

China's Vision for The Next Generation of Artificial Intelligence

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Artificial intelligence promises to be a paradigm shift for many applications from manufacturing to finance, and from defense to education. Given the vast potential, focus on AI has sharpened around the world, including in China. Decision makers in Beijing and around the country are paying attention and have begun shaping a legal and policy regime that favors the development of AI.

Research and investment in AI on both sides of the Pacific has led to cross-border collaboration – both in terms of talent and capital. Last December, Google [announced](#) that it will open an AI research center in Beijing, in part to leverage AI talent there. A month earlier, San Diego-based Qualcomm announced a [strategic investment](#) in SenseTime, a Chinese company specializing in facial-recognition software. China's technology giants, including [Tencent](#) and [Baidu](#), already have AI research labs in the US. And Didi Chuxing, China's leader in ride-hailing technology and which has [a lab in Silicon Valley](#), on January 26 [officially launched](#) its "AI Labs" research initiative, boasting a team of over 200 AI scientists and engineers.

But how does the Chinese legal and regulatory environment affect the development of these technologies?

Last summer, the State Council released "[A Next Generation Artificial Intelligence](#)

[Development Plan](#)” (“Plan”), which sets the goal of having China become the world leader in AI by 2030. The Plan divides China’s AI goals into three “Strategic Objectives” to be met by 2020, 2025, and 2030, respectively. By 2020, the Plan aims to bring China’s AI up to global standards, with important achievements in AI applications and theory, as well as a “core AI industry” of at least 150 billion RMB. By 2025, it aims to begin the establishment of AI laws and regulations, as well as a core AI industry of at least 400 billion RMB, including sectors such as intelligent manufacturing, medicine, agriculture, and urban planning. Finally, by 2030, the Plan aims for China to become the world’s leading AI developer, with AI deeply embedded in daily life and a core industry exceeding one trillion yuan.

To accomplish these quantitative goals, the Plan outlines a number of “focus tasks” that touch on the application of AI to social, economic, and national security challenges. The Plan also lays out several “guarantee measures” intended to support and guide the development and application of AI, such as necessary laws and regulations, ethical frameworks, and resource allocation principles. While the Plan is scant on concrete details, its ambitious agenda and discrete policy tasks point toward significant industry, legal, and regulatory developments in the near future.

Building on the State Council’s Plan, on December 13, 2017 the Ministry of Industry and Information Technology (“MIIT”) released the [“Three-Year Action Plan to Promote the Development of a New Generation of the Artificial Intelligence Industry \(2018-2020\)”](#) (“Action Plan”). The Action Plan encourages efforts in key areas, including autonomous vehicles, intelligent service robots, intelligent unmanned aerial vehicles, medical image diagnosis assistance systems, video and imaging identification systems, intelligent voice interactive systems, intelligent translation systems, and smart home products. It also calls for making breakthroughs in “core foundational” technologies, including intelligent sensors, neural network chips, and open source platforms. Finally, the Action Plan calls on the government and the financial industry to support AI initiatives.

Even at this early stage, there are signs that these initiatives are moving forward. Bloomberg [reported](#) last October that Megvii Inc., a Chinese facial recognition company, had set a new record for the largest single-round investment in an AI company, raising \$460 million from investors, including one of China’s largest state-backed venture funds. In early January, the city of Beijing [announced plans](#) to build a \$2.12 billion (13.8 billion RMB) AI development park and also released plans for a dedicated zone to test autonomous vehicles. And the Nieman Foundation [reported](#) that China’s state news agency, Xinhua, will be rebuilding its newsroom to integrate AI into the newsmaking process.

At the same time, the Government is attempting to reconcile an apparent tension between citizens’ increased privacy awareness with flexible policy frameworks that allow AI to flourish. Because access to data is a critical resource for developing AI, including by machine learning, efforts in data protection and cross-border transfers bear on these developments. See our post [here](#) on recently issued legal frameworks to protect citizens’ information.

With official encouragement like this, China’s AI prowess is advancing. Upcoming posts in this series will cover how the Chinese Government develops local

regulations and national “standards” that serve as experiments for policy innovation in China.

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