



**The New Geography of Innovation and The Impact of the Economic Crisis:
A Paris Policy Symposium, January 19-20, 2012, OECD Paris**

Policy for Innovation Development in China: Main Challenges

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I. Evolution of Development Strategy

National Strategies of China

- **Sustainable Development**
- **Reinvigorating Nation through S&T & Education**
- **Reinvigorating Nation through Talents**

Now, that “to strengthen innovation capacity so as to build innovation-driven nation” has become the core of national strategies.



II. Policy for Innovation Development

Chinese government has taken a series of policy measures to promote innovation development:

- (1) The “Outline of Medium and Long Term Plan for National Science & Technology Development (2006-2020)” .
- (2) The supportive policies and related 76 detailed policy documents to implement the MLP since 2006.
- (3) The Outline of the 11th Five Year Plan (FYP) for National Social & Economic Development with Mandatory targets of energy efficiency & pollution reduction



II. Policy for Innovation Development

(4) Some action programs concerning green growth:

--China's S & T Actions on Climate Change and China's National Climate Change Program.

--International Cooperation Program on S&T in Renewable Energy and New Energy, focusing on Solar power and solar energy building, biomass fuels and biomass power generation, wind power, hydrogen and fuel cells, natural gas hydrate development.



II. Policy for Innovation Development

Innovation capacity-building made great progress during past five years.

- 700 bil. RMB in R&D, 1.76% of GDP in 2010.
- Firms account for over 73%, government 27%.
- International Publications: the 2th place.
- Invention Patent enforced in China: >oversea applicants.



III. Main Challenges for Innovation

The main policy issues in 12th FYP

- innovation in system reform (economic and S&T system)**
- Breakthrough in basic research, frontier technologies**
- innovation in strategic emerging industries.**
- innovation in key industries and modern services as well as modern agriculture.**
- innovation in social sectors in the process of urbanization**

Innovative firms are less profitable in some sectors



III. Main Challenges for Innovation

How to promote innovation?

- Priority setting: SEI and S&T**
- Innovation Capability-building**
- Mechanism for Innovation Policy Improvement**



III. Main Challenges for Innovation

**12th
FYP
for National
S&T Development**

**12th FYP for
National Strategic
Emerging Industries**

**12th FYP for National
Innovation Capacity-building**

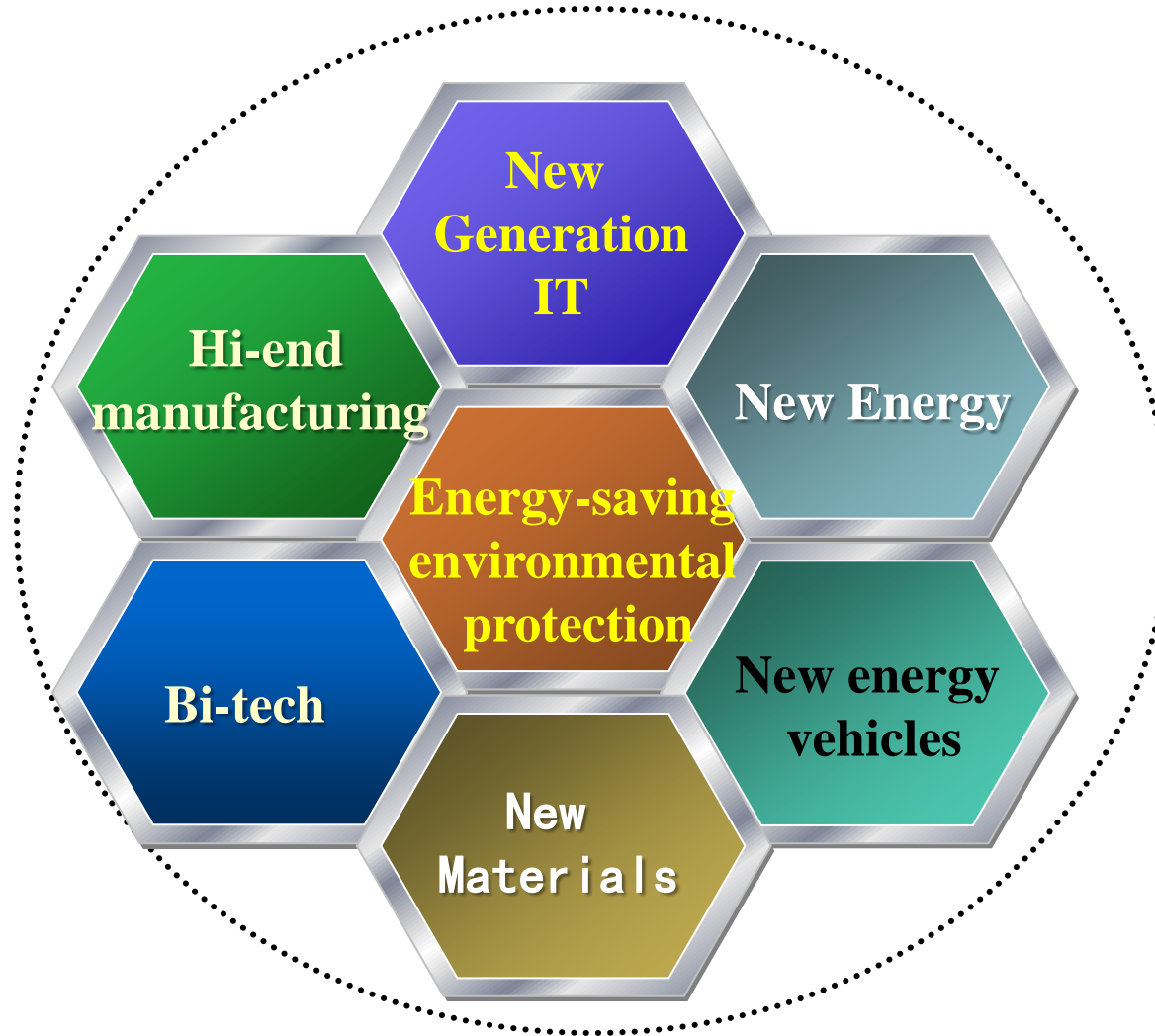


National FYP for S&T Development

- Innovation-driven.**
- Commercialization of S&T achievements**
- Capacity for S&T long-term development.**
- Deepening reform and expanding opening up**

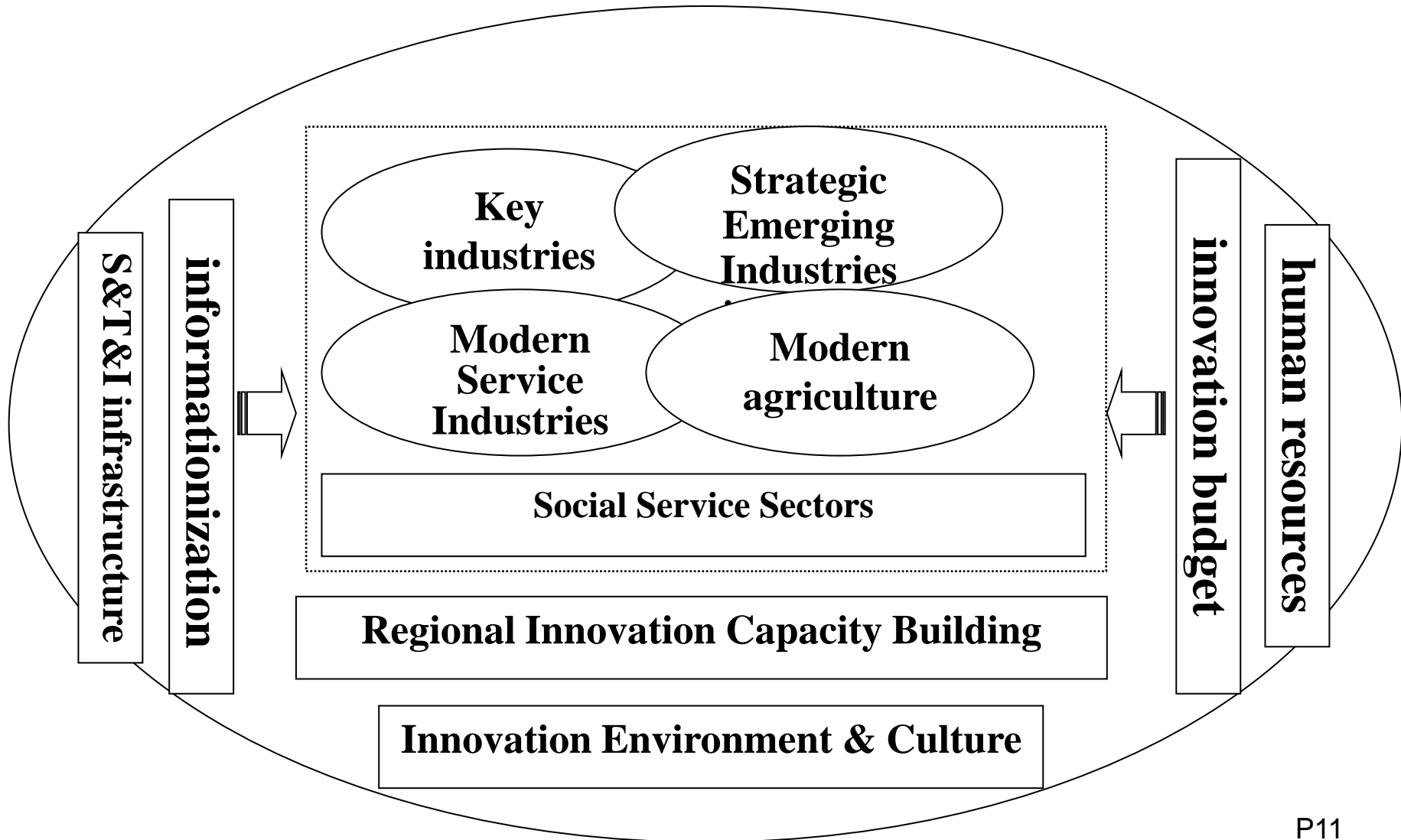


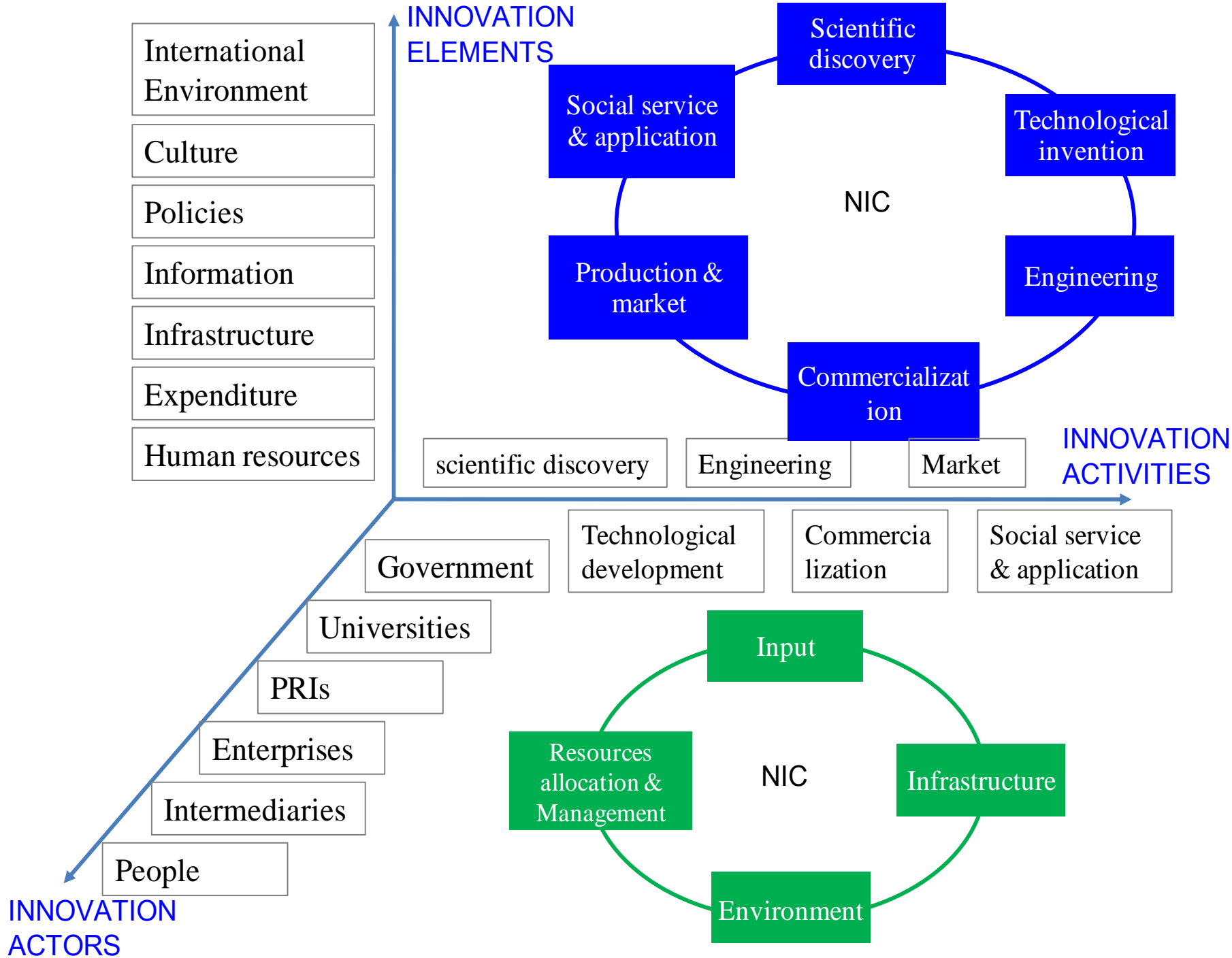
National FYP for Strategic Emerging Industries





National FYP on Innovation Capacity Building







Thank you!
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