

China's Data as a Fifth Market Production Factor – an Asset on Your Balance Sheet

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China believes that data serves as the foundation of digitization and national development, which will shape its future development. In that regard, as early as March 30, 2020, China published the "Opinions of the Communist Party of China Central Committee and the State Council on Instituting More Thorough Systems and Mechanisms for Market-based Allocation of Production Factors (《中共中央、国务院关于构建更加完善的要素市场化配置体制机制的意见》), officially establishing data's marketability as the fifth "market production factor"¹ in addition to land, labor, capital, and technology.²

On Dec. 2, 2022, China adopted the most important data policy to date: "Opinions of the CPC Central Committee and the State Council on Building a Data Base System for Better Use of Data as Factor of Production (《中共中央、国务院关于构建数据基础制度更好发挥数据要素作用的意见》) – also known as the "20 Data Measures" (the "**Measures**") – which focus on four major topics relating to data management, including data property rights, data flow and trading, data revenue distribution and data security governance. According to the Measures, it recognizes that "as a new type of production factor, data is the foundation of digitization, network, and intelligence. It has been rapidly integrated into all aspects of production, distribution, circulation, consumption and social service management, profoundly changing the ways of production, daily lives and social governance."

On Jan. 5, 2024, 17 ministries, including the National Data Administration (NDA),³ jointly issued the "Data Element X" Three-Year Action Plan (《"数据要素X"三年行动计划》), seeking to boost use of data in 12 sectors, from manufacturing and finance to technological innovation and green and low-carbon development. By advancing the use of data, China expects to improve resource allocation and foster new industries and patterns as well as new economic growth drivers. The action plan indicates that China will increase efforts to promote high-level application of data, ensure the quality of data supply, improve the environment of data circulation and strengthen data security.

[Read the full article here.](#)

¹ To qualify as a "factor of production," according to a Chinese economist who participated in the government's data strategy policy drafting, "it must be a must-have basic resource in the production of goods and services; data can only qualify as a factor of production if it is used in production and business activities and generate significant value." (Huang, L. (2023b). "The Exploration of Inner Logics of Data as Factor of Production Market." Internal presentation delivered on Jan. 4, 2023, in Beijing, China.)

² i.e., 土地、劳动力、资本、技术

³ The NDA was inaugurated in October 2023 as part of China’s efforts to advance the planning and building of a “digital China,” including a digital economy and society. It is an administration under the National Development and Reform Commission (NDRC) of the State Council of China, which took over several responsibilities from the Cyberspace Administration of China (CAC) and the NDRC, including promoting smart cities and the exchange of information resources across industries.