

## MIIT Manufacturing Pilot and Demonstration Programme

Policy Briefing on the Pilot and Demonstration Plan and List | April 2021

The Pilot and Demonstration Plan<sup>1</sup> is annually published by the Ministry of Industry and Information Technology of China (MIIT) and aims to **facilitate China’s integration of Industrial Internet platforms in the manufacturing sector**. The latest **Plan was published at the end of 2020** and acts as an annual **guideline for platformisation**<sup>2</sup>. It covers **different categories of Pilot and Demonstration areas** that are open for companies to apply. In 2018, the **Sino-German Cooperation on Intelligent Manufacturing** was integrated into the Plan as a new category. **The Pilot and Demonstration List**<sup>3</sup> is published following the Plan and lists the companies that have been **selected for the Pilot and Demonstration areas**.

### Why is the Pilot and Demonstration Plan relevant?

#### The industrial priorities and application guidance

Each annual plan provides insights into the Chinese government’s current industrial development priorities. It thereby follows the actions proposed in **the 2017 State Council’s Guiding Opinions on Further Facilitating the Development of Industrial Internet Platforms between the Internet and Advanced Manufacturing Companies**<sup>4</sup>.

The following table outlines the actions between 2018 and the coming years. The 2020 Plan was the **final Plan** for the past three-year period and set out the foundation for the **current** phase which is starting this year and **ending in 2025**. The Plans indicate the targeted government milestones on how to promote Industrial Internet platforms across the Chinese manufacturing sector.

Period	Actions
<b>2018-2020 (Past Three-Year Period)</b>	Three-year policy actions: <ol style="list-style-type: none"><li>1) Obtain <b>low-latency, reliable, wide-coverage Industrial Internet network infrastructure</b>.</li><li>2) Construct the <b>Industrial Internet logo analysis system</b><sup>5</sup>.</li><li>3) Form the <b>focused and coordinated</b> development of an <b>Industrial Internet platform system</b>.</li><li>4) Establish a basic <b>Industrial Internet security system</b>.</li></ol>

<sup>1</sup> The 2020 Pilot and Demonstration Plan in Chinese, hereafter shortened as the Plan, can be accessed [here](#).

<sup>2</sup> Platformisation refers to the integration of the Industrial Internet platforms into the manufacturing sector.

<sup>3</sup> The 2020 Pilot and Demonstration List in Chinese, hereafter, shortened as the List, can be accessed [here](#).

<sup>4</sup> The 2017 Guiding Opinion can be found [here](#) in Chinese.

<sup>5</sup> Industrial Internet Logo Analysis System refers to the use of bar codes, 2D codes, radio frequency identification label on items for product traceability.

<p style="text-align: center;"><b>2021-2025</b> <b>(Current Five-Year Period)</b></p>	<p>Five-year policy actions:</p> <ol style="list-style-type: none"> <li>1) Form basic Industrial Internet network infrastructure across <b>all industries, regions, and fields.</b></li> <li>2) Set up <b>3-5 Industrial Internet platforms</b> that meet international standards.</li> <li>3) Establish <b>a more complete and more reliable Industrial Internet security system.</b></li> </ol>
<p style="text-align: center;"><b>2026-2035</b> <b>(Near Future Ten-Year Period)</b></p>	<p>Ten-year policy actions:</p> <ol style="list-style-type: none"> <li>1) Build the <b>world's leading Industrial Internet network infrastructure and platform.</b></li> <li>2) Form <b>an internationally advanced industrial technology system.</b></li> <li>3) Establish <b>a comprehensive Industrial Internet security system.</b></li> <li>4) Let <b>Industrial Internet platforms drive the innovation of China's advanced manufacturers.</b></li> </ol>
<p style="text-align: center;"><b>2035-2050s</b> <b>(Distant-Future Period)</b></p>	<p>Distant-future policy actions:</p> <ol style="list-style-type: none"> <li>1) The <b>Industrial Internet infrastructure system</b> becomes the <b>backbone of the economic development.</b></li> <li>2) Excel in integrating the <b>Industrial Internet platform</b> in the manufacturing sector.</li> </ol>

### **Market Insights and Opportunities for the Private Sector**

Each annual Plan **categorises different focus areas**. The 2020 Plan had four categories, *Value Creation by Integrating the Internet into the Manufacturing Sector*, *Cross-Industry and Cross-Field Industrial Internet Platform*, *Geographically and Technically focused Industrial Internet Platform* and *Sino-German Intelligent Manufacturing Cooperation*. The annually published list of selected pilot and demonstration projects provides an up-to-date catalogue of advanced Chinese manufacturing enterprises in the respective category.

The category *Geographically and Technically Focused Industrial Internet Platform* was established in 2020 and holds the largest number of companies with almost 50% of all 135 selected Pilot and Demonstration cases in the same year. This category focuses on the vertical and horizontal integration of industrial platforms including raw material suppliers, equipment manufacturing, consumer goods, green manufacturing, and work safety.

Having been officially awarded as a demonstration project allows companies to apply for financial support that varies greatly depending on local governments. For example, Anhui-registered companies can apply for a 500,000 CNY (~64.000€) lump sum from the Anhui provincial government. Selected start-up companies based in the Licheng District of the city of Jinan in Shandong province are offered provincial government financial support up to 2 million CNY (~258.000€). Among other benefits, value-added tax reductions, grants, and working space support have been reported. Furthermore, the selected companies will receive opportunities to promote their projects for two years across China.

## ***What is new in the 2020 Pilot and Demonstration Plan and List?***

The **Cross-Industry and Cross-Field Industrial Internet Platform** category was set up at the end of 2020. The purpose of this category is to encourage leading Industrial Internet companies to further upgrade and optimise their core technologies and to set benchmarks for future Industrial Internet applications. For example, Huawei Technologies Co., Ltd. launched its **FusionPlant Industrial Internet platform** to resolve the information silo problem (i.e., the situation which the information management system is unable to communicate with other information management systems). Alibaba Cloud set up its **suPET Industrial Internet Platform** to connect all of its factory facilities, production lines, supply chains and customers across different fields and industries.

Within the *Geographically and Technically Focused Industrial Internet Platform* category, Sector-oriented Industrial Internet Platform Establishment projects had the largest share of selected projects accounting for 44 of the 64 selected projects. The industry-oriented Industrial Internet Platform Establishment refers to the in-depth application of Industrial Internet platforms in vertical industries and the entire supply chains within the industry. For example, **Zhaogang Shanghai Information Technology Co., Ltd.** was selected for launching the Industrial Internet platforms for connecting the entire steel industry supply chain. The full list of all selected projects can be found [here](#).

## ***Observations***

- The current Pilot and Demonstration Plan reaffirms the Chinese government's commitment to the 2017 State Council's Guiding Opinions for developing Industrial Internet platforms.
- The annual Plan highlights the government's focus areas for the Chinese industry and indicates current trends relevant for Industrie 4.0 suppliers and service providers.
- The published list showcases more advanced Chinese companies which have the financial means and willingness to further upgrade their technologies. Furthermore, it sets the current benchmark of Chinese industrial competitiveness in integrating the Industrial Internet platform in the manufacturing sector.
- Regarding the current five-year period, the development of Industrial Internet platform champions as well as cybersecurity-related projects will be further promoted.

## ***Details for the 2021 Pilot and Demonstration Plan Application and Query***

The upcoming plans can be found in Chinese on **the publication site for the annual Pilot and Demonstration Plan**, [here](#).

We hope you have enjoyed reading this Policy Update and welcome your comments and suggestions. Your feedback to [info@i40-china.org](mailto:info@i40-china.org) is highly appreciated. More policy products can be found in our [Download Area](#), more information about the Sino-German Industrie 4.0 Cooperation is on our [Project Website](#).