Center for AI and Digital Policy

Global AI Policy Update

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China's 14th Five-Year Plan

Key Takeaways:

- The 14th five-year plan emphasizes the importance of advanced technologies and innovation. China intends to pursue scientific and technological independence and self-reliance as a strategic support for national development.

- Goal: Increase spending on research and development (R&D) by more than 8% annually.

- The plan identifies seven "frontline" technology sectors where China ought to increase its indigenous innovation capability:
    - *artificial intelligence*;
    - *quantum computing*;
    - *integrated circuits*;
    - *neuroscience* and *neuromorphic engineering*;
    - *genetic research* and
    - *biotechnology*; *advanced clinical medicine*;
    - *deep sea, deep space,* and
    - *polar exploration*.

- Other areas it called on supporting included the **electric vehicle sector**, and **5G networks**. The government aims to achieve 5G penetration of 56% in the next five years, according to the plan.

- Establish and improve the evaluation system and incentive mechanism that conform to scientific laws, implement long-term evaluation of basic research and exploration, and create a good scientific research ecology that is conducive to basic research. Implement a more open, inclusive, mutually beneficial and shared international science and technology cooperation strategy, and more actively integrate into the global innovation network. Establish international science and technology-related organizations within the country.

- Promote the commercial deployment of Internet Protocol Version 6 (IPv6) and the full development of the Internet of Things and create IoT access capabilities that support convergent broadband and narrowband services.

- Encourage companies to open up data in areas ranging from search, e-commerce to social media and support the third-party big data services. Promote the healthy development of the sharing and platform economy.

- **Open sharing of public data**: Establish and improve the national public data resource system, ensure public data security, and promote cross-departmental, cross-level, and cross-regional convergence and in-depth utilization of data. Carry out pilot projects for government data authorization operations, and encourage third parties to deepen the mining and utilization of public data.

- **Establish data protection and regulation standards:** Coordinate data development and usage, privacy protection and public safety, and accelerate the establishment of basic systems and standards for data resources.
    - Establish and improve data property rights transactions and industry self-discipline mechanisms, cultivate standardized data transaction platforms and market entities, and develop market operation systems such as data asset evaluation, registration and settlement, transaction matching, and dispute arbitration.
    - Strengthen the protection of data involving *national interests, business secrets, and personal privacy*, accelerate the advancement of basic legislation in the fields of data security and personal information protection, and strengthen the security protection of data resources throughout the life cycle. Strengthen data security assessment and promote the safe and orderly flow of data across borders.
    - Promote the establishment of a multilateral, democratic, and transparent global Internet governance system, and establish a more fair and reasonable network infrastructure and resource governance mechanism. Actively participate in the formulation of international rules and digital technology standards such as data security, digital currency, and digital taxes.

- **AI:** Focus on high-end chips, operating systems, artificial intelligence algorithms, sensors and other key areas. Strengthen the integrated research and development of general-purpose processors, cloud computing systems and software core technologies.

- ○ **Smart Cities:** Promote the construction of new smart cities, integrate IoT sensing systems and communication systems into unified planning. Promote the application and intelligent transformation of the Internet of Things in public facilities and buildings.

- **Digitalization:** Promote the digitization of several industries and public service institutions such as schools, hospitals, and nursing homes, and increase the intensity of open sharing and application. Promote the common development and deep integration of online and offline public services, actively develop online classrooms, Internet hospitals, smart libraries, etc.