

Industry development

In 2010, the Chinese government published “State Council decisions on the fostering and development of strategic emerging industry” which outlined that China will be nurturing 7 main kinds of strategic emerging industry in the future; the energy-saving environmental industry, the new generation IT industry, the biological industry, the high-tech equipment manufacturing industry, the new energy source industry, the new material industry and the new energy car industry.

Following opening and reform in China in the 1980s, China’s economy has seen rapid development and in 2010 China officially overtook Japan to become the second biggest economy in the world. However, for a long time now China has remained at the lower reaches of the international supply chain and manufacturing in China has low added-value,

high energy consumption and detrimental environmental effects. As such, it is not a favourable development model for long term economic growth. Cement, glass, steel, magnesium, aluminium and other high energy consumption industries are operating with a high surplus. China is currently in the process of actively implementing adjustments to its industry structure, with vigorous expansion of high level technology, high added-value and environmentally friendly industries, so that it is prepared to face international challenges.

Trajectory 1:

This scenario is based on content from ‘China’s 2050 energy consumption and carbon emissions report’. In this scenario, China’s industry restructuring has been completely unsuccessful, and China has no means by which to break away from its reliance on high energy consumption, high polluting heavy industry. High energy consumption industry continues to develop

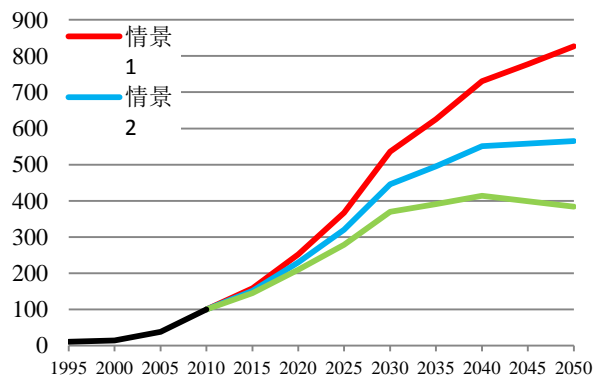
as before and the development of strategic emerging industry is extremely slow.

Trajectory 2:

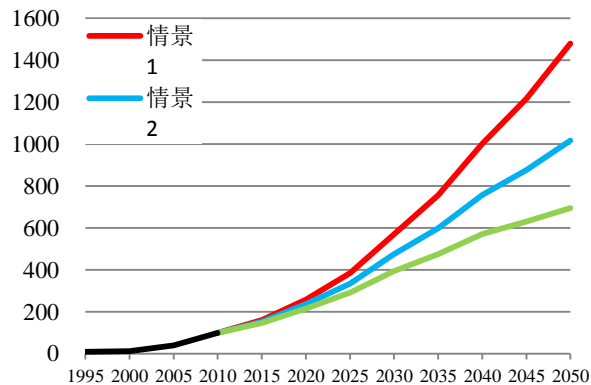
In this scenario, China’s strategic emerging industry develops in accordance with the national plan. As such, by 2015 China’s strategic emerging industry accounts for 8% of GDP and by 2020 China’s strategic emerging industry accounts for 15% of GDP. In this scenario, China’s strategic emerging industry develops relatively quickly and sustainably.

Trajectory 3:

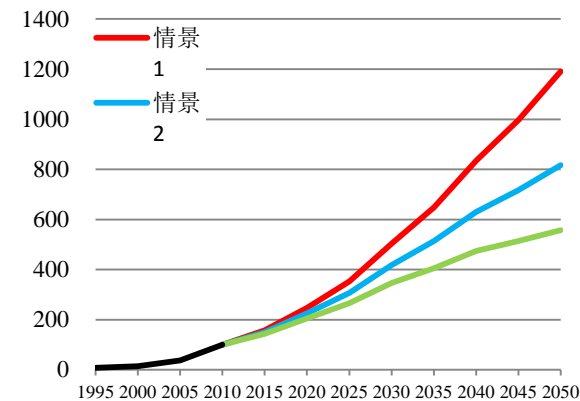
In this scenario, China meets the development goals set out in “State Council decisions on the fostering and development of strategic emerging industry” ahead of schedule, and strategic emerging industry is surging forward. Between 2020-2030, growth rates for relevant industries keep over 20% and until 2040 growth rates stay in the double figures. Strategic emerging industry develops rapidly and becomes China’s mainstay industry.



Value Added in General and Special Purpose

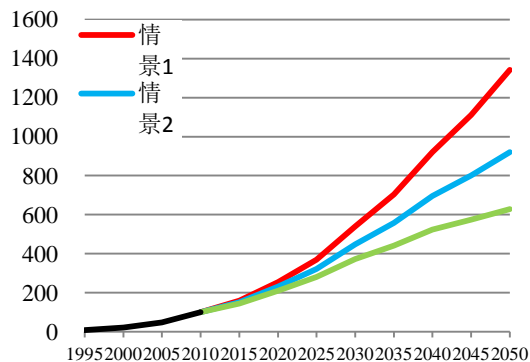


Value Added in Transport Equipment Manufacturing



Value Added in Medicine Manufacturing Industry

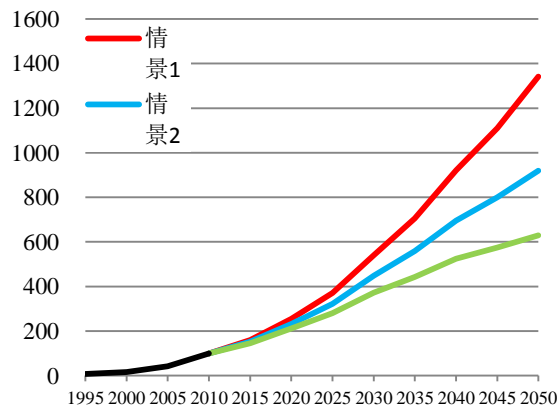
Machinery Industry



Value Added in Mechanical and Electrical Equipment

Manufacturing Industry

Industry



Value Added in Telecommunication Equipment and Computer Manufacturing Industry

2010年 = 100

Scenarios of the development of strategic emerging industry

