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China's 15th Five-Year Plan: S&T and Economic Priorities

On March 12, 2026, the legislature of the People's Republic of China (PRC or China) approved China's 15th Five-Year Plan for National Economic and Social Development (FYP) (2025-2030) and the Outline of Long-Term Goals to 2035. The plan received previous input and approval from the Communist Party of China's apex institution—the Central Committee. The 15th FYP is a high-level national document that sets policy priorities and approaches—particularly in economics and science and technology (S&T)—for the next five years. This framework informs other PRC economic, industrial, S&T, and foreign trade and investment policies; and it guides PRC government and corporate strategies and activities at the national, local, and global level. The FYP reflects PRC leaders' emphasis on establishing China's global economic and S&T leadership and independence. The industries, projects, and technologies featured in the plan reflect co-developed PRC civilian and military priorities that are to receive preferential financial and policy support. See CRS In Focus IF11684, *China's 14th Five-Year Plan: A First Look*; and CRS In Focus IF10964, *Made in China 2025 and Industrial Policies: Issues for Congress*.

S&T Independence and Leadership

The 15th FYP calls for "extraordinary measures" to reduce China's reliance on foreign S&T and strengthen China's S&T self-reliance and independent innovation capacity. It reinforces "indigenous" innovation as the core driver of China's development, a direction that PRC leaders first set in 2006. PRC "indigenous" innovation can involve the acquisition of foreign technologies that are then adapted and rebranded as PRC capabilities; the PRC uses foreign commercial and research ties to fill capability gaps in advancing national goals. The FYP focuses on boosting PRC capabilities to build self-reliance in areas in which China currently depends on the United States, Europe, and Japan, including aircraft; agriculture; advanced equipment, instruments, and tools; energy; gas turbines; software; and semiconductors (see **Table 1**). The FYP also emphasizes upgrading legacy industries (e.g., steel, petrochemicals, shipbuilding), and boosting advanced manufacturing with "decisive breakthroughs" in advanced materials, equipment, machine tools, and high-end instruments, and industrial applications of artificial intelligence (AI) and robotics. It calls for building PRC leadership in strategic and emerging sectors and making other "decisive breakthroughs" in core areas such as biotechnology, semiconductors, and software.

The FYP prioritizes developing PRC-controlled and vertically-integrated global supply chains with a central role for the One Belt, One Road (OBOR) or Belt and Road Initiative (BRI). It sustains 14th FYP efforts to develop PRC research and development (R&D) capabilities to "seize the commanding heights of science and technology." It seeks to expand the role of state capital and state-owned firms in the economy and the role of the Party in PRC firms. It elevates the role of state planning while looking to PRC firms to advance the plan's goals and to lead innovation efforts. It seeks to develop China's national economic security toolkit and unconventional use of antitrust, technical standards, investment, and intellectual property (IP) tools to support the commercialization and global expansion of technologies supported in PRC S&T and industrial plans.

Table 1. China's 15th FYP Industrial Priorities

Advanced Materials: Specialty steel; high-temp. alloys; ultra-high-purity metals; advanced ceramics; high-purity silica, bio, and advanced polymer materials; high-performance fibers; multifunctional composites; and advanced rare earths.
Aerospace: Large civilian aircraft (engines, composites, electrical systems); BeiDou low-altitude satellite system (equipment, infrastructure, and industrial/consumer applications; globalize); and deep space defense projects.
Agriculture: Corn, cotton, grain and soybean production; pork and beef synthetic biology; seed industry/genetic seeds (85% self-sufficiency goal); advanced equipment; food processing; cold chain logistics; and fertilizer reserves.
Artificial Intelligence (AI): Robotics; intelligent vehicles; drones; machinery; and brain computer interfaces.
Digitalization: Infrastructure; 6G communications; national computing, data, and blockchain infrastructure; quantum technology; and AI models/deployment (industrial uses).
Energy, Critical Minerals: Solar cells; energy storage; batteries; green hydrogen; nuclear fusion; high-precision ground-based timing systems; and overseas resources access.
Instruments, Meters: AI inspection; extreme environment flow measurement/calibration; and quantum/in-situ metrology.
Industrial Machines, CNC Machine Tools: Advanced devices for sensing, connectivity, functional materials, and optoelectronics; precision bearings; gears/transmission devices; high-precision ball screws; hydraulic/pneumatic sealing parts; and motors/control systems.
Major Technology Equipment: Large liquefied natural gas (LNG) ships; CR450 high-speed trains; smelting equipment; chemical and petrochemical engineering equipment; gas and water turbines; and all-terrain agricultural equipment.
Marine Economy: Deep-sea engineering, prospecting, and equipment; energy and biological resources; distant fishery; shipping services; meteorology; and navigation services.
Medical: Novel drugs; biomanufacturing; and advanced equip.
R&D: Basic research, reform of S&T system/national labs; foreign S&T ties; attract foreign experts/R&D; incentivize foreign universities to create institutions in China; lead major global S&T projects; and establish global S&T bodies in China.
Semiconductors, Software: Mature-node, advanced, and optoelectronic chips; self-reliance in basic, industrial, and chip design/production software and equipment.
Services: Globalization of cultural, media, and professional services; defend PRC overseas interests and "show a China that is trustworthy, lovable, and respectable"; financial sector support for the full innovation and IP value chain.

Source: CRS with details from China's 15th FYP.

Economy

The plan characterizes structural economic issues as "strong supply and weak demand" and sustains a production-based "dual circulation" policy that aims to create demand by increasing supply. This approach has already exacerbated China's industrial overcapacity and dependence on exports. The plan raises, but does not propose solutions to address, issues such as provincial trade barriers and economic imbalances, unemployment, real estate risks, and high debt levels in local governments and financial institutions. It targets China's per capita GDP to reach that of a middle-income developed country by 2035, but slowing growth and an aging population may challenge such goals even as new "fertility-friendly" policies seek to reverse the long-term demographic effects of China's "one-child policy." The plan continues 14th FYP efforts to digitalize the economy and deploy information technologies and AI, and uses pilot programs for trade, financial, and IP initiatives (**text box**).

Trade, Financial, and IP Pilot Programs

- To counter offshoring trends, **Hainan Province** is reviving incentives for manufacturing that processes imported inputs for re-export (e.g., duty free import of raw materials, components, and equipment) and logistics. Hainan also is a pilot for services trade opening, blockchain technology, and aerospace launch sites.
- The plan features **Shanghai** as China's financial center and calls for "cautiously" expanding global financial ties and the use of China's currency, the renminbi (RMB), in global trade and finance. It seeks to create two-way financing for qualified investors and a cross-border RMB payment system, and to expand the amount and products in which foreign financial firms may invest.
- China is developing a central bank digital currency to try to influence global finance and e-commerce and diversify from U.S. dollar financing. **Shenzhen** and **Hainan** are piloting cross-border cryptocurrency trade and cash pooling of foreign exchange and the RMB. They are also promoting financial investment; cross-border financing for PRC technology firms; and the securitization and trading of data, energy, IP, and real estate assets.
- Financial incentives aim to support the full innovation and IP value chain from R&D to the commercialization of technologies. **Shenzhen** is piloting ongoing 14th FYP innovation efforts such as foreign research partnerships.
- China is using pilot zones for e-commerce, digital trade, data flows, and S&T innovation. It is seeking to expand PRC exports via overseas warehouses and trade zones.

Trade and Investment

The 15th FYP also focuses on foreign economic policy. It assesses that U.S. trade policies are challenging the current global trade order and global economic growth and constraining China's economic development prospects.

> "Unilateralism and protectionism are rising, hegemonic and great-power politics threats are increasing, the international economic and trade order faces severe challenges, and world economic growth momentum is insufficient with accumulating risks."

Foreign direct investment (FDI) in China has been falling since 2021, and the plan seeks to promote the reinvestment of foreign firms' earnings in China and to allow some FDI in advanced technology/manufacturing, R&D, energy, and services with selective, ("high quality") and controlled ("autonomous") market openings. The plan promotes PRC services exports—giving "equal importance to goods and services"—and seeks to move up the value chain in trade while expanding PRC exports of manufacturing inputs. In agriculture, the plan aims to create PRC-controlled global supply chains and diversify sources of imports. The PRC government is seeking to improve reporting systems for PRC foreign debt, inbound and outbound investment, and global industrial and supply chains to garner insights and enhance its policy levers as it expands trade remedy, export control, investment, and supply chain review tools. It seeks to support PRC firms in "mutually beneficial" overseas investments and protect PRC IP "involving foreign affairs" and the interests of PRC citizens and legal entities overseas.

China continues to seek to reform global trade, economic, and financial governance and shape global rules in areas such as AI, digital trade, renewables, and aerospace. The plan sees a key role for China in global bodies such as the G20 and the World Trade Organization while seeking to develop global infrastructure, technical standards, and rules through PRC-led initiatives such as OBOR/BRI. China seeks to further expand offshore in agriculture; AI; digital trade; data centers; mobile payments; smart cities; health; meteorology; renewables; tourism; and S&T. The plan seeks to expand China's BeiDou satellite network and its applications. It prioritizes developing rail links with Europe, China's inland ports, a Silk Road e-commerce zone, and the economies of Xinjiang and Fujian. It calls for financing to support PRC efforts from the Asian Infrastructure Investment Bank, the New Development Bank, and China's Silk Road Fund. In AI, China is seeking to create a global organization, platforms for cooperation, regulatory frameworks, and technical standards. The FYP also outlines PRC ambitions to become a maritime power by developing the maritime economy, creating global rules, and safeguarding PRC rights and interests. It advances military-civil fusion goals of creating interoperable civilian-defense standards and infrastructure; a "green channel" to use S&T advancements in military applications; and an advanced national defense S&T industrial system.

Issues for Congress

Given congressional interest in ensuring U.S. global S&T and economic leadership and competitiveness and in countering PRC statist economic and industrial practices, Congress may consider the extent to which to:

- strengthen U.S. authorities to address PRC subsidies, market protections, and the PRC Party-State's role in PRC firms and trade and investment activities; to protect the U.S. market; and to promote U.S. competitiveness;
- strengthen and use U.S. authorities and enhance the U.S. role in global technical bodies to counter China's unconventional use of antitrust, IP, and standards tools;
- address China's use of U.S. technology, expertise, research, and markets to boost its S&T capabilities; and
- enhance supply chain security and trade, investment, and technology ties among U.S. allies and partners.

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