



# REGIONAL INNOVATION & POLICY MAKING IN CHINA

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- 2 Regions in China**
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- 4 Three Cases**
- 5 Policy recommendations**

# **1 Background**

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# Background

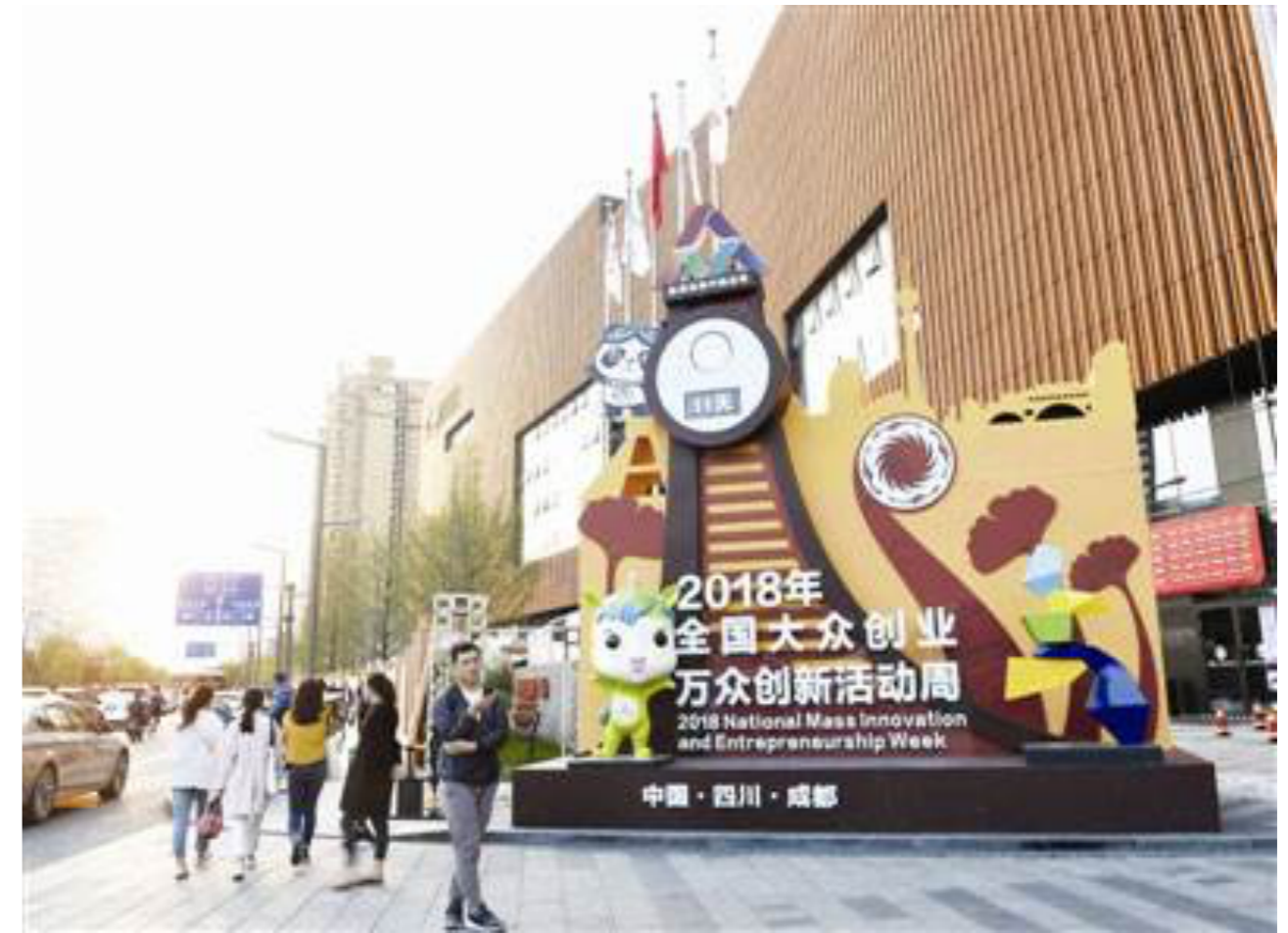
## ‘Building China into an innovative country’

National Medium-to-Long-Term Science and Technology Development Outline (2006-2020)

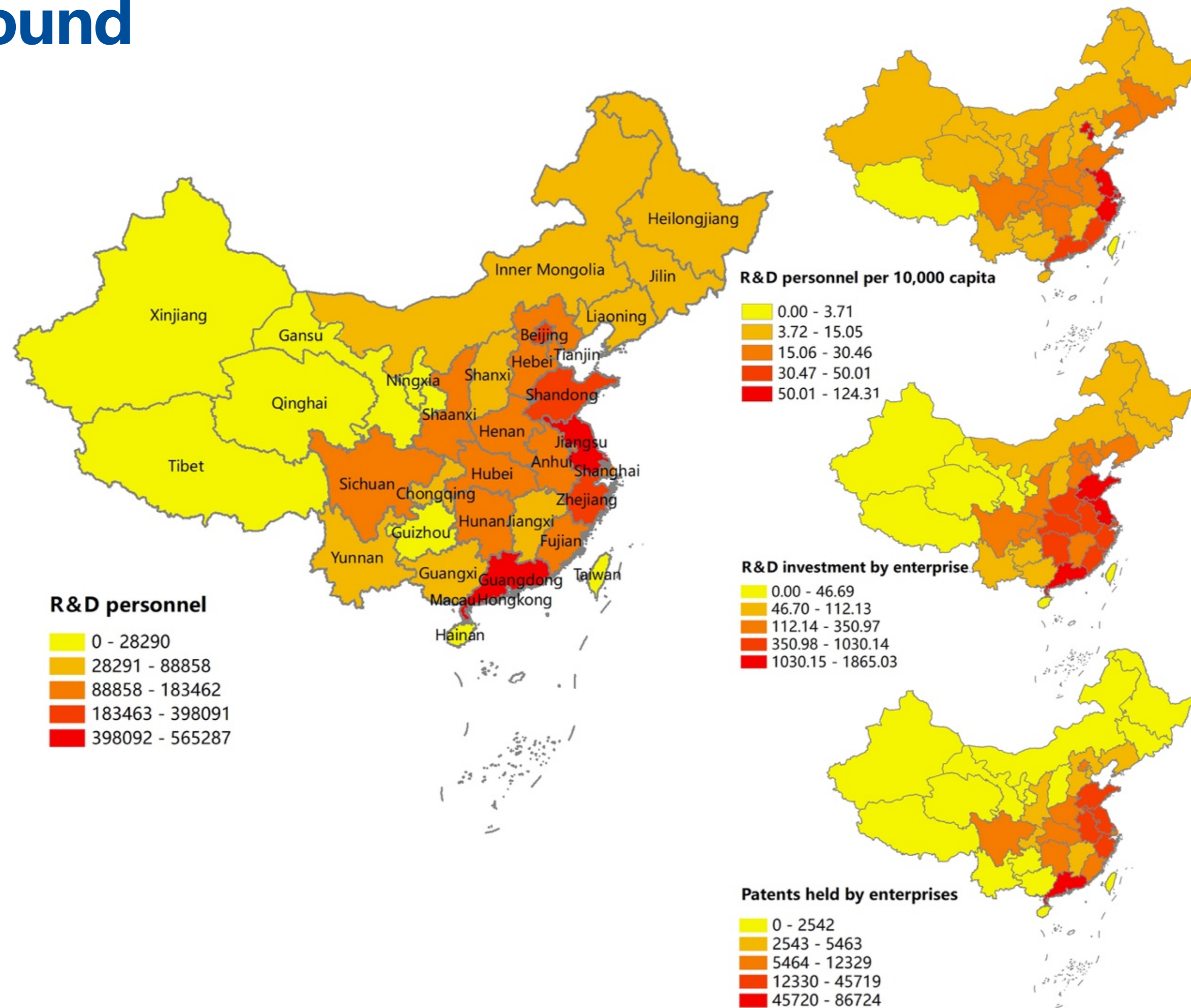
Opinions on Deepening the Reform of Science and Technology System and Accelerating the Development of National Innovation System 2012

Opinions on Strengthening the Dominant Position of Enterprises in Technological Innovation and Comprehensively Improving the Innovation Capabilities of Enterprises 2013

Opinions on Several Measures to Push Forward Widespread Entrepreneurship and Innovation 2015



# Background



# Background

## Achievements

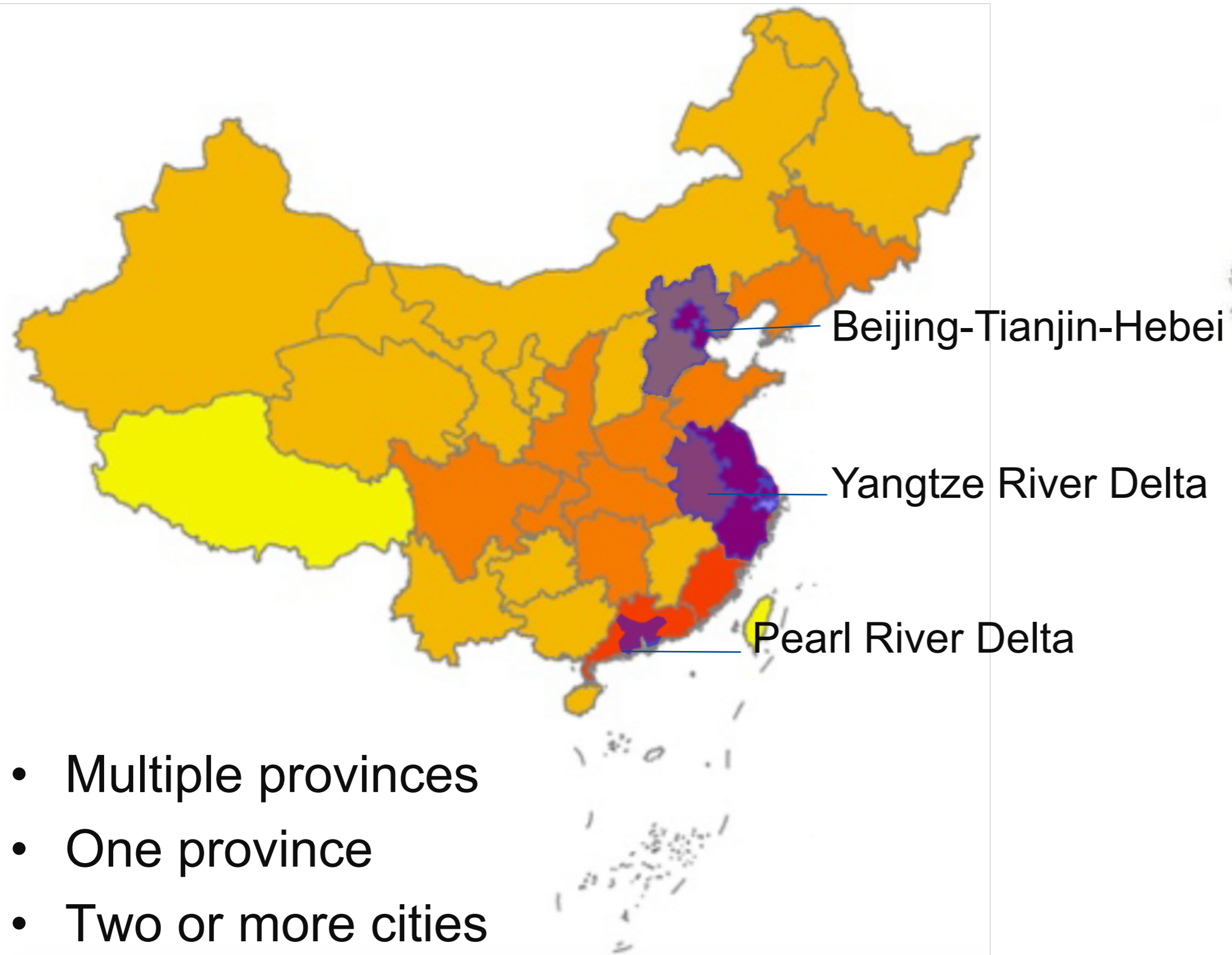
- Top in equivalent patent grants (WIPO, 2018)
  - Second in the world both in terms of total paper citations and the number of highly cited papers (2019, Thomson Reuters)
- ▷ Good enough?

## Challenges

- Regional disparity
- Old and new driving forces
- Marketization rate of invention patents by universities 3.7% (2019, China National Intellectual Property Administration)

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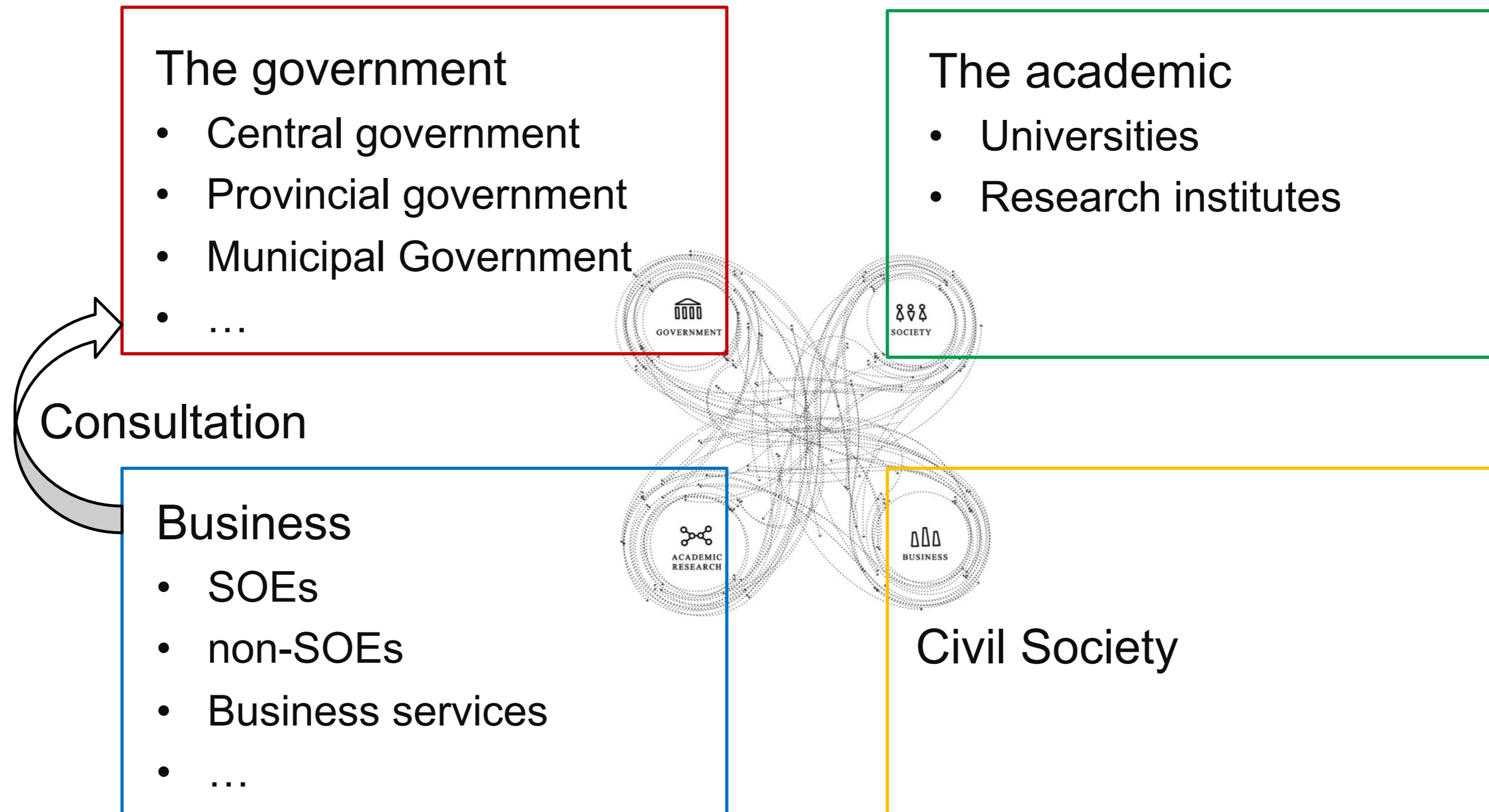
# Regions in China



19 Planned City Clusters

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# Stakeholders



# Strategy making

## Top-down + Bottom-up

- The central government makes national strategies
- The provincial governments echo, and tailor their own strategies
- The municipal governments further tailor their own strategies

## E.g. Priorities of Shandong Province

- Information technology (emerging)↵
- Advanced equipment (emerging)↵
- Renewable energy (emerging)↵
- New materials (emerging)↵
- Modern marine industry and health industry (emerging)↵
- Chemical industry (to-be-upgraded)↵
- Agriculture (to-be-upgraded)↵
- Cultural industry (to-be-upgraded)↵
- Tourism (to-be-upgraded)↵
- Finance (to-be-upgraded)↵

} A subset of national priorities

# Strategy making

## Non-one-size-fits-all policies

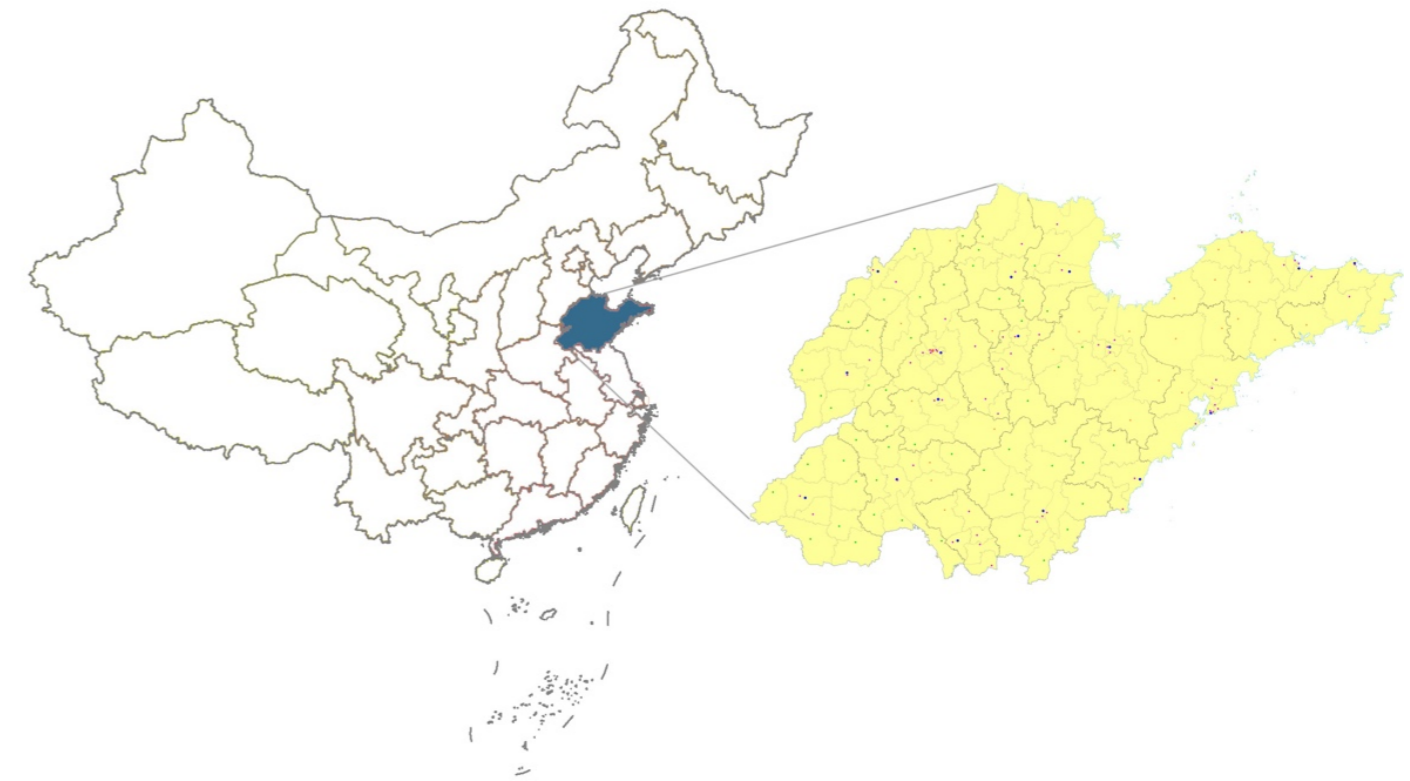
- Central government level
- Provincial government level
- Integrated circuit plan in Jiangsu
- Integrated circuit plan in Shandong



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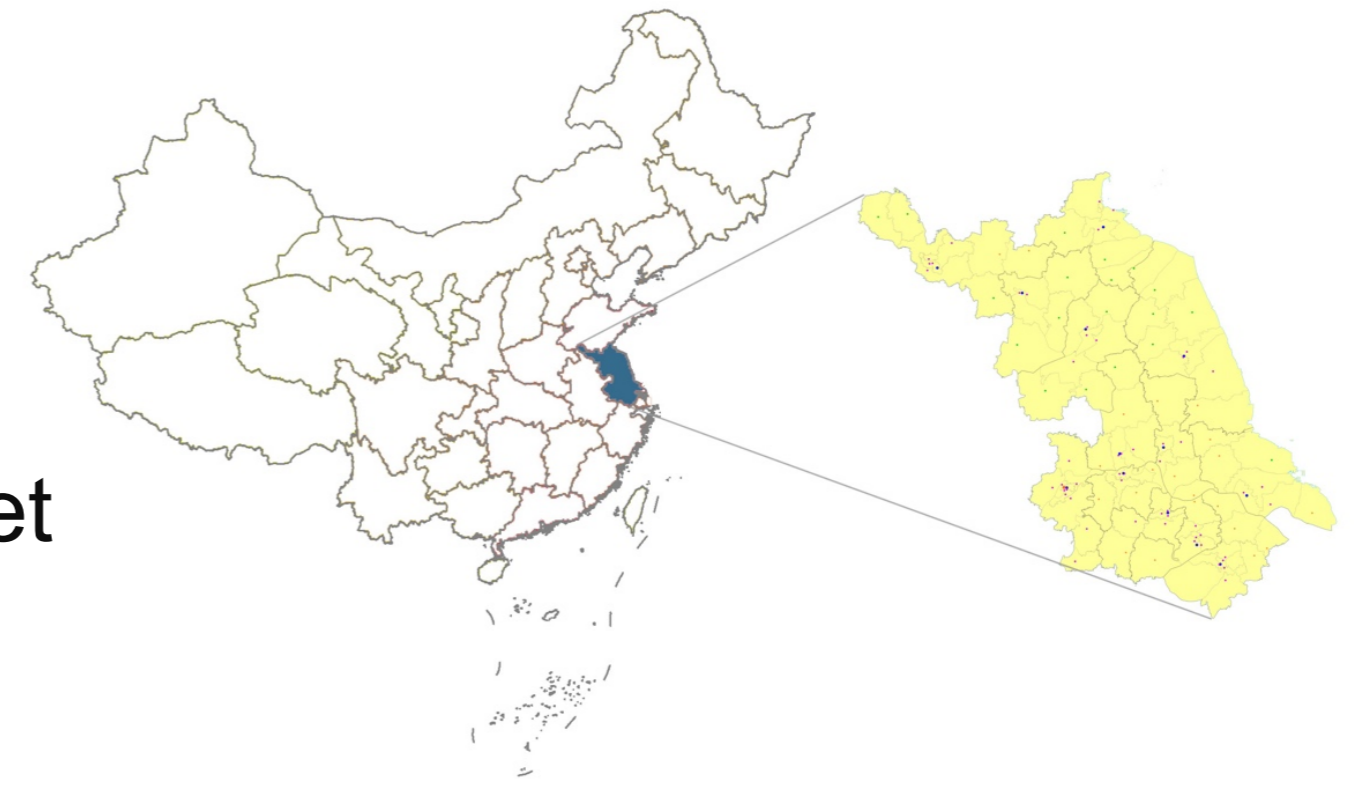
## Transforming the driving force of development

- Per-capita GDP: 70,653 RMB in 2019
- Challenges
  - Medium-to-lower-end industries
  - Typical in China
- Strategies
  - 5 emerging industries
  - 5 to-be-upgraded traditional industries
  - Government-oriented to business-oriented



## Aiming to be globally competitive

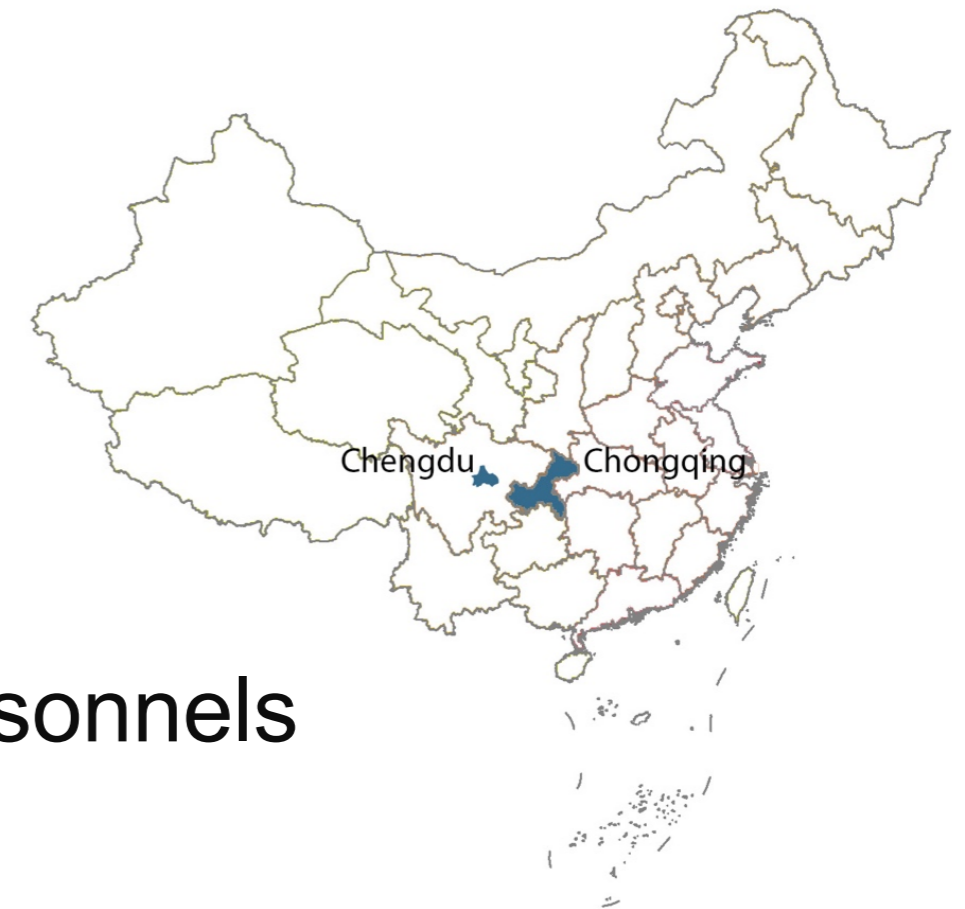
- Per-capita GDP: 123,600 RMB in 2019
- 11% of China's industrial value-add
- Challenges
  - Not competitive enough in the global market
  - Share similar problem as Shandong
  - Disparity within the province
- Strategies
  - 15 advanced sectors
  - Upgrading traditional industries
  - Moving traditional industries to innerlands



# Chengdu-Chongqing

## Twin-city growth pole for West China

- Per-capita GDP: 89,600 RMB in 2019 (average)
- Challenges
  - Overlap in the industrial base
  - Administrative obstacles
  - Lack of attractiveness to innovative firms and personnels
- Strategies
  - New governance arrangements
  - Form a value chain within the region



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# Policy recommendations

- Experience exchange in EDP
- Pairing between EU and Chinese regions
- Business opportunity identification to promote business cooperation

**Thanks !**

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