

MIIT Rolled Out Plans for Stabilizing Growth in Ten Key Industries

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Ferrous

Non-Ferrous

Decarbonization

Industry

Policy

The Ministry of Industry and Information Technology (MIIT) launched growth stabilizing plans for 10 key industries in Aug-Sep 2023, echoing multiple macro policies released since July to tackle the economic pressure. Industries include steel, non-ferrous, petrochemical & chemical, building materials, machinery, automobiles, power equipment, light industry, and electronics manufacturing, which together account for about 70% of China's industrial growth engine.

SUMMARY

- The key industry growth stabilization plan focused on both **supply and demand**, promoting structural optimization. The plans seek to restore and expand demand in key areas, focusing on **promoting investment, driving consumption, and stabilizing exports**.
- Stabilizing growth is the primary task of China's economic work in 2023.
- **The Petrochemical industry** is leading with investment expansion as a measure of stable growth, promoting the completion of more than five major petrochemical projects that are under construction by the end of 2024. It is also required to accelerate the demonstration of major petrochemical projects, promoting the commencement of a batch of oil-to-petchem conversion projects; while also enhancing technology reform and energy-saving & carbon reduction transition efforts.

The top measure to stabilize growth in the petrochemical industry is to **increase investment**. This includes promoting the completion of more than five major petrochemical projects that are under construction by the end of 2024. Current key projects under construction include Shandong Yulong Petrochemical, Liaoning Panjin Fine Chemicals, ExxonMobil Huizhou Ethylene, BASF Zhanjiang Ethylene, Zhenhai Petrochemical Phase II Expansion, and SABIC Gulei Ethylene.

Based on this, the Plan also called for demonstrations of new mega petrochemical projects, while pushing forward a batch of Oil-to-petchem conversion projects; alongside increasing efforts in **technological transition, energy-saving, and carbon-reducing renovations**. Measures to reach benchmark **energy efficiency levels** and Grade A-level in **environmental protection performance** are needed, and **outdated capacities** should be phased out. Regarding fiscal policy, optimization will be applied to consumption tax refund for naphtha used as raw materials.

Main Targets for Stabilizing Growth Plan (Raw Material Industry)

Industry	Industry Growth Target		Target Production of Major Products	Others	Previous Industry Growth Target	
	2023	2024			2022	2021
Petrochemical Chemical	~5% p.a.		<ul style="list-style-type: none">● Ethylene production is to exceed 50 million tonnes;● Fertilizer production remains stable at around 55 million tonnes	The main business income of the petrochemical industry (excl. oil & gas upstream) to reach 15 trillion yuan	+1.2%	+5.3%
Steel (Ferrous Metal Smelting & Processing)	~3.5%	> 4%	Consolidating the achievements of capacity reduction	<ul style="list-style-type: none">● Efforts should be made to reach +1.5% for industry R&D input;● Support guided the development of electric furnace steel	+1.2%	+1.2%
Non-ferrous	~5.5%	> 5.5%	The production of main products such as copper and aluminum maintains steady growth, with an average annual increase of about 5% for the production of major ten nonferrous metal categories.	The annual energy consumption of smelted products such as copper and lead drops by more than 2%	+5.2%	+3.9%
Building Materials	3.5%	~4%	<ul style="list-style-type: none">● Revenues in emerging fields such as green building materials grow at an annual rate > 10%;● The share of major products in the international market remains stable	<ul style="list-style-type: none">● The numerical control rate of key processes in major industries reaches over 65%;● The production capacity above the energy efficiency benchmark level in cement, glass, and ceramic industries accounts for over 15%	-1.5%	+8%

Source: MIIT, China NBS, GL Consulting; Note: * The growth rates of industrial value-added in previous years are for enterprises above the scale.

Industry	Industry Growth Target		Target Production of Major Products	Others	Previous Industry Growth Target	
	2023	2024			2022	2021
Automobile	~5%	Maintain a reasonable range	<ul style="list-style-type: none">Annual vehicle sales ~27 million units, +3% YoY;Among them, sales of new energy vehicles ~9 million, +30% YoY	<ul style="list-style-type: none">Implement preferential tax policies for NEVs, promote the electrification of public domain vehicles;No additional purchase restrictions on fuel vehicles, encourage areas with restrictions to increase vehicle purchase quotas	+6.3%	+5.5%
Power Equipment	~9% avg. annual growth rate		The average annual growth of main business revenue is over 9%	<ul style="list-style-type: none">Encourage equipment purchase with tech breakthroughs based on major energy projects incl. wind, solar, hydro, and nuclear power;Promote the export of power equipment and engineering projects.	—	—
Machinery	—		Operating income growth targets at an average rate > 3%, reaching 8.1 trillion yuan by 2024	Tap into the market potential of industrial mother machines, instruments and meters, agricultural machinery, medical equipment, and robots; expand investment in transportation and energy infrastructure to stimulate machinery demand	4%	+10%
Electronics Manufacturing	~5% avg. growth rate		The proportion of 5G mobile phones to exceed 85% (by 2024), the market share of 75+ inches TVs exceeds 25%, and the production of solar cells exceeds 450GW.	The operating income of enterprises above scale to exceed 24 trillion yuan	+7.6%	+15.7%
Light Industry	~4% avg. growth rate		The scale of industry operating income to exceed 25 trillion yuan, and the international market share of major products remains stable.	In 2022, the industrial value-added of light industry accounts for 16.2% of the total industry; key industries include household items, plastic products, food, batteries, etc.	+2.4%	+11.1%

Source: MIIT, China NBS, GL Consulting; Note: * The growth rates of industrial value-added in previous years are for enterprises above the scale.

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