

# China's new growth leaders: inventing, not copying

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## Show notes

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From new cancer drugs to batteries and robotics – China's top-tier growth companies are forging paths of their own rather than following in the west's footsteps. Investment manager Sophie Earnshaw names companies that have caught her eye and explains why being a long-term stock picker differs in China from elsewhere.

### Background:

Sophie Earnshaw is a decision-maker on our China Equities Strategy and joint manager of the Baillie Gifford China Growth Trust.

In this conversation, she tells *Short Briefings...* host Leo Kelion about a select group of Chinese companies breaking new ground, supported by the state's efforts to become self-sufficient in more of today's critical technologies and a leader in some of those of the future.

Earnshaw also details how the "phenomenal rate" at which companies are born, scale and die in the country makes stock-picking a challenging task – making the access we have to company leaders, academics and other local expertise core to our mission of finding the best firms to invest in on behalf of our clients.

### Portfolio companies discussed include:

- **CATL** – the battery maker whose products power electric vehicles worldwide and increasingly support the renewable energy sector
- **BeOne** and **Innovent Biologics** – pharmaceutical firms developing the next generation of cancer drugs
- **AMEC** and **NAURA** – semiconductor equipment makers enabling China to develop increased self-reliance in computer chips
- **Alibaba**, **ByteDance** and **Tencent** – China's 'big tech' companies, whose artificial intelligence tools are becoming embedded into people's daily lives
- **MiniMax** – the AI startup rolling out video and agentic tools at a fraction of the cost of western counterparts
- **Horizon Robotics** – the automated driving tech provider with its eye on an even bigger opportunity.

**Resources:**

[Baillie Gifford podcasts](#)

[China: a tale of two stories](#)

[China investment strategy hub \(institutional clients only\)](#)

[House of Huawei](#)

[Private investor forum 2025: investing in great growth companies](#)

[Trip notes: on the road with Baillie Gifford China Growth Trust](#)

**Companies mentioned include:**

[Alibaba](#)

[AMEC](#)

[ASML](#)

[BeOne](#)

[ByteDance](#)

[CATL](#)

[Horizon Robotics](#)

[Innovent Biologics](#)

[Jiangsu Hengrui](#)

[Huawei](#)

[MiniMax](#)

[Samsung](#)

[NAURA](#)

[Tencent](#)

[TSMC](#)

[Xiaohongshu](#)

**Timecodes:**

00:00 Introduction

01:55 Joining the China Equities Strategy

02:40 Intense competition

04:00 The government's influence

06:10 CATL, the electrification champion

08:45 Investing with a 5-year time horizon

10:25 Shanghai office, local expertise

11:45 Regulations and geopolitics

14:30 China's next Five-year Plan

16:15 Innovent Biologics' new cancer drugs

18:10 Lower-cost clinical trials

19:45 Being selective in semiconductors

21:25 Investing in chip equipment makers

23:00 China's 'big tech and AI'

25:10 MiniMax making AI like 'tap water'

27:45 The road to robotics

29:35 A market you can't ignore

30:30 Book choice

**Glossary of terms (in order of mention):**

**Third plenum:** a major policy meeting of China's ruling Communist Party, often used to set big economic/political direction.

**Sovereign bond issuance:** The government raising money by selling bonds (IOUs) to investors.

**Opportunity set:** the range of investable companies available to choose from.

**Capex:** capital expenditure – money spent on long-term assets like factories, equipment, or data centres.

**Fiscal deficit target:** how much more the government plans to spend than it collects in revenue (taxes plus other income), expressed as a share of the economy.

**GDP:** gross domestic product – the total value of goods and services a country produces in a year.

**Market capitalisation:** the total value of a company's shares (share price × number of shares).

**ESG:** environmental, social and governance – how a company manages environmental impact, people issues, and corporate oversight.

**Large-form batteries:** big battery packs used in things like electric vehicles and grid storage.

**Energy storage systems:** large batteries that store electricity for later use (helping balance the grid).

**Generic drugs:** copies of medicines whose patents have expired; usually cheaper, same active ingredient.

**Bi-specific (bispecific) drugs:** drugs designed to bind to two targets at once (often to direct immune cells to cancer).

**ADC drugs:** antibody–drug conjugates – antibodies that deliver a toxic payload to cancer cells.

**Out-licensing:** selling rights to your drug/technology to another company (often for upfront + milestone payments).

**EUV machines:** extreme ultraviolet lithography equipment used to make the most advanced chips.

**Foundry:** a factory business that manufactures chips for other companies.

**Etch and deposition:** steps in chipmaking – etch removes material to form patterns, deposition adds thin layers.

**Picks and shovels:** a metaphor for companies that sell essential tools to an industry (rather than end products).

**Digitalisation:** moving processes and services from offline to software and data-driven systems.

**Compute:** the processing power (chips and servers) used to train/run AI.

**Large language model (LLM):** an AI trained on lots of text to generate and understand language.

**Margins:** how much profit a company makes per pound/dollar of revenue (after costs).

**Cloud business:** selling computing power/storage/software over the internet instead of on a local machine.

**Algorithm layer:** the method or software logic that makes the AI work (as distinct from the hardware).

**Gross margin:** revenue minus direct costs (before overheads), a rough measure of product profitability.

**Assisted driving:** features that help a driver (lane-keeping, adaptive cruise control, etc) but don't fully replace them.

**Autonomous driving:** a car driving itself with minimal or no human input.

**Software attachment rate:** the percentage of customers who add paid software features and/or subscriptions.

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