

- Using New Industrialization to Promote Chinese Modernization Click
- Can Chinese growth defy gravity? Click
- How understanding China's "new formula" is critical to investors Click

China manufacturing industry, in relation to ASEAN

China has long been the dominant player in the global manufacturing sector, but its dominance is being challenged by some of the Association of Southeast Asian Nations (ASEAN) countries. According to a report by McKinsey, Vietnam, Indonesia, Thailand, and Malaysia are among the top fifteen emerging economies that have the potential to become manufacturing hubs by 2035. These countries have several advantages over China, such as lower labor costs, favorable demographics, strategic geographic location, and increasing integration with global value chains. However, they also face significant challenges, such as inadequate infrastructure, skills gaps, environmental issues, and political instability. To compete with China, these ASEAN countries need to invest in improving their productivity, innovation, and resilience, as well as strengthening their regional cooperation and trade agreements.

Some of the factors that could stimulate substantial growth in the ASEAN manufacturing sector are the implementation of the ASEAN Economic Community (AEC) integration plan, which aims to increase intra-regional and global trade; attracting more production from multinationals as labor costs rise in China; and the application of big data and mobile Internet, disruptive technologies where many ASEAN manufacturing firms lags behind their multinational counterparts. According to a report by BCG, if ASEAN can take full advantage of these trends, it can generate up to $600 billion a year in additional manufacturing output, increase annual foreign-direct investment in manufacturing by up to $22 billion, and create up to 140,000 new jobs a year by 2030. The region offers one of the world's largest, fastest-growing markets and has an extensive manufacturing base that spans light, heavy, and high-tech industries. What is more, a new trade pact—the Regional Comprehensive Economic Partnership (RCEP)—is expected to significantly accelerate the flow of finished goods, inputs, and investment between Southeast Asia and trade partners such as China, Japan, South Korea, and Australia. This will create greater access to Asia's biggest and most developed markets, lower the costs of importing manufacturing inputs, and make it easier for companies to build supply chains that leverage different advantages and skills across the region.

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Building manufacturing ecosystems that can realize this potential will require greater investments in infrastructure and skills training. It will also require governments to follow through on commitments they have made to harmonize regulations. A strong manufacturing foundation already exists in ASEAN, with clusters such as electronics in Malaysia and Vietnam, automobiles and packaged foods in Thailand, machinery and petrochemicals in Indonesia, packaged foods and apparel in the Philippines, and semiconductors, biopharmaceuticals, and aerospace components in Singapore. However, these clusters need to upgrade their production processes with Industry 4.0 technologies such as advanced robotics, 3D printing and real-time digital factory simulation. These technologies can enable manufacturers to expand from labor-intensive assembly work into producing higher-value goods such as machinery components or medical devices. Furthermore, these technologies can help manufacturers reduce their environmental impact by improving energy efficiency and reducing waste.

In conclusion, ASEAN has an excellent opportunity to compete with China for being the manufacturing hub of the world in the next decade. However, this opportunity also comes with challenges that need to be addressed by both public and private sectors. By investing in infrastructure, skills development, innovation and regional integration, ASEAN can harness its comparative advantages and move up the manufacturing value chain.

- China-ASEAN Forum on Emerging Industries Click
- China's relationship with the Association of Southeast Asian Nations (ASEAN) Click
- Is 'Made in China 2025' a Threat to Global Trade? Click
- Investing in Association of Southeast Asian Nations Click
- https://dkiapcss.edu/Publications/APSSS/ChinaandSoutheastAsia.pdf Click

Biotechnology some of the plans for China towards 2035

- To invest more than 4% of its GDP in research and development, with a focus on biotechnology and life sciences
- To establish a national biotechnology innovation system that integrates basic research, applied research, industrial development, and social services.
- To foster several worldclass biotechnology enterprises and innovation clusters and enhance the international competitiveness and influence of China's biotechnology industry.
- To promote the development of new drugs, vaccines, medical devices, and biobased materials that meet the needs of disease prevention and control, public health, and green development.
- To strengthen the protection and utilization of biological resources and improve the biosafety and biosecurity system.

- Bioscience Trends in China's New Five-Year Plan Click
- The roadmap of bioeconomy in China Click
- Bioeconomy becomes burgeoning force Click

New energy vehicles: expanding the production and sales of electric, hybrid, and fuel cell vehicles.

- New energy vehicles (NEVs) are vehicles that use alternative fuels or propulsion systems, such as electric, hybrid, and fuel cell vehicles.
- China is the world's largest market for NEVs, accounting for about half of the global sales in 2020.
- China has set ambitious targets for NEVs, aiming to increase their share of total vehicle sales from 5% in 2020 to 20% in 2025, and to 50% in 2035.
- China also plans to phase out the sales of conventional gasoline and diesel vehicles by 2035, and to achieve carbon neutrality in the transport sector by 2060.
- To achieve these goals, China is implementing various policies and measures, such as:
- Providing subsidies and tax incentives for NEV manufacturers and consumers
- Expanding the charging and refueling infrastructure for NEVs
- Promoting the development and innovation of NEV technologies and standards
- Enhancing the regulation and supervision of NEV quality and safety
- Supporting the integration of NEVs with renewable energy sources and smart grids

- China's New Energy Vehicle Industrial Development Plan for 2021 to 2035 Click
- China aims for EVs to account for 50% of all car sales by 2035 Click
- China's EV plans Click

High-end equipment: upgrading the manufacturing capabilities of following sectors, aerospace, rail transportation, marine engineering, and robotics.

- China aims to achieve breakthroughs in high end equipment manufacturing by 2035, according to its 14th Five-year Plan (2021/2025) and Long-range Objectives Through the Year 2035.
- The plan outlines the following strategic goals for high end equipment development:
- Enhance the innovation capacity and core competitiveness of key sectors such as aerospace, rail transportation, marine engineering, and robotics.
- Accelerate the integration of advanced technologies such as artificial intelligence, big data, cloud computing, and 5G with high end equipment manufacturing.
- Promote the application of high-end equipment in strategic emerging industries, modern service industries, and national defense and security fields.
- Expand the international market share and influence of China's high end equipment products and services.
- Build a modern industrial system that is coordinated, green, open, and shared.

- Enhancing Operating Efficiency in China's High-End Equipment Manufacturing Industry: Insights from Listed Enterprises Click
- Process Industry in China Future development and government regulation by Gao Peng and Lin Song, Innovation Norway, China Click
- China's Achievements, New Goals and New Measures for Nationally Determined Contributions1 Click

New materials: developing advanced materials such as graphene, carbon fiber, rare earths, and superconductors.

- China has ambitious plans to develop advanced materials such as graphene, carbon fiber, rare earths, and superconductors by 2035, aiming to boost its innovation and competitiveness in key sectors such as aerospace, energy, and electronics.
- According to the 14th Five-year Plan (20212025) and the Long-range Objectives Through the Year 2035, China will increase its investment and research in new materials, especially those with strategic importance and high added value.
- Some of the specific goals and projects include:
- Establishing a national graphene innovation center and a national carbon fiber engineering research center, as well as promoting the industrialization and application of graphene and carbon fiber products in various fields.
- Enhancing the exploration, extraction, and recycling of rare earths, as well as developing new rare earth functional materials and devices with high performance and low cost.
- Accelerating the development of superconducting materials and technologies, such as high temperature superconductors, superconducting magnets, and superconducting quantum computers.
- Building a national platform for new materials discovery and design, using advanced methods such as artificial intelligence, big data, and computational simulation.

- China's roadmap for high-quality development click
- New materials in focus within high-tech push Click
- Materials 2030 roadmap Click
- Evolution of energy and metal demand driven by industrial revolutions and its trend analysis Click
- Supply chain analysis and material demand forecast in strategic technologies and sectors in the EU A foresight study Click
- MINERAL COMMODITY SUMMARIES 2023 Click

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New energy: increasing the share of renewable energy sources such as wind, solar, hydro, and biomass in the energy mix.

- Some of the plans for China towards 2035 to increase the share of renewable energy sources such as wind, solar, hydro, and biomass in the energy mix are:
    - Achieving 1,200 gigawatts of wind and solar power capacity by 2025, surpassing its 2030 target five years ahead of time.
    - Supplying a third of its power consumption through renewable sources by 2030.
    - Becoming carbon neutral by 2060 and peaking its CO2 emissions before 2030.
    - Increasing electricity generation from renewables to almost 80% of its power mix by 2060.
    - Reducing industrial CO2 emissions by nearly 95% by 2060 with the help of innovative technologies such as hydrogen and carbon capture.

- Achieving an 80% carbon-free electricity system in China by 2035 Click
- China's route to carbon neutrality: Perspectives and the role of renewables Click
- Enhancing China's ETS for Carbon Neutrality: Focus on Power Sector Click
- 11 COUNTRIES LEADING THE CHARGE ON RENEWABLE ENERGY Click

Digital technology: enhancing the digitalization of industries, services, governance through cloud computing, big data, blockchain, internet of things.

- China aims to become a global leader in digital technology by 2035, with a focus on enhancing the digitalization of industries, services, and governance.
- Some of the key strategies to achieve this goal include:
- Developing cloud computing infrastructure and platforms to support the massive data generation and processing needs of various sectors.
- Promoting the application of big data analytics and artificial intelligence in fields such as health care, education, transportation, and urban management.
- Advancing the research and innovation of blockchain technology and its integration with other digital technologies, such as the internet of things, to improve the security, efficiency, and transparency of transactions and information sharing.
- Accelerating the deployment of internet of things devices and networks to enable smart manufacturing, smart agriculture, smart cities, and smart governance.
- China also plans to strengthen the digital governance system and the protection of data security and privacy, as well as foster a digital culture and digital literacy among its citizens.

- China's digital economy set to drive world growth Click.
- China releases guideline to become Global Leader in Digital Development by 2035 Click
- China proposes an overall plan for the construction of Digital China 2035 Click
- Four Impacts of the National Digital Plan on the Acceleration of Digital Businesses in China Click

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Artificial intelligence: AI technologies, machine learning, computer vision, natural language processing, speech recognition to various fields and scenarios.

- Artificial intelligence (AI) is the key driver of China's new round of scientific and technological revolution and industrial transformation, and an important strategic resource for enhancing national competitiveness and safeguarding national security.
- China has formulated a series of plans and policies to promote the development of AI, such as the "New Generation Artificial Intelligence Development Plan" issued in 2017, which outlines the vision and goals for China's AI development towards 2030.
- According to the plan, China aims to achieve major breakthroughs in basic theories and key technologies of AI, foster several worldclass AI enterprises and innovation centers, and build an open and coordinated AI innovation system by 2025.
- By 2030, China strives to become a global leader and innovation center in AI theory, technology, and application, and make AI a new engine for economic growth, social progress, and human wellbeing.
- To achieve these goals, China will focus on applying AI technologies such as machine learning, computer vision, natural language processing, and speech recognition to various fields and scenarios, such as smart manufacturing, smart transportation, smart healthcare, smart education, smart agriculture, smart security, and smart cities.
- China will also strengthen the research and development of core AI technologies and platforms, such as brain inspired computing, neuromorphic chips, quantum computing, cloud computing, big data, blockchain, etc., and enhance the integration and innovation of AI with other disciplines and industries.
- China will also pay attention to the ethical, legal, and social implications of AI development, and establish a sound governance system for AI that balances innovation and regulation, respects human dignity and rights, protects data security and privacy, ensures fairness and justice, and promotes international cooperation and exchange.

- AI in China: Regulations, Market Opportunities, Challenges for Investors Click
- Artificial Intelligence in China Click
- Artificial Intelligence Poised to Accelerate China's Annual Growth Rate from 6.3 percent to 7.9 percent by 2035, Finds New Research from Accenture Click
- Plan to enhance digital construction Click

China plans for traditional industries.

- Some of the specific plans for these industries towards 2035 are:
  - **Agriculture**: Enhance food security and quality, promote green and circular agriculture, develop modern seed industry and smart farming, which is the use of advanced technologies such as big data, artificial intelligence, and internet of things to improve agricultural productivity and sustainability, increase rural income and welfare.
  - **Manufacturing:** Upgrade industrial structure and innovation capacity, foster strategic emerging industries and advanced manufacturing, accelerate digital and intelligent transformation, improve energy efficiency and environmental protection.
  - **Services:** Expand the scale and quality of service sector, cultivate new forms of consumption and business models, enhance service trade and international cooperation, improve public services and social security.
  - **Infrastructure:** Build a modern comprehensive transportation system, optimize energy supply, and demand structure, strengthen water conservancy and ecological conservation, improve urban and rural infrastructure and public facilities.

- United Nations sustainable development cooperation framework for Peoples Republic of China Click
- China's Progress Report on Implementation of the 2030 Agenda for Sustainable Development Click

Chinas white-collar workforce, strengths, challenges, opportunities, salary

China's white-collar workforce is a key driver of the country's economic growth and innovation. According to a report by LinkedIn, China has the world's largest pool of white-collar talent, with more than 170 million professionals in 2020. The report also predicts that China will add another thirty-six million white-collar workers by 2025, surpassing the US as the global leader in talent supply.

- Discover the Exciting Opportunities in China's Evolving Labor Market 2023 Click
- These jobs can be respectable too': Why youths in China are abandoning white-collar jobs for 'light labor' Click
- China jobs: white-collar employees increasingly fear firings, while fresh graduates face unimaginable challenges Click
- No Job, No Marriage, No Kid: China's Workers and the Curse of age 35 Click

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Some of the strengths of China's white-collar workforce are:

- **High level of education and skills:**
  - China has invested heavily in education and vocational training, producing many graduates and skilled workers in various fields. According to the World Bank, China had 8.7 million tertiary graduates in 2019, ranking second in the world after India. China also has a strong presence in science, technology, engineering, and mathematics (STEM) disciplines, with more than 4.7 million STEM graduates in 2016, accounting for about 40% of the global total.
- **Entrepreneurial spirit and innovation:**
  - China's white-collar workers are not only employees, but also entrepreneurs and innovators. According to the Global Entrepreneurship Monitor, China had the highest rate of early-stage entrepreneurial activity among the G20 countries in 2019, with 24.6% of the adult population involved in starting or running a new business. China also ranks among the top countries in terms of patent applications, research, and development (R&D) expenditure, and scientific publications.
- **Adaptability and resilience:**
  - China's white-collar workers have demonstrated their ability to adapt and overcome challenges in a fast-changing and competitive environment. The COVID-19 pandemic, for example, has accelerated the digital transformation and remote work trends in China, requiring white-collar workers to adopt new technologies and work modes. According to a survey by PwC, 81% of Chinese white-collar workers said they were able to work effectively from home during the pandemic, compared to 73% globally.
- **Diversity and inclusion:**
  - China's white-collar workforce is becoming more diverse and inclusive, reflecting the country's social and cultural changes. According to LinkedIn, women accounted for 45% of China's white-collar talent pool in 2020, up from 37% in 2015. China also has a growing number of young professionals, with millennials (born between 1981 and 1996) and Gen Z (born after 1996) making up 64% of the white-collar workforce in 2020. Moreover, China's white-collar workers are increasingly open to working across borders and cultures, with more than ten million Chinese professionals working overseas in 2020.

- Work addiction in Chinese white-collar workers: the psychometric properties of its measure and its comorbidity with general anxiety in network analysis Click
- Spatiotemporal Patterns of the Use of Green Space by White-Collar Workers in Chinese Cities: A Study in Shenzhen Click

Some of the challenges faced by China's white-collar workforce are:

China's white-collar workforce is facing various challenges in the 21st century, as the country undergoes economic and social transformations. According to a report by McKinsey, China's white-collar workers will need to cope with four major shifts by 2030: the rise of the service sector, the adoption of automation and artificial intelligence, the aging of the population, and the increasing demand for green and low-carbon development.

- **Skill mismatch and upgrading:**
  - China's white-collar workers will need to constantly update their skills and competencies to match the changing needs of the labor market. According to McKinsey, about 220 million Chinese workers will need to switch occupations by 2030, and about one hundred million will need to acquire new skills. China's white-collar workers will also face more competition from both domestic and foreign talent, as well as from machines and algorithms that can perform some cognitive tasks.
- **Work-life balance and well-being:**
  - China's white-collar workers will need to balance their work and personal lives, as they face higher expectations and pressures from employers, customers, and society. According to a survey by LinkedIn, 64% of Chinese white-collar workers said they felt stressed at work in 2020, higher than the global average of 60%. China's white-collar workers will also need to take care of their physical and mental health, as they cope with the effects of the pandemic, pollution, and aging.
- **Career development and mobility:**
  - China's white-collar workers will need to plan their career paths and seek opportunities for growth and advancement. According to a survey by Zhaopin https://www.zhaopin.com/ , a leading online recruitment platform in China, 51% of Chinese white-collar workers said they were dissatisfied with their current jobs in 2020, and 35% said they planned to change jobs within a year. China's white-collar workers will also need to explore new possibilities for working across sectors, regions, and countries, as the world becomes more interconnected and diverse.

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- **Social responsibility and impact:**
  - China's white-collar workers will need to align their personal values and goals with the broader vision and mission of their organizations and society. According to a survey by Deloitte, 76% of Chinese millennials (born between 1983 and 1994) said they wanted to work for organizations that have a positive impact on society in 2019, higher than the global average of 63%. China's white-collar workers will also need to contribute to the sustainable development of the country and the planet, as they face the challenges of climate change, resource scarcity, and inequality.

- What China's Demographic Decline Means for Its Labor Force Click
- White-collar wage cuts in China fuel deflation risks, hurt consumption Click
- Demographic crisis: in 5 years, China's birth rate has plunged 40% Click
- Old and young, Chinese vent anger at move to raise retirement age Click
- No Choice but to Lie Flat: Youth Unemployment Surges in China Click

Some of the opportunities for China's white-collar workforce are:
China's white-collar workforce has many opportunities to thrive and succeed in the 21st century, as the country pursues its vision of becoming a modern and prosperous society. According to a report by Boston Consulting Group, China's white-collar workers will benefit from four major trends by 2030: the expansion of the middle class, the emergence of new industries and business models, the integration of the digital and physical worlds, and the participation in the global community.

- **Higher income and consumption:**
  - China's white-collar workers will enjoy higher income and living standards, as they move up the value chain and increase their productivity and efficiency. According to Boston Consulting Group, China's middle class will grow from 430 million in 2019 to 780 million in 2030, accounting for 55% of the population. China's white-collar workers will also have more choices and preferences for consumption, as they seek quality, variety, and personalization.
- **Innovation and entrepreneurship:**
  - China's white-collar workers will have more chances to create and innovate, as they participate in new industries and business models that are driven by technology, creativity, and social impact. According to the World Intellectual Property Organization, China ranked first in the world in terms of patent applications, with 1.4 million in 2019. China also ranked second in the world in terms of unicorn companies, with 227 startups valued at more than $1 billion in 2020.
- **Digitalization and "smartization":**
  - China's white-collar workers will have more opportunities to leverage digital technologies and platforms, as they integrate the online and offline worlds and enhance their capabilities and experiences. According to the China Internet Network Information Center, China had 989 million internet users in 2020, accounting for 70% of the population. China also had 718 million e-commerce users, 904 million mobile payment users, and 904 million online education users in 2020.
- **Globalization and localization:**
  - China's white-collar workers will have more possibilities to connect and collaborate with people from different countries and cultures, as they participate in the global community and contribute to the common good. According to the Ministry of Education, China had 662,100 overseas students in 2018, ranking first in the world. China also had 10.3 million foreign tourists in 2019, ranking fourth in the world.

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Munkholm & Zhang Consulting ApS
Building bridges between cultures

Author: Kjeld Friis Munkholm. Shanghai, Thursday, September 7, 2023,

What is to be expected for white collar salary development in China 2023?

- The average monthly salary for white collar workers in China is expected to be around 29,300 Yuan (USD 4,214) according to Salary Explorer.
- The annual average wage of a typical Chinese employee is around 352,000 Yuan (USD 50,629) according to Michael Page.
- The median salary in China is 26,800 Yuan (USD 3,855) per month, meaning half of the population earns more and half earns less than this amount.
- The average salary range in China varies from 7,410 Yuan (USD 1,066) to 131,000 Yuan (USD 18,842) per month depending on the industry, experience, education, and location.
- The average annual salary increase in China is about 9% every 15 months, depending on the job title. However, this may vary by industry, with banking offering the highest increment of 8% and construction offering the lowest of 3%.
- The average annual salary increase by experience level shows that employees with more than 20 years of experience can expect a raise of 14%, while those with less than 2 years of experience can expect a raise of only 3%.
- The salary level also depends on the city and province, with Beijing, Shanghai, Guangzhou, Shenzhen, and Hangzhou offering the highest wages, while rural areas offer the lowest.
- White collar workers in China are increasingly worried about losing their jobs in 2023 due to the economic slowdown, trade tensions and technological disruption. According to a Zhao pin report, 47.3% of white-collar workers said they were worried about being fired in 2023, up from 39.8% last year.

- 2023 Salary Guide Mainland China. Click.
- China Cuts White Collar Wages to Control Extravagance Click
- China is driving the economy towards a high value-added model Click
- As AI Spreads, Experts Predict the Best and Worst Changes in Digital Life by 2035 Click

The blue-collar workforce of China

One of the key questions for China's economic development is what are the strengths of its blue-collar workforce now and towards 2025? The blue-collar workforce refers to the workers who perform manual or technical labor, such as manufacturing, construction, or service industries. According to government data, China had some two hundred million skilled workers in 2021, accounting for 26% of the country's total workforce. They are expected to account for more than 30% of the country's total workforce by 2025, with one-third of them being highly skilled. This shows that China has a large and growing pool of skilled workers who can support its industrial upgrading and innovation.

However, China also faces some challenges in attracting and retaining its blue-collar workforce. Some of the factors that contribute to the shortage of skilled workers include the aging population, the preference for higher education and white-collar jobs among young people, the low social status and income of blue-collar workers, and the competition from other sectors that offer more flexible hours. To address these issues, China's top policymakers have announced a raft of new measures to make blue-collar jobs more attractive, such as improving vocational education, enhancing the income distribution and professional title system, and encouraging various social entities and organizations to set up vocational schools.

Therefore, China's blue-collar workforce has both strengths and weaknesses in its current situation and outlook. On one hand, it has many skilled workers who can contribute to China's economic transformation and competitiveness. On the other hand, it faces a structural imbalance and a stigma that may hinder its development and sustainability. China needs to implement effective policies and incentives to cultivate, motivate, and retain its blue-collar talent.

According to a recent report by the China Academy of Social Sciences, the outlook for blue-collar workers in China from 2023 to 2035 is mixed. On the one hand, the demand for skilled and technical workers will increase as the economy shifts to higher value-added sectors and adopts more advanced technologies. On the other hand, the supply of low-skilled and low-wage workers will decline as the population ages and the labor force shrinks. The report predicts that by 2035, there will be a shortage of about one hundred million blue-collar workers in China, especially in the manufacturing, construction, and service industries.

To address this challenge, the report recommends that the government and employers should invest more in vocational education and training, improve labor mobility and social security, and promote the upgrading and innovation of traditional industries. The report also suggests that blue-collar workers should enhance their skills and adaptability, seek new opportunities in emerging sectors, and participate in social organizations and collective bargaining.

- China's Future Clouded by Socioeconomic Woes Click
- Decoding China's blue-collar labor shortage Click
- A Higher Education Bubble Stretches China's Blue-Collar Economy Click
- Mapping China's Labor Force in 2035 Through the Lens of Two Censuses Click
- China's Changing Labor Market – Trends and Future Outlook Click
- China's Blue-Collar Workers Are Ageing, Lack Top Skills, Report Shows Click

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What is to be expected for blue collar salary development in China 2023?

- Blue collar workers are still most of the workforce in China, accounting for about 70 percent of the nonagricultural employment in 2021.
- Blue collar workers face increasing competition from college graduates who struggle to find suitable jobs in the service sector and may settle for lower paying jobs in the manufacturing or construction industries.
- Blue collar workers may also face pressure from automation and digitalization, which could reduce the demand for low skilled labor and increase the demand for high skilled labor.
- Blue collar workers may benefit from the government's efforts to boost domestic consumption and infrastructure spending, which could create more job opportunities and increase wages in some sectors.
- Blue collar workers may also benefit from the government's policies to improve social security, health care, education, and housing for rural migrants, who make up a large proportion of the blue-collar workforce.
- Blue collar workers may experience different salary trends depending on their location, industry, skill level, and bargaining power. Some regions or sectors may offer higher salaries than others, depending on the supply and demand of labor.
- Blue collar workers may expect an average salary increase of around 5 percent in 2023, according to a survey by Michael Page, a recruitment agency. However, this may vary depending on individual performance, company performance, and inflation rate.

- A Guide to Minimum Wages in China in 2023 (Last Updated on July 14, 2023) Click

How is skill level of workforce, blue and white collar, categorized in China?

- The skill level of the workforce in China can be categorized into three types:
    - low skilled,
    - mediums killed, and
    - highly skilled workers, according to the International Labor Organization (ILO).
- Lows killed workers are those who have not completed primary education or have only completed primary education. They are mainly engaged in elementary occupations, such as cleaners, laborers, or domestic workers.
- Mediums killed workers are those who have completed secondary education or have some postsecondary education. They are mainly engaged in skilled agricultural, craft, or service occupations, such as farmers, mechanics, or salespersons.
- High skilled workers are those who have completed tertiary education or have advanced professional qualifications. They are mainly engaged in managerial, professional, or technical occupations, such as managers, engineers, or teachers.
- According to the Ministry of Human Resources and Social Security (MHRSS) of China, there are over two hundred million skilled workers on the Chinese mainland by far, among whom more than fifty million are highly skilled workers.
- Skilled workers account for only 26 percent of the total workforce, and highly skilled workers account for only 28 percent of the total skilled workers.
- The distribution of the workforce across economic sectors in China in 2020 was 25.4 percent in agriculture, 27.6 percent in industry, and 47 percent in services.
- The demand for high skilled workers is increasing as China's economy is transitioning away from being led by investment and manufacturing to being driven by consumption, services, and innovation.
- China needs to transform its education and skills development system to deliver the skills needed for a modern, digital, postindustrial economy, while instilling a new national ethos of lifelong learning.

- Developing China's workforce skill taxonomy reveals extent of labor market polarization Click
- Blue vs white: The job market leaves some hot under the collar Click
- Blue Collar or White Collar: Which Pays More? Click

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Industry clusters in China 2023, including geographic location with indication of province.

- New Energy Vehicles (NEVs) in Hefei, Anhui Province.
    - This cluster aims to cultivate an industry with annual revenue of over one trillion yuan and produce 1.2 million NEVs by 2025.
    - It hosts major companies such as Volkswagen Anhui, JAC Motors and NIO.
    - Homepage reference: Click for info
- NetZero Battery Materials in Sulawesi, Indonesia.
    - This cluster is a cooperation between Indonesia and the UK to secure low carbon battery materials for electric vehicles and energy storage.
    - It plans to launch the leading NetZero industrial park in Sulawesi with renewable energy sources and green hydrogen solutions.
    - Homepage reference: Click for info
- Renewable Energy in Qinghai Province.
    - This cluster is becoming energy self-sufficient by using solar, wind and hydro power to supply electricity and heat to industrial parks.
    - It aims to reduce 1.6 billion metric tons of CO2 emissions, retain, and create eighteen million jobs and contribute $2.5 trillion to global GDP by 2050.
    - Homepage reference: Click for info
- Copper Ore Mining in Inner Mongolia Autonomous Region.
    - This cluster is the largest copper producer in China with an annual output of over 1.3 million tons.
    - It has abundant mineral resources and advanced mining technologies. It also supports the development of related industries such as smelting, processing and equipment manufacturing.
    - Homepage reference: Click for info
- Online Shopping in Hangzhou, Zhejiang Province.
    - This cluster is the home of Alibaba Group, the largest ecommerce company in China and the world.
    - It also hosts other leading online platforms such as NetEase, Pinduoduo and Meituan.
    - It has a strong digital infrastructure, a large consumer market and a vibrant entrepreneurial culture.
    - Homepage reference: Click for info
- Here is a list that may help you find the regions where the industry clusters can be found:
    - **Electronic Industry:** Mainly in Guangdong (33%), the rest in Yangtze River Delta, Suzhou, Jiangsu Provinces.
    - **Textile Industry:** Mainly in Zhejiang (18%) and Jiangsu (20%), the rest in Fujian, Guangdong, Shandong Provinces.
    - **Leather & Feather:** South-East Coastal areas, Hebei, He'nan and Ningxia Provinces.
    - **Metal Products:** Zhejiang, Guangdong, Jiangsu, Shandong, Hebei, He'nan provinces.
    - **Glass:** More in Hebei, Jiangsu, some in Shandong and Guangdong provinces.
    - **Ceramics:** Jingdezhen in Jiangxi provinces
    - **Furniture:** Mainly in Dong'guan City, Guangdong Province, the rest in Hebei, Jiangsu, Zhejiang, Shanghai Provinces.
    - **Construction:** More in Shandong province, the rest in Hubei, He'nan, Guangdong, Jiangsu, Zhejiang Province.
    - **Household Appliance:** Guangdong, Zhejiang Provinces.
    - **Kid's Toys:** Mainly in Shantou City, Guangdong Province, the rest in Zhejiang Province.
    - **Artware & Stationery & Sporting:** Zhejiang, Fujian, Guangdong, Hubei.
    - **Papermaking & Printing:** Guangdong, Zhejiang, Jiangsu, Shandong, Fujian.
    - **Machinery Manufacturing:** Dongbei Area, Hu'nan and Hubei provinces.
    - **Petrochemical Industry:** Shandong (32%), Liaoning (21%), Guangdong (15%)
    - **Pharmaceutical Industry:** Tianjin city, Xi'an city in Shanxi province
    - **Food & Beverages:** Liaoning, Shandong, Jiangsu, Guangdong, Fujian, Hebei, Henan, Hunan, Hubei, Inner Mongolia
    - Transportation Equipment: Shandong, Sichuan, Hebei,
    - Motor & Bicycle: Taizhou city in Zhejiang province (40%)
    - Shipping/Vessel: Yangtze River Delta, Pearl River Delta, Bohai Bay Areas
    - Automobile: Mainly in Jilin, Hubei, Shanghai and Yangtze River Delta, the rest in Pearl River Delta, Beijing

    - Discover the 23 Provinces of China Click

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Sources for detailed information about industry clusters in China.

- China's Jing-Jin-Ji Industrial Cluster: Sector Prospects and Policy Updates Click
- China is home to an important cluster community Click
- Here's how industrial clusters in China are moving towards energy self-sufficiency Click
- China's State Council stresses accelerating development of advanced manufacturing clusters Click
- Former industrial cluster in Beijing to become a 'sci-fi city' Click
- China's Jiangsu to build aerospace industry cluster Click
- Map of China and four bio business clusters Click
- Map of industry clusters in China 2023 Click
- A manufacturing map of China Click
- China's Industrial Clusters Building AI-Driven Bio-Discovery Capacity Click

The major and most significant differences between private and state-owned companies in China and what are the rules and regulations for each of them.

One of the major and most significant differences between private and state-owned companies in China is their share of the market and their contribution to the economy. According to the World Economic Forum, China is home to 109 corporations listed on the Fortune Global 500, but only 15% of those are privately owned. State owned enterprises (SOEs) are enormously bulky and therefore lack flexibility when responding to market demands. They also enjoy preferential access to loans and regulations that favor them over their private competitors. However, SOEs also have some advantages, such as receiving financial support from the government, having access to favorable policies such as tax breaks and lower interest rates, and reaching a large and stable potential customer base. Private companies, on the other hand, are more efficient, innovative, and responsive to consumer needs. They contribute 60% of China's GDP, and are responsible for 70% of innovation, 80% of urban employment and provide 90% of new jobs. However, the share of the private sector among China's largest listed companies has been declining since mid-2021, dropping below 40% for the first time since end 2019 in the first half of 2023. This indicates a loss of market confidence and dynamism in the private sector.

Another major and significant difference between private and state-owned companies in China is their role and relationship with the government. SOEs are directly controlled by the Communist Party of China (CPC) and serve as instruments of its political and economic agenda. They are often involved in strategic sectors such as energy, telecommunications, transportation, and defense. They also assist the government in implementing reforms and maintaining social stability. Private companies, however, have more autonomy and independence from the state, but they also face more challenges and uncertainties. They must comply with complex and changing rules and regulations that may not be transparent or fair. They also must deal with corruption, bureaucracy, protectionism, and competition from SOEs. Private companies must balance their profit-seeking motives with their social responsibilities and political sensitivities.

- CCP branches out into private businesses Click
- Performance comparison of state-owned enterprises versus private firms in selected emerging Asian countries Click
- Can Chinese Firms Be Truly Private? Click
- Achieving stability and prosperity: The Chinese way Click

How many private companies are registered in China 2023 and what is their contribution to GDP?

According to the latest data from the National Bureau of Statistics, there were about 38.6 million private enterprises registered in China by the end of 2022, accounting for 93.4 percent of all enterprises in the country. In the first half of 2023, private enterprises contributed to 52.7 percent of China's total foreign trade, up from 51.8 percent in 2022. Private enterprises also played a vital role in supporting China's economic recovery from the pandemic, as they generated more than 80 percent of urban employment and more than 60 percent of GDP growth in 2023 Q1. China's GDP grew 4.5 percent year over year in 2023 Q1, higher than market expectations, and is expected to grow 5.7 percent for the entire year. The new Chinese premier, Li Qiang, has promised to provide stronger support for the private sector, such as reducing taxes and fees, improving financing conditions, and enhancing market access.

- Edward Cunningham: What is the future of China's private sector? Click.
- China's state vs. private company tracker: Which sector dominates? Click
- Number of registered companies in China from 2016 to 2021 Click

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How does the state control private owned companies in China 2023?

The state control over private owned companies in China has increased significantly in 2023, following the release of the "Opinion on Strengthening the United Front Work of the Private Economy in the New Era" by the Central Committee of the Chinese Communist Party (CCP) in 2020. This document outlined the CCP's intention to establish a "united front" between business and government and to enhance the party's leadership over the private economy. According to the document, private economic figures are to be more closely united around the party and achieve a high degree of consistency with the party's policies and ideologies. The document also called for strengthening the party's organization and guidance in private enterprises, as well as educating and training private entrepreneurs on socialist values and national strategies.

The impact of this document has been evident in various sectors of China's economy, especially in the property market, which has been hit by a severe crisis since 2022. The crisis was triggered by the collapse of Evergrande, China's largest private developer, which defaulted on its massive debts and sparked a wave of social unrest and financial contagion. The crisis has exposed the vulnerability of China's private developers, which have relied heavily on debt financing and land speculation to fuel their growth. In contrast, state owned developers have enjoyed preferential access to credit, land, and subsidies from the government, giving them an unfair advantage over their private counterparts. However, even state-owned developers have warned of major losses in 2023, as the housing market has contracted sharply due to tighter regulations, lower demand, and higher costs. The crisis has also revealed the deepening influence of the CCP in the property sector, as the party has intervened to rescue some troubled developers, impose stricter supervision, and discipline on others, and promote its ideological agenda through propaganda campaigns and patriotic education.

The state control over private owned companies in China is likely to continue and intensify in the future, as the CCP seeks to consolidate its power and advance its national interests. The party has made it clear that it expects private businesses to align with its goals and missions, such as achieving carbon neutrality, enhancing technological innovation, maintaining social stability, and realizing the great rejuvenation of the Chinese nation. Private businesses that fail to comply with these expectations may face harsh consequences, such as fines, sanctions, investigations or even takeover by the state. On the other hand, private businesses that cooperate with the party may enjoy some benefits, such as tax breaks, subsidies, market access or political recognition. However, these benefits may come at an excessive cost, such as losing their autonomy, competitiveness, and creativity.

- China vows to support private businesses in bid to boost economic growth Click
- How the state runs business in China Click
- In Xi's China, the Business of Business Is State-Controlled Click

The thirty largest private owned companies in China 2023, including company name and location.

According to the Fortune Global 500 list of 2023, the thirty largest private owned companies in China in 2023, ranked by their 2022 USD turnover, are as follows:

1. Ping An Insurance, a financial services and insurance company based in Shenzhen, with a revenue of $199.6 billion.
2. Huawei, a technology and telecommunications company based in Shenzhen, with a revenue of $136.7 billion.
3. Alibaba Group, an e commerce and internet services company based in Hangzhou, with a revenue of $109.5 billion.
4. Tencent Holdings, an internet services and gaming company based in Shenzhen, with a revenue of $73.9 billion.
5. JD.com, an e commerce and logistics company based in Beijing, with a revenue of $71.4 billion.
6. China Vanke, a real estate development company based in Shenzhen, with a revenue of $58.8 billion.
7. Suning.com, a retail and e commerce company based in Nanjing, with a revenue of $38.9 billion.
8. Evergrande Group, a real estate development and financial services company based in Shenzhen, with a revenue of $38.7 billion.
9. Country Garden Holdings, a real estate development and construction company based in Foshan, with a revenue of $37.9 billion.
10. Lenovo Group, a technology and computer hardware company based in Beijing, with a revenue of $37.7 billion.
11. Xiaomi Corporation, a technology and consumer electronics company based in Beijing, with a revenue of $36.8 billion.
12. China Minsheng Bank, a commercial bank based in Beijing, with a revenue of $34.5 billion.
13. BYD Company, an automobile and battery manufacturer based in Shenzhen, with a revenue of $31.6 billion.
14. Geely Automobile Holdings, an automobile manufacturer based in Hangzhou, with a revenue of $30.5 billion.
15. Midea Group, an electrical appliances manufacturer based in Foshan, with a revenue of $29.5 billion.
16. China Everbright Bank, a commercial bank based in Beijing, with a revenue of $28.6 billion.
17. HNA Group, a conglomerate involved in aviation, tourism, logistics and financial services, is based in Haikou, with a revenue of $27.1 billion.
18. Haier Smart Home, an electrical appliances manufacturer based in Qingdao, with a revenue of $25.8 billion.
19. China Merchants Bank, a commercial bank based in Shenzhen, with a revenue of $25.4 billion.
20. Shanghai Pudong Development Bank, a commercial bank based in Shanghai, with a revenue of $24.9 billion.
21. Wanda Group, a conglomerate involved in real estate, entertainment, sports, and tourism, is based in Beijing, with a revenue of $23.8 billion.
22. Baidu, an internet services and artificial intelligence company based in Beijing, with a revenue of $22.5 billion.
23. Fosun International, a conglomerate involved in health care, tourism, finance, and real estate, is based in Shanghai, with a revenue of $21.7 billion.
24. ZTE Corporation, a technology and telecommunications company based in Shenzhen, with a revenue of $21.5 billion.
25. China CITIC Bank, a commercial bank based in Beijing, with a revenue of $20.9 billion.
26. Dalian Wanda Commercial Management Group, a real estate development and property management company based in Beijing, revenue of $20.7 billion.
27. Gree Electric Appliances, an electrical appliances manufacturer based in Zhuhai, with a revenue of $19.4 billion.
28. Ant Group, an internet services and financial technology company based in Hangzhou, with a revenue of $18.5 billion.
29. Shanghai Electric Group Company Limited, an electrical equipment manufacturer based in Shanghai, with a revenue of $18.3 billion.
30. Anbang Insurance Group, an insurance and financial services company based in Beijing, with a revenue of $17.9 billion.

- Source: https://en.wikipedia.org/wiki/List_of_largest_Chinese_companies

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How many state-owned companies are registered in China 2023 and what is their contribution to GDP?

According to the latest data, China had about 97,000 state owned enterprises (SOEs) by the end of 2022, accounting for about 3 percent of the total number of registered companies in the country. However, these SOEs have a significant share of the market value and economic output of China. In the first half of 2023, the share of the state sector among the country's one hundred largest listed companies, measured by aggregate market capitalization, reached 61 percent, up from 57.2 percent in end 2022. The value add of SOEs also grew by 4.4 percent year on year in the same period, compared to 1.9 percent for private companies and 0.8 percent for foreign and Hong Kong, Macao, and Taiwan based companies. Based on these figures, it can be estimated that the contribution of SOEs to China's GDP, which was about 108 trillion yuan (15.2 trillion U.S. dollars) in the first half of 2023, was around 40 percent or more.

- How Much Do State-Owned Enterprises Contribute to China’s GDP and Employment (English) Click

How does the state control state owned companies in China 2023?

The state control of state-owned companies (SOEs) in China has increased in recent years, as evidenced by the rising share of SOEs among the largest listed companies in China, the negative growth of private sector investment, and the intensified anti-corruption inspections of major SOEs. According to a tracker by the Peterson Institute for International Economics (PIIE), the share of SOEs among China's 100 largest listed companies, measured by aggregate market capitalization, reached 61 percent in mid-2023, up from 57.2 percent in end 2022 and 44.6 percent in mid-2021. The share of the private sector, defined restrictively as firms with less than 10 percent state ownership, dropped below 40 percent for the first time since end 2019. The PIIE tracker suggests that market sentiment favors the state sector over the private sector, which may reflect the state's preferential access to credit, subsidies, and regulatory protection. Moreover, China's private sector fixed asset investment growth was negative (minus 0.2 percent) in the first half of 2023 compared with the first half of 2022, the worst since late 2020, while state sector investment expanded 8.1 percent. This indicates that the private sector faces more challenges and uncertainties in the economic environment than the state sector. Furthermore, China's top anti-corruption agency announced in March 2023 that it would inspect dozens of major SOEs, including China Investment Corp., PetroChina Co., and China Mobile Ltd., this move may signal that the government is expanding its push to boost efficiency and discipline in the state sector, as well as to consolidate its political control over key industries and resources.

The state control of SOEs in China is not only a matter of economic performance, but also of political and strategic interests. As Adam S. Hersh, an economist at the Center for American Progress, testified before the U.S. China Economic and Security Review Commission in 2012, "China’s SOEs are not simply commercial actors; they are agents of the Chinese government charged with fulfilling a range of economic and social objectives”. He argued that China's SOEs enjoy various forms of government support that distort market competition and create unfair advantages for them in domestic and international markets. He also pointed out that some SOEs engage in activities that pose security risks to the United States and its allies, such as cyber espionage, technology transfer, and resource acquisition. Therefore, he recommended that the United States should adopt a more comprehensive and coordinated approach to address the challenges posed by China's SOEs, including strengthening trade enforcement, enhancing transparency and accountability, and promoting market-oriented reforms.

In conclusion, the state control of SOEs in China has become more pronounced and pervasive in recent years, as the government seeks to enhance its economic and political influence at home and abroad. The state control of SOEs has implications for China's economic development, market competition, and international relations. The United States and other countries should monitor and respond to China's SOE policies and practices in a constructive and effective manner.

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The thirty largest state-owned companies in China 2023, including company name, geographic location and ranked in accordance with 2022 USD turnover:

1. Sinopec Group, Beijing, oil, and gas, $414.6 billion
2. State Grid Corporation of China, Beijing, electric utility, $383.9 billion
3. China National Petroleum Corporation, Beijing, oil, and gas, $379.1 billion
4. Industrial and Commercial Bank of China, Beijing, commercial bank, $368.9 billion
5. China Railway Construction Corporation, Beijing, construction, $366.8 billion
6. China Railway Group Limited, Beijing, construction, $362.9 billion
7. China Mobile Communications Group, Beijing, telecommunications, $284.2 billion
8. China State Construction Engineering Corporation, Beijing, construction, $270.9 billion
9. China National Offshore Oil Corporation, Beijing, oil, and gas, $268.9 billion
10. SAIC Motor, Shanghai, automotive industry, $248.3 billion
11. Baowu, Shanghai, steelmaking, $230.8 billion
12. China Development Bank, Beijing, policy bank, $230.7 billion
13. Agricultural Bank of China, Beijing, commercial bank, $226.8 billion
14. China Construction Bank, Beijing, commercial bank, $222.7 billion
15. China Post Group Corporation, Beijing, postal service, and logistics, $210.5 billion
16. China Communications Construction Company, Beijing, construction, and engineering, $207.4 billion
17. Bank of China, Beijing, commercial bank, $206.3 billion
18. China Southern Power Grid, Guangzhou, electric utility, $201.5 billion
19. Huaneng Group, Beijing, electric power generation and distribution, $197.6 billion
20. Sinochem Group, Beijing, chemicals, and petroleum refining, $187.8 billion
21. China Life Insurance Company, Beijing, insurance, and financial services, $182.6 billion
22. COFCO Group, Beijing, food processing and agriculture trading company, $176.4 billion
23. China Telecom Corporation Limited, Beijing, telecommunications, $175.8 billion
24. China Dating Corporation, Beijing, electric power generation and distribution, $174.6 billion.
25. Huawei Investment & Holding Co., Ltd., Shenzhen, telecommunications equipment, $136.7 billion.
26. China Unicom, Beijing, telecommunications, $135.8 billion
27. Air China, Beijing, airline, $133.4 billion
28. China Eastern Airlines, Shanghai, airline, $131.9 billion
29. China Minmetals Corporation, Beijing, metals, and mining, $130.7 billion
30. Sinopharm Group, Shanghai, pharmaceuticals, and health care products, $128.6 billion

How strong is the political influence of China 2023 towards 2035, in the ASEAN countries?

China's political influence in the ASEAN countries is expected to grow stronger in the next decade, as it seeks to expand its economic, diplomatic, and military presence in the region. China is the largest trading partner and investor for most of the ASEAN countries and has been actively promoting its Belt and Road Initiative, which aims to connect Asia, Europe, and Africa through infrastructure projects. China also has territorial disputes with some of the ASEAN countries in the South China Sea and has been asserting its claims through building artificial islands and deploying military assets. China's growing influence poses both opportunities and challenges for the ASEAN countries, as they must balance their relations with China and other major powers, such as the United States, Japan, and India. The ASEAN countries must cooperate with China on areas of common interest, such as trade, development, and pandemic response, while also safeguarding their sovereignty, security, and interests in the region.

- ASEAN's Response to China's New Foreign Policy Initiatives Click
- The testing ground: China's rising influence in Southeast Asia and regional responses Click
- The U.S. Is Losing Ground to China in Southeast Asia Click
- ASEAN 2030 towards a borderless Economic Community Click

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Building bridges between cultures

Author: Kjeld Friis Munkholm. Shanghai, Thursday, September 7, 2023,

How strong is the commercial influence of China 2023 towards 2035, in the ASEAN countries?

China is expected to remain a dominant economic partner for the ASEAN countries in the next decade, as it continues to expand its trade, investment, and infrastructure projects in the region. According to the ASEAN-China Free Trade Area (ACFTA), which was upgraded in 2015, China and ASEAN aim to increase their bilateral trade volume to US$1 trillion by 2020 and US$1.5 trillion by 2030. China is also the largest source of foreign direct investment (FDI) for ASEAN, accounting for 16.8% of the total FDI inflows in 2019. Moreover, China is leading the Belt and Road Initiative (BRI), a massive infrastructure development plan that covers more than sixty countries, including many ASEAN members. The BRI is expected to enhance connectivity, trade, and cooperation between China and ASEAN, as well as create new opportunities for economic growth and development.

However, China's commercial influence in ASEAN also faces some challenges and uncertainties, such as geopolitical tensions, environmental and social impacts, and domestic political changes. Some ASEAN countries have territorial disputes with China in the South China Sea, which could escalate into military conflicts or affect trade and investment relations. Some BRI projects have also been criticized for causing environmental degradation, debt traps, or lack of transparency and accountability. Furthermore, some ASEAN countries may seek to diversify their economic partners or balance their relations with other major powers, such as the United States, Japan, or India, to reduce their dependence on China or protect their national interests. Therefore, the strength of China's commercial influence in ASEAN will depend on how China and ASEAN manage these challenges and uncertainties, as well as how they foster mutual trust, respect, and cooperation.

RCEP is a Free Trade Agreement (FTA) between China, Japan, South Korea, Australia, New Zealand and the 10 ASEAN member states of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. When RCEP enters into force it will be the world's largest FTA when measured by combined GDP (twenty-six trillion dollars), population (2.27billion) and total export value (5.2 trillion dollars) of signatory parties.

- Asia Pacific's Time Responding to the new reality Click
- Brunei engages Chinese investment amid diversification challenges Click
- China and ASEAN: Cooperating to Build Epicentrum of Growth by Hou Yanqi, the Chinese Ambassador to ASEAN Click
- RCEP to benefit China and the world Click
- Regional Comprehensive Economic Partnership (RCEP) what it means for your business Click.

How strong is the trade influence of China 2023 towards 2035, in the ASEAN countries?

China is expected to remain a dominant trade partner for the ASEAN countries in the next decade, as it continues to expand its economic and geopolitical influence in the region. According to a report by the Asian Development Bank, China's share of ASEAN's total trade will increase from 18.9% in 2020 to 21.4% in 2035, while the US and the EU will see their shares decline from 9.2% and 10.1% to 7.6% and 8.4%, respectively. China's trade influence is driven by several factors, such as its large and growing market, its Belt and Road Initiative (BRI) that aims to connect Asia, Europe and Africa through infrastructure and investment projects, its Regional Comprehensive Economic Partnership (RCEP) that creates the world's largest free trade area with 15 other countries, including 10 ASEAN members, and its strategic rivalry with the US that pushes it to seek closer ties with its neighbors. However, China's trade influence also faces some challenges and uncertainties, such as the rising protectionism and nationalism in some countries, the environmental and social impacts of its BRI projects, the potential backlash from the US and its allies, and the COVID-19 pandemic that may disrupt global supply chains and demand. Therefore, China's trade influence in the ASEAN countries will depend on how it balances its economic interests and political ambitions, as well as how it responds to the changing regional and global dynamics.

China benefits from trade with ASEAN. China's imports from ASEAN were only 1.03 trillion yuan in the January-May 2023 period. Exports reached 1.56 trillion yuan. China got a surplus of more than five hundred billion yuan.

- High digital stakes in new China–ASEAN new agreement Click
- ASEAN-China Relations: Does Political Tension Necessarily Impact Trade Relations? Click
- Leading in the new reality 26th Annual Global CEO Survey - Asia Pacific January 2023 Click

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China is investing heavily in infrastructure projects to stimulate its economy and enhance its global competitiveness.

- Expanding its renewable energy capacity, especially in wind and solar power, will reduce its reliance on fossil fuels and lower its carbon emissions. China aims to build about 550 gigawatts of wind and solar power bases in its northern deserts by 2030, which is equivalent to the current renewable capacity of Europe.
- Building ultra-high voltage transmission lines that will transport clean energy from the western regions to the eastern cities, improving the efficiency and reliability of the power grid. China plans to build thirteen of these lines this year, which will also help integrate its regional power markets.
- Developing high-speed rail networks that will connect major cities and regions, boosting trade, tourism, and mobility. China already has more than 40,000 kilometers of high-speed rail, more than twice as much as the rest of the world combined and plans to add another 10,000 kilometers by 2025.
- Constructing water tunnels and reservoirs will transfer water from the abundant south to the arid north, alleviating water shortages and droughts. The most ambitious project is a 200-kilometer-long tunnel that will move water from the Yangtze River to a reservoir that feeds northern China, which is expected to be completed by 2024.
- Establishing industrial parks and zones that will foster innovation and collaboration in key sectors such as semiconductors, biotechnology, and artificial intelligence. China aims to create world-class clusters of research and development, manufacturing and services that will enhance its technological capabilities and competitiveness.

- Why now is the time to reconsider China Click
- Shanghai 2023: Accelerating building productivity in China Click
- China’s economy to grow on sustained policy support, infrastructure investment Click
- The Road Back to Growth in China Click

The logistic industry in China

China's logistics industry is expected to show a stable and robust development trend in the next decade, driven by the rapid growth of e-commerce, infrastructure investment, and technological innovation. According to Deloitte, China's logistics value grew 3.4% in 2022 to RMB347.6 trillion, while the total revenue of the logistics industry reached RMB 12.7 trillion, up 4.7% YoY. Railway transport, cold chain facilities, and express delivery maintained higher growth rates.

Some of the major advantages that China's logistics industry will enjoy by 2023 and towards 2035 are:

- A large and diversified consumer market that demands high-quality and efficient delivery services. China has the world's largest online retail market, with e-commerce sales reaching RMB 11.8 trillion in 2022, accounting for 28.6% of total retail sales. The demand for online shopping is expected to remain strong in the post-pandemic era, especially in lower-tier cities and rural areas.
- A comprehensive and modern transport network that connects different regions and modes of transport. China has invested heavily in building and upgrading its transport infrastructure, such as highways, railways, airports, ports, and urban transit systems. By the end of 2022, China had a total railway length of 146,300 km, of which 39,200 km were high-speed railways. China also had the world's largest expressway network, with a total length of 160,000 km.
- A supportive and forward-looking policy environment that fosters innovation and integration in the logistics sector. China has issued a series of policies and plans to promote the development of smart logistics, such as the 14th Five-Year Plan (2021-2025), the New Infrastructure Initiative, the National Logistics Hub Development Plan, and the Smart Logistics Standard System Construction Plan. These policies aim to improve the efficiency, quality, and sustainability of logistics services, as well as to enhance the coordination and collaboration among different stakeholders in the logistics ecosystem.
- A leading position in digital transformation and smart logistics technologies that enable new business models and value propositions. China has been at the forefront of applying artificial intelligence, big data, cloud computing, blockchain, internet of things, and 5G to various aspects of logistics operations, such as demand forecasting, route optimization, warehouse management, inventory control, order tracking, and customer service. These technologies have helped reduce costs, improve service levels, increase customer satisfaction, and create new sources of revenue for logistics providers.
- A strong and diverse pool of logistics talent that can support the innovation and growth of the industry. China has many logistics professionals who have rich experience and expertise in different fields and domains. According to Deloitte, China had about thirty million people working in the logistics industry in 2022. Moreover, China has been cultivating more high-quality logistics talent through education and training programs, such as the National Logistics Talent Training Program and the Smart Logistics Talent Training Program.

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These are some of the main advantages that China's logistics industry will have by 2023 and towards 2035. However, there are also some challenges and risks that need to be addressed, such as environmental protection, data security, regulatory compliance, and international competition. Therefore, China's logistics industry should continue to innovate and upgrade its capabilities to maintain its competitive edge and seize new opportunities in the global market.

- China to lay down strong transportation path by 2035 Click
- Guideline looks to lift domestic demand Click
- China releases 2021-2035 transport plan. Click

China logistics services 2023 and towards 2035, compared to other ASEAN countries.
China is expected to maintain its leading position in the logistics sector in the Asia-Pacific region, as it continues to invest in infrastructure, technology, and innovation. According to a report by Frost & Sullivan, China's logistics market size will reach $2.8 trillion by 2023, accounting for 40% of the regional market share. By 2029, the market size is projected to grow to $1.537 trillion, with a compound annual growth rate (CAGR) of 5.32%. By 2035, China aims to build a world-class logistics system that is efficient, green, and intelligent, with a total value of $6.7 trillion.

In comparison, other ASEAN countries have a much smaller logistics market size, estimated at $324.71 billion in 2023 and expected to reach $475.59 billion by 2029, with a CAGR of 6.57%. The fastest-growing mode of transport for the ASEAN freight and logistics market is road, while China has a more balanced modal mix of road, rail, water, and air. The domestic segment is the largest destination type for the ASEAN courier, express and parcel market, driven by the booming e-commerce sector, which was valued at $109 billion in 2022. China's e-commerce market is much larger, reaching $1.94 trillion in 2022, and expected to grow by 10.4% in 2022 to reach CNY14.5 trillion ($2.3 trillion), according to Global Data. China also has a higher share of cross-border trade, accounting for about 27.2% of the total retail sales in 2022.

Among the end-user industries, the wholesale and retail trade sector is the largest contributor to the ASEAN freight and logistics market, accounting for about 12.1% of the GDP in 2022. China's wholesale and retail trade sector is also significant, contributing about 11.4% of the GDP in 2022, but China has more diversified end-user industries, such as manufacturing, agriculture, and mining. The cold chain logistics market is another area where China and ASEAN differ. China's cold chain logistics market size is estimated at $77.97 billion in 2023 and expected to reach $125.97 billion by 2028, with a CAGR of 10.07%. The ASEAN cold chain logistics market size is much smaller, estimated at $8.34 billion in 2023 and expected to reach $12.70 billion by 2028, with a CAGR of 8.77%^7^.

Therefore, China's logistics services will most likely remain dominant and competitive in the next decade and beyond, while other ASEAN countries will need to catch up and leverage their strengths and opportunities. China may also seek to collaborate with its neighbors and share its expertise and experience in building a modern and sustainable logistics system.

- The Impact of Infrastructure Development on China–ASEAN Trade-Evidence from ASEAN Click
- How to upgrade ASEAN infrastructure as more global businesses turn to the region Click
- SEA Supply Chain in 2023: Opportunities and Challenges Click
- ASEAN as a China Plus One destination: Current situation and risk outlook Click
- Indonesia and Other Southeast Asian Countries Need Healthy US-China Click
- Southeast Asia the ‘new China’ for supply chains? Click
- China and the West competing over infrastructure in Southeast Asia Click

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China labor law 2023 in English:

If you plan to set up and manage your operations in China, it is essential to be familiar with the various employment & labor regulations – not just to help you avoid unnecessary labor disputes but also to create a productive and seamless environment for your employees in China.

- Understanding employment & labor laws in China. Click.
- China Labor Law Updates: May 2023 Click
- Labor Laws in China: What Employers Definitely Need to Know in 2023 Click

China's environmental law in 2023:

ESG in China, despite not being officially defined in statutory laws and regulations, is comprised of three inherent elements: environmental protection, social responsibility, and corporate governance. Though consideration of ESG factors existed in many forms before it garnered much attention, the practice grew in popularity among investors and legal practitioners in China when the “dual carbon” goals were recognized. In the last couple of years, the government and companies have mainly been focusing on the reduction of carbon emission when they consider ESG.

- Environmental Law and Practice in China: Overview Click
- China's new environmental protection law: Implications for mineral resource policy, environmental precaution and green finance Click
- Environmental, Social & Governance China Click

ESG China 2023 status is what?

Environmental, social and governance (ESG) factors are increasingly important for investors and regulators in China, as the country faces the challenges of climate change, social inequality, and corporate governance issues. In 2023, China is expected to implement several policies and initiatives to promote ESG integration and disclosure, such as:

The mandatory ESG disclosure requirements for listed companies will cover fourteen key indicators related to environmental protection, social responsibility, and corporate governance.

These indicators are:

1. greenhouse gas emissions
2. energy consumption
3. water consumption
4. waste discharge
5. environmental compliance
6. employee health and safety
7. employee training and development
8. employee diversity and inclusion
9. social contribution
10. anti-corruption
11. board composition
12. board independence
13. board diversity
14. shareholder rights

The requirements will align with international standards and frameworks, such as the Task Force on Climate related Financial Disclosures (TCFD) and the Sustainable Development Goals (SDGs).

The carbon neutrality pledge, which aims to achieve peak carbon emissions by 2030 and carbon neutrality by 2060. The pledge will require significant investments and innovations in clean energy, green infrastructure, and low carbon technologies, as well as the development of a national carbon market and a carbon tax system.

The ESG themed funds and products, which will offer more opportunities and incentives for investors to allocate capital to ESG related sectors and companies. The funds and products will also be subject to stricter supervision and evaluation by the regulators, who will establish a unified ESG rating system and a green finance certification scheme.

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The ESG awareness and education, which will enhance the understanding and participation of various stakeholders, such as policymakers, businesses, consumers, and civil society, in ESG issues and solutions. awareness and education will also foster a culture of social responsibility and ethical conduct among corporate leaders and employees.

These policies and initiatives will create both challenges and opportunities for Chinese companies and investors in 2023. They will need to adapt to the changing regulatory environment, improve their ESG performance and disclosure, and seize the competitive advantages of being ESG leaders in their respective industries.

- WHITE PAPER ON ESG PRACTICES IN CHINA Click
- China's ESG Policy Dash Click
- China, Economic Growth, and ESG Click
- China ESG Snapshot – June 2023 Click

CSR China 2023 status is what?

CSR China 2023 is a national initiative launched by the Chinese government in 2019 to promote corporate social responsibility (CSR) among Chinese enterprises. The initiative aims to foster a culture of social responsibility, environmental protection, ethical conduct, and stakeholder engagement among Chinese businesses, both domestically and internationally. CSR China 2023 has four main objectives:

- To enhance the awareness and capacity of Chinese enterprises to implement CSR practices and standards, such as the UN Global Compact, the ISO 26000, and the OECD Guidelines for Multinational Enterprises.
- To encourage Chinese enterprises to integrate CSR into their core business strategies, operations, and value chains, and to disclose their CSR performance and impacts to the public and relevant stakeholders.
- To support Chinese enterprises to participate in global CSR initiatives and platforms, such as the UN Sustainable Development Goals, the Paris Agreement on Climate Change, and the Business for Peace movement.
- To recognize and reward Chinese enterprises that demonstrate outstanding CSR performance and leadership, and to showcase their best practices and experiences to the world.

CSR China 2023 is expected to contribute to the sustainable development of China and the world, as well as to enhance the reputation and competitiveness of Chinese enterprises in the global market. According to the latest report by the China Enterprise Confederation, more than **10,000** Chinese enterprises have joined the initiative as of August 2023, and have implemented various CSR projects and activities in areas such as poverty alleviation, environmental protection, employee welfare, consumer rights, anti-corruption, human rights, and community development.

China Enterprise Confederation is a non-governmental institution that represents the interests of employers in China. It was established in 1979 and merged with China Enterprise Directors Association in 1988. It has more than 400,000 members from various industries and regions. Its main functions are to provide services, training, information, and consultation to enterprises and entrepreneurs; to participate in the legislation and policy making processes related to industrial relations; to publish books and periodicals on business management; to facilitate international exchanges and cooperation; to promote sound labor relations and social dialogue; and to acknowledge outstanding companies and individuals.

- The 18th International CSR Forum successfully held Click
- Promoting Ethical Conduct and Corporate Social Responsibility in China 2023 Click
- Corporate social responsibility reporting in China: the case of 106 central enterprises Click
- CSR reporting in China's private and state-owned enterprises: A mixed methods comparative analysis Click
- Corporate Social Responsibility in China Click

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Information about BRICS

BRICS is a group of emerging economies that consists of Brazil, Russia, India, China, and South Africa. The group was formed in 2009 and aims to promote cooperation, development and multilateralism among its members and the Global South. In 2023, BRICS announced the admission of six new member states: Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates. These countries will join the group as full members from January 1, 2024.

The expansion of BRICS is seen as a historic and significant move that reflects the growing influence and diversity of the bloc. The new members are expected to bring more development opportunities, resources, and perspectives to the group, as well as to enhance its role in shaping the global order. The new members are also important regional players that have strong economic and political ties with the existing BRICS countries.

According to the Johannesburg II declaration adopted at the 15th BRICS Summit in South Africa in 2023, the expansion process was based on consensus, principles, standards, criteria, and procedures agreed by the BRICS countries. The declaration also stated that BRICS welcomes the interest shown by other countries of the Global South in joining the group and will continue to explore ways to expand its membership in a gradual and balanced manner.

The following are some brief information and homepage reference pages of the six new member states:

- Argentina: A South American country with a population of about forty-five million and a GDP of about US$450 billion. It is a major agricultural producer and exporter, as well as a leader in renewable energy. It has close relations with Brazil and China, and is a member of Mercosur, a regional trade bloc.
  - Homepage: cia factbook click
- Egypt: A North African country with a population of about one hundred million and a GDP of about US$360 billion. It is the largest Arab country and has a strategic location at the crossroads of Africa, Asia, and Europe. It is a key partner of China's Belt and Road Initiative and has strong ties with Russia and Saudi Arabia.
  - Homepage: cia factbook click
- Ethiopia: An East African country with a population of about 115 million and a GDP of about US$100 billion. It is one of the fastest-growing economies in Africa and has made considerable progress in poverty reduction, education, and health. It is a founding member of the African Union and has close cooperation with China on infrastructure development.
  - Homepage: cia factbook click
- Iran: A West Asian country with a population of about eighty-three million and a GDP of about US$190 billion. It is one of the largest oil and gas producers in the world and has a rich cultural and historical heritage. It is a strategic ally of Russia and China and has been under US sanctions for its nuclear program.
  - Homepage: cia factbook click
- Saudi Arabia: A West Asian country with a population of about thirty-four million and a GDP of about US$680 billion. It is the largest oil exporter in the world and has a leading role in the Organization of Petroleum Exporting Countries (OPEC). It is also a regional power that has strong relations with Egypt, UAE, and the US.
  - Homepage: cia factbook click
- UAE: A West Asian country with a population of about ten million and a GDP of about US$420 billion. It is one of the most diversified economies in the region and has a global reputation for innovation, tourism, and trade. It is also a regional hub that has established diplomatic ties with Israel, India, and China.
  - Homepage: cia factbook click

For further details information about the new BRICS member states, please click the links listed below:

Country	Status	Cia factbook	The Global Economy	World bank	Our world in data
Argentina	BRICS	cia factbook click	the global economy click	world bank data click	our world in data click
Egypt	BRICS	cia factbook click	the global economy click	world bank data click	our world in data click
Ethiopia	BRICS	cia factbook click	the global economy click	world bank data click	our world in data click
Iran	BRICS	cia factbook click	the global economy click	world bank data click	our world in data click
Saudi Arabia	BRICS	cia factbook click	the global economy click	world bank data click	our world in data click
UEA	BRICS	cia factbook click	the global economy click	world bank data click	our world in data click

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For additional information about BRICS, please check below indicated links.

- BRICS is doubling its membership. Is the bloc a new rival for the G7? Click
- BRICS and Africa: Partnership for Mutually Accelerated Growth Sustainable Development and Inclusive Multilateralism Click
- Six New BRICS: Implications for Energy Trade
- Intra-BRICS Trade and Analysis 2023 Click
- An Introduction to The New BRICS Members and 2023 BRICS Summit Analysis Click
- The BRICS Summit 2023: Seeking an Alternate World Order? Click
- Does an expanded BRICS mean anything? Click
- What BRICS Expansion Means for the Bloc's Founding Members Click

Recommendable book released 2023:
The New China Playbook
Beyond Socialism and Capitalism
Author: Keyu Jin
Homepage: https://books.apple.com/us/book/the-new-china-playbook/id1598047967 also available as audio book.

Publisher Description

"Keyu Jin is a brilliant thinker." —Tony Blair, former prime minster of the United Kingdom

A myth-dispelling, comprehensive guide to the Chinese economy and its path to ascendancy.
China's economy has been booming for decades now. A formidable and emerging power on the world stage, the China that most Americans picture is only a rough sketch, based on American news coverage, policy, and ways of understanding.

Keyu Jin: a world-renowned economist who was born in China, educated in the U.S., and is now a tenured professor at the London School of Economics.
A person fluent in both Eastern and Western cultures, and a voice of the new generation of Chinese who represent a radical break from the past, Jin is uniquely poised to explain how China became the most successful economic story of our time, as it has shifted from primarily state-owned enterprise to an economy that is thriving in entrepreneurship, and participation in the global economy. China's economic realm is colorful and lively, filled with paradoxes and conundrums, and Jin believes that by understanding the Chinese model, the people, the culture, and history in its true perspective, one can reconcile what may appear to be contradictions to the Western eye.
What follows is an illuminating account of a burgeoning world power, its past, and its potential future.

Publishers weekly 27 March 2023 review.
Americans' misunderstanding of China's economic growth keeps the two nations in unnecessary conflict, argues Jin, a professor at the London School of Economics, in her thoughtful debut. "Consumers, entrepreneurs, and the state: in China none of them behaves like a conventional economic agent," she argues, suggesting that China's economy works through a distinctive interplay between a powerful central state and an ascendant private sector.

Digging into the history of China's recent economic boom, she tells how in 1978 Deng Xiaoping, China's supreme leader, instituted reforms moving the country away from Soviet-style central planning toward a market economy, inaugurating a system in which the state retained wide-reaching powers that allowed it to bolster the fledgling economy.

Jin emphasizes the success of China's hybrid model, noting that reforms lifted hundreds of millions of citizens out of poverty, but she sometimes comes across as overly sanguine, as when she discusses polls that suggest Chinese citizens overwhelmingly have positive views of their government without noting whether this holds for, say, Uyghur people oppressed by the state. Still, she makes clear that the Chinese economy is far more complex than U.S. discourse lets on, and she offers an astute take on how the Chinese state cooperates with and intervenes in the private market. This elevates the conversation on U.S.-China relations.

Thank you very much for your attention, hope this document can be of help and support to your business.

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