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China Development Forum 2026

China in its 15th Five-Year Plan Period: Advancing High-Quality Development and Creating New Opportunities Together

Symposium on Digital and Intelligent Transformation of Manufacturing (Panel Discussion I)

The China Development Forum 2026, hosted by the Development Research Centre of the State Council and organized by the China Development Research Foundation, was held at the Diaoyutai State Guesthouse in Beijing on March 22-23, 2026. On the morning of March 23, the Symposium on Digital and Intelligent Transformation of Manufacturing took place. The speakers for Panel Discussion I included XU Xiaolan, Standing Committee Member of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) and Vice Chairwoman of the Central Committee of the China Zhi Gong Party; Peter Howitt, Professor at Brown University and 2025 Nobel Laureate in Economics; Jean-Pascal Tricoire, Chairman of Schneider Electric; Markus Kamieth, Chairman of the Board of Executive Directors of BASF SE; and Judy Marks, Chair, CEO and President of Otis Worldwide Corporation. The session was chaired by YANG Zhengwei, Member of

the Leading Party Group of the Development Research Centre of the State Council.

In her remarks, **XU Xiaolan** noted that the digital and intelligent transformation of manufacturing is unfolding with unprecedented depth and breadth. She outlined four key tasks to advance this transformation.

First, build digital and intelligent infrastructure. This involves accelerating the development of a multi-tiered computing infrastructure system and promoting the large-scale, intensive, green, and inclusive development of computing resources. Through new infrastructure projects such as ultra-large-scale intelligent computing clusters and computing-electricity coordination, computing power can be made more accessible and precisely aligned with demand, paving the way for open and inclusive digital and intelligent public service platforms.

Second, enable full-factor interconnection in industry. The industrial internet is the product of deep integration between next-generation information technology and manufacturing. By comprehensively connecting people, machines, and systems, it enables the construction of a new manufacturing and service system spanning the entire industrial and value chains. On this basis, industrial brains and intelligent agents with autonomous decision-making capabilities can be developed.

Third, develop high-quality datasets. This involves building high-quality industrial datasets by sector and by tier. While ensuring data security, an effective credit mechanism and governance framework should be established to facilitate the trustworthy and orderly circulation of data factors and enable value creation.

Fourth, foster the deep integration of digital, intelligent, and green development. On the one hand, digital and intelligent technologies should be fully applied across areas such as energy conservation, carbon reduction, environmental protection, resource recycling, energy use, and

green factories, thereby enabling the full-spectrum greening of manufacturing. On the other hand, the driving role of green transformation could be harnessed to propel the digital industry forward and generate new opportunities. Additionally, efforts should accelerate the construction of digital and intelligent carbon management public platforms, while leveraging intelligent systems to support green certification for global trade.

Peter Howitt observed that intelligent manufacturing exemplifies Schumpeter's logic of "creative destruction." On the one hand, emerging technologies, represented by AI, drive economic transformation and upgrading by reducing resource waste and improving system efficiency. On the other hand, as these technologies create new products and growth drivers, traditional economic structures and modes of wealth accumulation are disrupted, leaving some groups facing losses during the transition.

He shared three observations in this regard.

First, employment structures are transforming. New technologies will lead to the replacement of certain jobs in manufacturing, while also creating new ones. He expressed optimism that overall employment and total household income will continue to grow.

Second, governments need to focus on reforms in the education system. At present, AI is still in its early stages of development, but education and training systems should take the lead in action. They must teach young people how to use AI tools effectively while safeguarding independent thinking from being undermined by technology. Going forward, talent development should focus on building broad-based human capital and dense talent networks to support the growth of local industrial ecosystems.

Third, new technologies can promote green development. China's

green technologies are already at the global forefront, and the application of AI will further advance fields such as energy technologies, while creating complementary effects in other areas. Howitt emphasized the need to enhance data sharing to ensure that data resources are widely and equitably accessible, thereby unlocking their maximum public value.

Jean-Pascal Tricoire proposed to view the development of manufacturing from a long-term historical perspective. Over the past forty years, scale expansion has been a key driver of manufacturing growth. China's industrial achievements have been remarkable, accounting for approximately 30% of global manufacturing value added, while also leading the world in electrification, automation, and decarbonization.

Today, with the rapid advancement of artificial intelligence and digital technologies, the deep integration of digitalization, automation, and AI provides new momentum for improving efficiency, enhancing system stability, and driving innovation. However, he also emphasized that manufacturing transformation still faces multiple challenges, including "data silos," rigid barriers, automation constrained by hardware, and the difficulty of transformation for small and medium-sized enterprises.

To address these challenges and fully unlock AI's potential in industry, efforts should focus on key areas, such as promoting deep integration of AI with industrial systems, enabling open software-based automation, advancing the convergence of information technology and operational technology, leveraging AI to empower digital twin technology, integrating operations across the industrial life cycle, embedding AI deeply into operational systems, and supporting SMEs to integrate into the digital transformation process.

Overall, Tricoire concluded that manufacturing has entered a new

stage driven by AI and electrification as core engines. Through technological empowerment and system restructuring, digital and intelligent transformation can be converted into tangible operational benefits and growth drivers, thereby achieving both improved efficiency and sustainable development.

Markus Kamieth noted that manufacturing is entering a new phase of development, defined by the deep integration of digitalization, intelligence, and green initiatives. Intelligence is reshaping factory operation models, driving improvements in core metrics such as product yield, reliability, and safety, while also reducing environmental impact. He observed that China is a leader in robotics technology, while BASF brings expertise in chemical production and data integration, creating significant potential for the integrated development of factory smart assistants and mobile robotics. China is a critical R&D and innovation hub for BASF, and the company looks forward to collaborating with outstanding local partners, contributing, and learning along the way. Looking ahead, talent will be the decisive factor for success. BASF will continue to invest in foundational training, skills retooling, and digital competence enhancement, with the goal of cultivating interdisciplinary talent equipped with professional expertise, technical skills, data proficiency, and the ability to continuously adapt in a fast-changing world.

Judy Marks stated that global manufacturing is undergoing a profound transformation. Digital technologies are not only improving production efficiency but also reshaping the entire product life cycle, from design and manufacturing to operations and service delivery. In the future, factories will no longer serve solely as assembly sites for products; they will be deeply interconnected with downstream services.

First, digitalization enhances manufacturing flexibility. With

intelligent production systems powered by automation and data analytics, Otis can respond more efficiently to diverse building types and customer needs. Meanwhile, the advancement of data analytics and AI technologies adds new value to equipment monitoring and maintenance.

Second, data supports flexible and adaptable production. For example, with production lines powered by the Internet of Things and robotics, Otis can quickly adjust production directions, capable of manufacturing both standardized passenger elevators and customized solutions.

Third, AI serves as the cornerstone for developing new quality productive forces. AI transforms the data generated during manufacturing and service processes into actionable insights, creating new value-added services and revenue streams, while ensuring long-term, stable equipment operation.

Regarding the development of intelligent manufacturing, Marks recommended continuously strengthening on-the-job learning and skills retooling, establishing robust data security frameworks, integrating new technologies into existing infrastructure systems, and sustaining investment in 5G, 6G, and industrial internet infrastructure.

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— Background Information —

The China Development Forum (CDF) is hosted by the Development Research Centre of the State Council and organized by the China Development Research Foundation. Since its inception in 2000, the Forum has been dedicated to the mission of "engaging with the world for common prosperity." It has served as an important platform for high-level, professional dialogue among China's senior government officials, global business leaders, representatives from international organizations, as well as scholars from both China and around the world.

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