

## Greener Together: 2025 Norway-China Green Transition Forum

# China's macro policy factors leading the way for deeper future collaboration on the green transition

**20<sup>th</sup> March 2025**

**Contact:**

**Hailin WANG | 王海林**

*Senior Consultant*

[hwang@chinamacro.ch](mailto:hwang@chinamacro.ch)

[China Macro Group \(CMG\)](#)

# China Macro Group (CMG) – a specialized European management consulting and research firm



## Profile

- CMG is an agile, service-minded and innovative **management consulting and research firm**
- CMG serves European **corporate, investment and public sectors** on China related questions
- It specializes in aiding **strategic decision-making** of governance and executive bodies
- CMG contributes **content publicly** via various initiatives such as Primers and webinars
- CMG operates with presences in **Zurich, Munich and Beijing**

## Our approach

### Cross-cultural epistemic

*Team dialectics, socio-economic grounded China analysis and accountable also to Chinese discourse*

### Interdisciplinarity

*Business management/strategy, public policy, macroeconomy and geopolitics/geoeconomics*

### “Multipolar” analytics

*For geopolitical/geoeconomic analysis actively use or seek expertise and views from respective “pole”*

### Research values

*Original, fact-based and calibrated – plus extensive Chinese expert network*

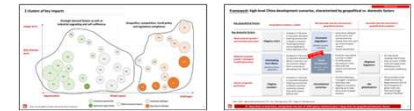
### Professional services DNA

*Listening, ownership and co-creation as foundation to build trusted and tailored collaborations*

## Our value proposition – 4 service areas

### Consulting

- Strategy devising / review
- China development scenarios
- HQ-subsidary alignment



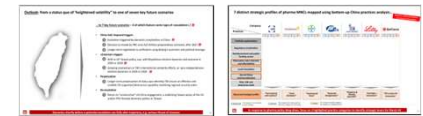
### Briefing

- China’s development strategy
- Strategic business context
- Market/competitive trends



### Monitoring

- Strategic business context
- Sector / market factors
- Geopolitical / risk factors



### Curation

- Learning conference / training
- Event/webinar moderation
- Speaker/expert referrals



## 2025 webinar series: China's 15<sup>th</sup> FYP: building towards next milestone in 2035 under unabating geopolitical pressure



Confirmed

### Dealing with Trump 2.0 – is China making tactical or strategic adjustments in view of the 15th FYP?

**DA Wei**, Director of Center for International Security and Strategy (CISS) and Professor of International Relations, Tsinghua University

26 February 2025  
9-945am CET | 4-445pm CST



Currently inquiring / TBC

### China-EU relations – ingredient or impediment to aid China's development until 2030

**CAI Run**, Ambassador of PRC Delegation to the European Union (EU)

September 2025  
9-945am CEST | 3-345pm CST



Confirmed / exact date TBD

### Four years into 14th FYP – taking stock of its execution after the NPC 2025

**ZHU Guangyao**, former Vice-Minister of Finance and Counsellor of the State Council

23 April 2025  
9-945am CEST | 3-345pm CST



Confirmed / exact date TBD

### "Reality check" – interpreting the "15th FYP outline" as per the 20<sup>th</sup> CC 5th Plenum and anticipating shifts

**BAI Chong-En**, Dean of School of Economics and Management, Tsinghua University

November 2025  
9-945am CET | 4-445pm CST



Confirmed / exact date TBD

### The long view – 10-year outlook imagining China in 2035 as the next key modernization milestone

**YU Yongding**, Academician of Chinese Academy of Social Sciences (CASS) and Member of Advisory Committees of NDRC and MFA

June 2025  
9-945am CEST | 3-345pm CST



Confirmed / exact date TBD

### Transitioning to the 15th FYP – zooming-in on Shenzhen as local government case-study

**ZHANG Lin**, Director of Science, Technology and Innovation Commission of Shenzhen Municipality

December 2025  
9-945am CET | 4-445pm CST



CET: Central European Time | CST: China Standard Time

Anchor partner



Host



## Key publication series: CMG Primers

Understanding the “**Taiwan issue**” – context, influencing factors and outlook



Chinese government remodeled at the **Two Sessions 2023** – policy, people and structure



Understanding supply chain distortions of **critical minerals** powering the green energy transition



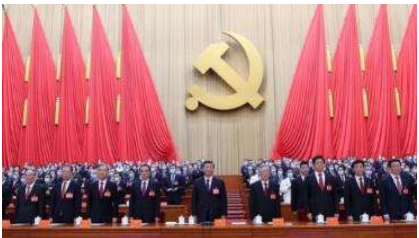
Xi's third ‘**Third Plenum**’ pivots to implementation, doubling down on China’s industrial ambition



**Caixin Summit 2024** - CMG's analytical digest: slide deck and read-out webinar recording



Understanding process and key outcomes of China’s **20<sup>th</sup> Party Congress**



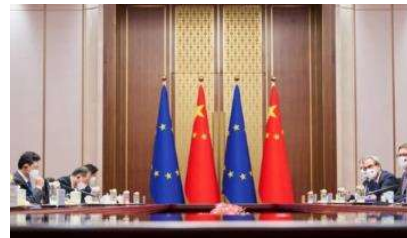
Understanding process and influencing factors of **Taiwan's 2024 presidential election**



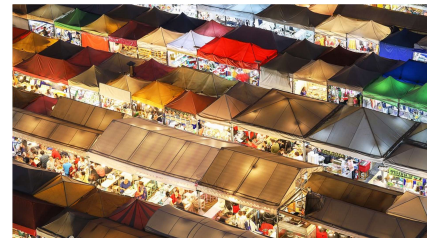
**Two Sessions 2024** – Strengthening proactive and better coordinated economic policy



**EU-China relations** – from economic integration to EU’s strategic autonomy and ‘de-risking’



**Understanding China’s economy into 2025** – evolved development strategy, reform priorities and short-term macroeconomic management



CMG’s core publication series focusing on key contextual and strategic topics in China’s political economy for foreign business

# WEF Horizon Scan: Corporate strategy-making in China, six building blocks

Discover ▾ Monitor ☆ Create ☆

WORLD ECONOMIC FORUM

🔍 ⚙️ ▾ Join us Sign in

← Discover

**Horizon Scan: Markus Herrmann**

Foreign businesses should be able to approach corporate strategy-making in the rapidly evolving, competitive Chinese market by factoring in domestic policy, geo-economic forces, and geopolitics. Some tried-and-tested strategies have emerged. They

Read more

🔗 </>

Share Embed



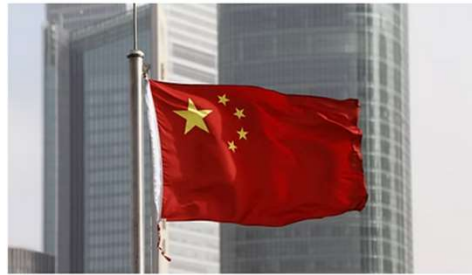
## CMG services: overview of four key service types, corresponding credentials available upon request

### Our Services →



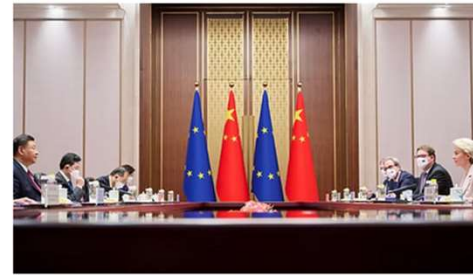
#### **Consulting**

Support your strategic decision-making, planning and actions →



#### **Briefing**

Align your cross-functional views on China and surface questions →



#### **Monitoring**

Track what is relevant to you strategically and operationally →



#### **Curation**

Design value-adding events and interactions related to China →

## Agenda

### **1** China's macro policy background

- China's "strategic shift" with the 14th Five-Year-Plan (2021-2025) – Dual Circulation
- "Third Plenum" (July 2024)

### **2** CMG outlook for future collaboration on the green transition

## Agenda

### 1 China's macro policy background

- China's "strategic shift" with the 14th Five-Year-Plan (2021-2025) – Dual Circulation
- "Third Plenum" (July 2024)

### 2 CMG outlook for future collaboration on the green transition



# Xi's speech in April 2020 a few weeks after the initial containment of Covid alters China's development strategy

## Xi's reflection on China's development strategy in the past



*"The world is amid 100-year unseen changes. The pandemic is a crisis but meanwhile a crucial test...we need to think outside the box with long-term vision and refine our strategy, turn crises into opportunities and achieve high-quality development."*

--Xi's speech at the 7<sup>th</sup> meeting of the CCP Commission on Economy & Finance, April 10, 2020

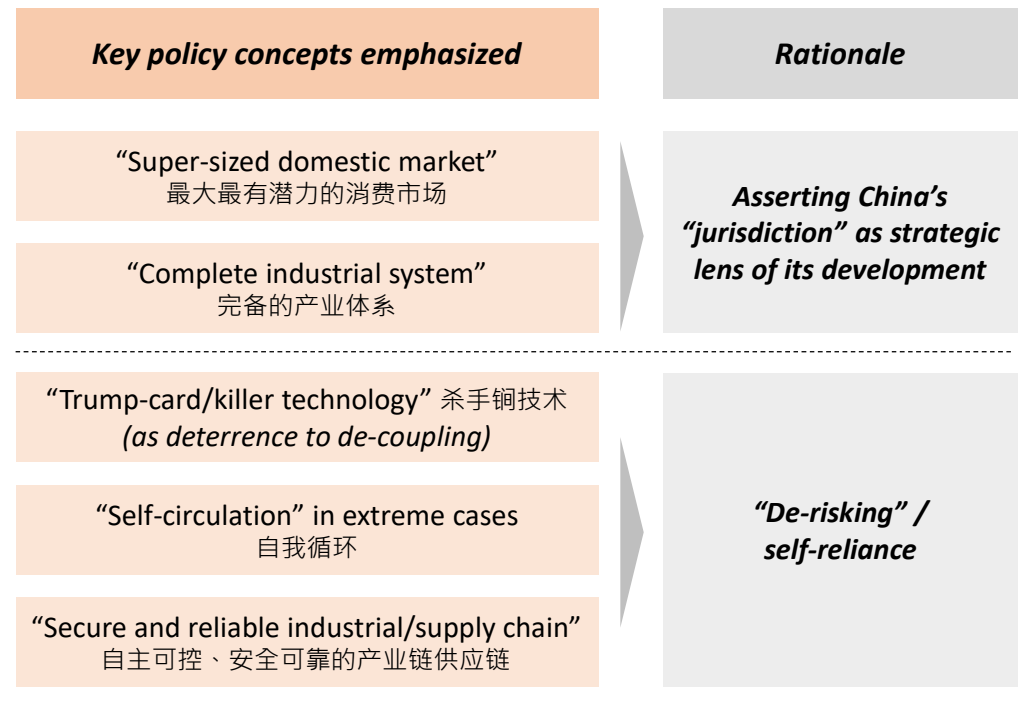
### Fast-growing economy relied on external supply and market

- Great economic achievements made by **integrating China into the "circulation of the world economy"** (国际大循环)
- China became a '**world factory**' that relied on raw material sources and end markets outside China

### ... but now external environment increasingly unfavorable

- Already ongoing **headwinds to economic globalization**, which could be intensified by the pandemic
- Global players becoming increasingly **"inward-looking"** (内顾倾向)

## Geoeconomic concepts infused into China's development strategy



China's development rationale since then first-time features such "hybridity", prelude the "strategic shift" of the 14<sup>th</sup> Five-Year-Plan

# Jurisdictional rationale: China's industrial policy metric shifted from corporate to market supply lens by 2020

		Phase 1: 1992-2005	Phase 2: 2005-2011	Phase 3: 2011-2020	Phase 4: since 2020
"Supply security" policy terms	Scope	Catch-up rationale	Emerging security rationale	Strengthened security rationale	Top-down security approach
Chinese corporate lens	Dependence on foreign tech (对外技术依存度)		2006	2015	
	Market share of domestic products (市场占有率)	1996			2018
Market supply-lens	Self-sufficiency* (自给自足/自给率)	1994			Ongoing
	Supply capacity (供给能力)	1996			Ongoing
	Market sufficiency (市场满足率)			2016	Ongoing
	Self-reliance (自立自强)			2018	Ongoing

\*Note: self-sufficiency used for food and energy only, except in the SEI in 2010, in which self-sufficiency was used one time also for "critical new materials" as technology



Among supply security concepts, only self-reliance is a risk management / "de-risking" measure, tackling critical supply bottlenecks

## China's 14th Five-Year-Plan is seen as of historic importance and "strategic shift"

中共中央党校  
Party School of the Central Committee of C.P.C



**Li Junru**

Former Vice-President of the Central Party School, in an interview with China News Service's "China focus face to face" (中国焦点面对面) on 26<sup>th</sup> October 2020

*"The core of the [14th Five-year] plan is to realize the **biggest strategic shift** since the Third Plenary Session of the 11th Central Committee [in 1978] and the establishment of a market economy system. [...]"*

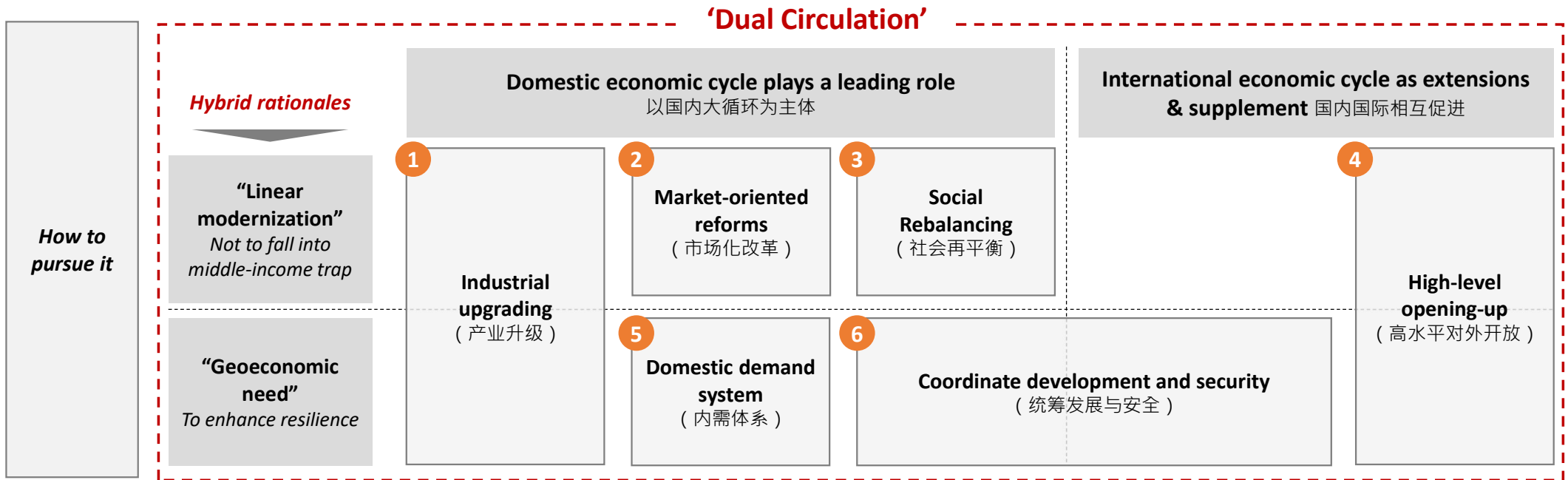
*Now China clearly wants to promote the transformation of the economy from high-speed growth to high-quality development in accordance with the **new development concept**.*

*At the same time, the entire economic layout is a new development pattern with internal circulation as the main body and internal and external circulation reinforcing each other.. This pattern is formulated based on the major changes unseen in a century and the needs of the great rejuvenation of the Chinese nation."*

*"规划核心要义就是实现(十一届)三中全会以来、建立市场经济体制以来**最大的一个战略转移** [...] 现在中国明确要按照**新发展理念**推动经济从高速增长到高质量发展转变。与此同时，整个经济布局是要以内循环为主体、内外循环相互促进的新发展格局。"*



# 'Dual Circulation' as core concept of the "strategic shift" introduced in 2020/2021 relies on 6 key policy pillars



**Among six policy pillars, industrial upgrading and high-level opening up shaped by both linear modernization and goeconomic needs**

# Xi's 'Dual Circulation' vision: China as "super gravitational field" attracting international goods and resources

## Xi's geoeconomic vision...



"The new development paradigm is by no means a closed domestic cycle but rather an **open system of dual circulation**. China's position in the global economy will continue to rise, its connections with the world economy will grow even closer, and the market opportunities it offers to other countries will become increasingly expansive. As a result, China will emerge as a **super gravitational field** (巨大引力场) attracting international goods and factor resources."

--Xi Jinping at an expert panel meeting, Aug 2020

## ... hints to target outcome of "strategic shift" in China's development strategy

	Previous paradigm <i>Benefit from opening-up and exporting into global economy</i>	New paradigm <i>Benefit from domestic economy as core, and manage interdependence with world economy</i>
<b>Key context factors</b>	<ul style="list-style-type: none"> <li>Economic immaturity and favorable external environment:</li> </ul>	<ul style="list-style-type: none"> <li>Economic maturity and unfavorable external environment</li> </ul>
<b>High-level development strategy</b>	<p><b>"World factory"</b></p> <ul style="list-style-type: none"> <li>Utilize China's labor endowment                             <ul style="list-style-type: none"> <li>Labor cost advantage to attract FDI</li> <li>TFP growth additionally from urbanization</li> </ul> </li> <li>Catch-up indigenously via tech transfers / spill-overs (from FDI)</li> </ul>	<p><b>"Dual Circulation"</b></p> <ul style="list-style-type: none"> <li>Reduce "dependence" on external demand</li> <li>Achieve more resilience via "de-risking" esp. including self-reliance policy                             <ul style="list-style-type: none"> <li>Geoeconomic / jurisdictional market logic supersedes indigenous corporate-level catch-up logic</li> </ul> </li> <li>TFP growth from technological leadership (NQPF's emerging and future industries)</li> </ul>



With progressed Dual Circulation, the Chinese market poised to offer very different demand, supply and 3<sup>rd</sup> country connectivity factors

# Agenda

## 1 China's macro policy background

- China's "strategic shift" with the 14th Five-Year-Plan (2021-2025) – Dual Circulation
- **"Third Plenum" (July 2024)**

## 2 CMG outlook for future collaboration on the green transition

## “Third-Plenum” (July 2024): under premise of Trump being re-elected, economic reforms are accelerated

### Addressing key reform areas with select entirely new reform measures — as compared to NPC 2024

### Execution since July 2024 / examples

	Addressing key reform areas with select entirely new reform measures — as compared to NPC 2024	Execution since July 2024 / examples
Economic reforms	<p><small>Cf. deep-dive 1</small></p> <p><b>Socialist market economy</b></p> <ul style="list-style-type: none"> <li>Improve equal treatment between state-owned and private economy, esp. regarding access to factors of production, market access and legal protection</li> <li>Defined more SOE responsibilities in innovation, industrial upgrading and national security</li> </ul>	<ul style="list-style-type: none"> <li>Draft of Private Economy Promotion Law</li> <li>Draft “Made-in-China” definition</li> </ul>
	<p><b>Developing NQPF*</b> (industrial policy + S&amp;T innovation policy)</p> <ul style="list-style-type: none"> <li>Expanding innovative talent supply, e.g. via promoting international knowledge exchange</li> <li>Effective policy coordination – vertically between central and local governments</li> <li>Ensuring financing of innovation, e.g. via foreign VC/Pes</li> <li>Refined industrial upgrading blueprint: upgrade traditional industries (via standards), cultivate strategic emerging industries (via policy system), and build early leading position in future industries (via fundraising mechanism)</li> </ul>	<ul style="list-style-type: none"> <li>2024 National Key R&amp;D Program</li> <li>Special financing scheme for high-tech SMEs (“hidden champions”)</li> </ul>
	<p><b>Macro-economic governance</b></p> <ul style="list-style-type: none"> <li>Systemic policy design and effective policy coordination – horizontally among ministries</li> <li>Improve financial capability and granting more financial autonomy for local governments</li> </ul>	<ul style="list-style-type: none"> <li>Closer policy coordination between PBOC and MOF on counter-cyclical measures</li> </ul>
	<p><b>Opening-up</b></p> <ul style="list-style-type: none"> <li>Proactive alignment (主动对接) with global economic standards</li> <li>Unilateral opening-up to least developed economies</li> <li>“Systemic trade policy making (贸易强国制度支撑和政策支持体系)”</li> </ul>	<ul style="list-style-type: none"> <li>Broadened pilot programs e.g. cross-border data transfer</li> <li>Broadened visa-free entry</li> </ul>
Social and cultural reforms	<p><b>Urban-rural development and social security</b></p> <ul style="list-style-type: none"> <li>Further equal treatment to rural immigrants, esp. for access to public service based on long-term residency</li> <li>Measures to restore population growth, e.g. birth-giving subsidy and public childcare service</li> </ul>	<ul style="list-style-type: none"> <li>Announcement of enhanced public service provision to rural immigrants</li> </ul>
	<p><b>Media governance</b></p> <ul style="list-style-type: none"> <li>More effective governance on all-media channels and (esp. online) public opinion</li> </ul>	<ul style="list-style-type: none"> <li>Restrictions on “immoral behaviors” by self-media</li> </ul>
Security reforms	<p><b>Coordinate development and security</b></p> <ul style="list-style-type: none"> <li>Ensuring China’s security interest, mainly—supply-chain resilience, technological self-reliance, risk-responding mechanism for trade activities</li> <li>Special focus on holistically coordinating supply chain of strategic minerals</li> </ul>	<ul style="list-style-type: none"> <li>2025 export control list for “dual-use items” released</li> </ul>

\*NQPF = “New Quality Productive Forces”, a policy term for S&T and industrial policy, invented by Xi during his visit to Heilongjiang in Sep 2023

**For external affairs, China’s diplomacy has been more activist since July 2024 to create bi-, pluri- and multilateral optionalities amid Trump**

## Broad reform policymaking follow-through across all nine key socialist market economy pillars observed

### Dimensions

### Chapter 6 of 14<sup>th</sup> FYP outlined 9 key reform dimensions...

<b>SOE reform</b>	<ul style="list-style-type: none"> <li>Optimize state-owned capital allocation and focus on strategic industries</li> <li>Enhance competitiveness, innovation, and resilience of SOEs</li> <li>Transform to a modern enterprise system with improved governance</li> </ul>
<b>Private economy</b>	<ul style="list-style-type: none"> <li>Guide high-quality development of private enterprises, support R&amp;D and encourage them to participate in major national projects</li> <li>Support entrepreneurship and promote entrepreneurial spirit</li> </ul>
<b>Property right</b>	<ul style="list-style-type: none"> <li>Improve laws and regulations to shape a “modern property right system”, incl. property rights on data, knowledge, and environment</li> <li>Ensure fair and equal protection of all ownership types</li> </ul>
<b>Factor marketization</b>	<ul style="list-style-type: none"> <li>Strengthen market-based land reforms</li> <li>Improve human capital market, e.g., remove labor mobility barriers</li> <li>Develop data and technology capital market</li> </ul>
<b>Anti-monopoly</b>	<ul style="list-style-type: none"> <li>Improve anti-monopoly policy framework to encourage fair competition</li> <li>Enhance law enforcement to prevent disorderly expansion of capital</li> </ul>
<b>Social credit</b>	<ul style="list-style-type: none"> <li>Strengthen social credit system with comprehensive policy framework, credit information management, and credit repair mechanism</li> </ul>
<b>Tax reform</b>	<ul style="list-style-type: none"> <li>Strengthen fiscal relations between central and local gov. to support strategic tasks and public services, gradually enhance local tax autonomy</li> </ul>
<b>Financial SSSR*</b>	<ul style="list-style-type: none"> <li>Guide financial sector to effectively support real economy, enhance financial supervision, promote financial innovation in orderly manner</li> </ul>
<b>Business environment</b>	<ul style="list-style-type: none"> <li>Build a market-oriented, rule-based, international business environment</li> <li>Streamline administrative approvals and remove hidden entry barriers</li> </ul>

### ... with policies further implemented since Third Plenum (Jul. 2024)

<ul style="list-style-type: none"> <li>SASAC, NDRC (Jul. 2024): <i>Guiding Opinions on Standardizing the Procurement Management of Central SOEs</i></li> <li>State Council (Jul. 2024): <i>3-year Action Plan on Gov. Procurement (2024-2026)</i></li> </ul>
<ul style="list-style-type: none"> <li>First law on private economy – <i>Private Economy Promotion Law</i> is in drafting process currently</li> <li>MIIT et al. (Dec. 2024): <i>Action Plan for Digital Empowerm. of SMEs (2025-2027)</i></li> </ul>
<ul style="list-style-type: none"> <li>MOF (Dec. 2024): <i>Pilot Program for Whole-process Management of Data Asset</i></li> </ul>
<ul style="list-style-type: none"> <li>CCCCP, SC (Aug. 2024): <i>Opinions on Reform, Innovation, Dev. of Digital Trade</i></li> <li>NDA et al. (Dec. 2024): <i>Opinions on Utilization of Enterprise Data Resources</i></li> <li>CCCCP, SC (Oct. 2024): <i>Opinions on Industrial Worker Construction Reform</i></li> </ul>
<ul style="list-style-type: none"> <li>SAMR (Nov. 2024): <i>Anti-monopoly Guideline for Essential Patent for Standards</i></li> </ul>
<ul style="list-style-type: none"> <li>In (sub-) chapters of other policy documents, no stand-alone policy</li> </ul>
<ul style="list-style-type: none"> <li>State Council (Dec. 2024): <i>Opinions on Optimizing and Improving the Management Mechanism for Local Government Special Bonds</i></li> <li>MOF et al. (Nov. 2024): <i>Tax Policies on Steady and Healthy Dev. of Real Estate</i></li> </ul>
<ul style="list-style-type: none"> <li>State Council (Jan. 2025): <i>Guiding Opinions on HQD of Gov. Investment Funds</i></li> <li>MOF et al. (Nov. 2024): <i>Measures for the Administration of Strategic Investment by Foreign Investors in Chinese Listed Companies</i></li> </ul>
<ul style="list-style-type: none"> <li>SAMR (Aug. 2024): <i>Key Measures to Optimize the Business Environment</i></li> <li>MIIT (Jul. 2024): <i>Opinions on ICT Industry Mgmt. and Optimizing Bus. Environm.</i></li> <li>GAC (Dec. 2024): <i>16 Measures to Optimize the Business Environment at Ports</i></li> </ul>

\*SSSR: Supply Side Structural Reform



Focus on the 2 dimensions of “anti-monopoly” and “social credit” appears to become less prominent since Third Plenum in July 2024



# Third Plenum offers most credible policy commitment to treat different ownership forms more equally to date

Third Plenum reform priorities across three types of market entities

	State-owned enterprises	Privately-owned enterprises	Foreign-owned enterprises
<b>Access to factors of production</b>	<ul style="list-style-type: none"> <li>n/a</li> </ul>	<ul style="list-style-type: none"> <li>Easier financing for POEs, e.g. lower borrowing cost</li> </ul>	<ul style="list-style-type: none"> <li>Ensure national treatment for FIEs regarding access to factors of production</li> </ul>
<b>Market access</b>	<ul style="list-style-type: none"> <li>Promote market-oriented reforms in competitive segments of sectors, e.g. in energy, railway, telecom and public utilities</li> </ul>	<ul style="list-style-type: none"> <li>Remove market access barriers for POEs to e.g. infrastructure construction and other types of large public projects</li> </ul>	<ul style="list-style-type: none"> <li>Shorten FDI negative list</li> <li>Remove FDI restrictions in manufacturing sector</li> <li>Gradually open market of finance, telco, healthcare...</li> </ul>
<b>Legal protection</b>	<ul style="list-style-type: none"> <li>n/a</li> </ul>	<ul style="list-style-type: none"> <li><i>Private Economy Promotion Law</i></li> <li>Supervision on fee over-charging and overdue/late payments to POEs (by SOEs)</li> </ul>	<ul style="list-style-type: none"> <li>Build a market-oriented, rule-based, international business environment</li> <li>Ensure legal rights and interests of FIEs in China</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>More effective evaluation of SOE performance incl. how SOEs contribute to national strategic goals</li> </ul>	<ul style="list-style-type: none"> <li>POE credit evaluation</li> <li>Guide POEs to improve self-governance, enhance compliance and risk control</li> </ul>	<ul style="list-style-type: none"> <li>n/a</li> </ul>
<b>Function</b>	<ul style="list-style-type: none"> <li>Direct state-owned reao sectors of public interest, e.g. security and public service, plus to strategic emerging industries</li> </ul>	<ul style="list-style-type: none"> <li>Allow POEs to lead major national S&amp;T projects</li> <li>Open public research resources and facilities to POEs</li> </ul>	<ul style="list-style-type: none"> <li>Support FIE in cooperation along the supply chain</li> </ul>

Red = new measure

## CMG assessment

- The 2024 reform plan removed the long-lasting “**main body position**” (主体地位) of the public economy, a political signal that China wants to further raise the position of the private sector and increase reliance of GDP growth on private economy
- Equal treatment to all types of market entities is stressed broadly, and more business environment improvement can be expected
- By making equal treatment, China wants to take advantage of different market entities and promote synergies among them
- SOEs, POEs and FIEs shall all be included in a unified framework to support China’s overarching national interests, most importantly in areas of technological breakthroughs, industrial upgrading and supply-chain resilience



Turn to pragmatism: China seeks more synergies among different market entities to better serve its strategic goals, esp. innovation

# Implementation example: China's first-ever 'Made in China' (draft) definition, ensuring equal treatment of FIEs

## MOF planning to issue requirements to "standardize" the qualification of "Made-in-China" product

## Impact on FIEs



*Definition of "Made-in-China" (three requirements)*

- 1 Products manufactured inside China
- 2 Percentage of **components** (measured by cost) manufactured inside China (varies by products)
- 3 For some products, **key components shall be manufactured and key manufacturing process completed inside China**

*Scope of the requirement*

- **Only targeted at industrial products**
- Procurement of agricultural and mining products are not included

*Support for Made-in-China"*

- Qualified "Made-in-China" product receives **20% price preference** in public procurement, compared to non-qualified

*Key principles for implementation*

- **Equal treatment** to all market entities, forbidding discrimination on foreign players in definition of "Made-in-China"
- Standardized **self-declaration** required, but no other materials needed for qualification
- Exemption granted for products included in **trade agreement** with trade partners

### Standards of Made-in-China Product in Government Procurement (Draft)

By Ministry of Finance  
December 05, 2024

### Who will be impacted:

- **FIEs with Chinese governments (including social health insurance and public research institutions) as key clients**
- **FIEs with infrastructure SOEs (e.g., energy, water telecom) as key clients (such SOEs will be regulated under public procurement soon)**
- **First and second tier suppliers for the above FIEs**
- **Indirect impact on all FIEs as this regulation will be broadly recognized by many other SOEs and private Chinese companies**

### How to react:

#### Immediately:

- **Lobby MoF for the draft, possible points include:**
  - Requiring all bidders to submit Made-in-China statement, not just FIEs
  - Add dispute resolution channels in case of non-compliance by local governments

#### In the next 3-5 years:

- **Lobby via industry associations for potential requirement (2) and (3) for your products/your clients' products**
- **Localize in China via greenfield, M&A or JV**



**While the regulation enhances equal treatment of big MNCs in China, SMEs with higher localization cost will face more challenges**

# Agenda

## 1 China's macro policy background

- China's "strategic shift" with the 14th Five-Year-Plan (2021-2025) – Dual Circulation
- "Third Plenum" (July 2024)

## 2 **CMG outlook for future collaboration on the green transition**

## CMG's outlook

- **Green transition will become a higher policy priority again under the 15<sup>th</sup> FYP**
  - Leadership opportunity for China in global governance and for industrial upgrading (e.g., NEV, eVTOL), plus stabilized economic growth as key incentives
  - NDRC's research calls for 15th FYP as evidence
  - Thus, continued commitment to China's 3060 targets, for which China has been open to collaboration with the West, even including USA
  - Meanwhile, enhanced efforts for securing supply of critical minerals as part of the national security concept, especially facing intensifying global geopolitics on critical minerals (e.g., Mineral Security Partnership by USA, working with "like-minded countries" by Australia)
  - Addressing overcapacity/"over competition内卷" (e.g., in solar and NEV) via national unified market (全国统一大市场)
- **To deal with Trump 2.0 strategically, the "Third Plenum" has been doubling down on key reforms including socialist market economy, "new-quality productive forces" and "high-level opening up"**
  - New pledge to treat all capital forms equally opens door for China's green transition to involve China-based foreign business and capabilities
    - China will specifically enhance market-oriented reform of the energy market, e.g., anti-monopoly in grid, to mobilize different capital forms of companies to contribute
  - China seeking new momentum in S&T exchange, incl. encouraging establishment of foreign organizations in China
  - Holistic coordination of China's strategic minerals' value-chain poised to increase China's self-reliance in this field

*Subscribe at CMG to receive regular updates and follow us on LinkedIn*



**Contact:**

**Markus Herrmann Chen | 陈瑞华**  
*Co-Founder and Managing Director*  
[mherrmann@chinamacro.ch](mailto:mherrmann@chinamacro.ch)

China Macro Group (CMG)