

5.3. Country profiles

5.3.1 Country profile – China



With 33 index points, China only reached 14th place in the global benchmark study of ICT industries. It was unable to improve its average performance compared with the previous year. China was global market leader in two key performance indicators: “ICT exports” and “Growth in IT turnover”. The country has an impressive rate of growth, and shows extremely high potential.

Market development – 11th place ↓

Despite the global economic crisis, the category “Growth in IT turnover” for 2007/2008 showed a dramatic increase of 16.6 percent. This placed China in the lead in this category. China is also market leader in the category “ICT exports”. In 2009 China is set to depose Germany, the current “World Champion Exporter”, for the first time. However, its “ICT expenditure as a proportion of GDP” fell from 5.2 to 4.4 percent in 2008 as a consequence of the continuing drop in prices for hardware and state-subsidised telecommunication services.

Infrastructure – 14th place →

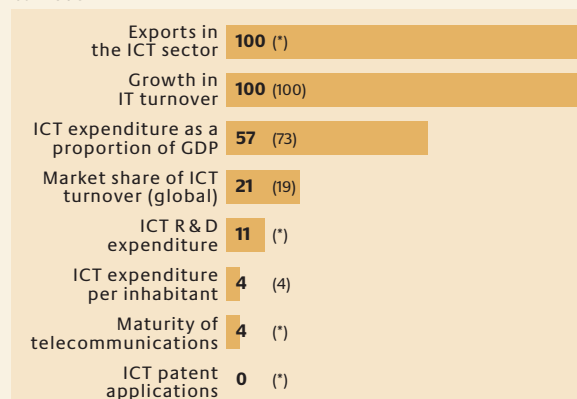
China improved its average performance in the category “Infrastructure” by two points to a total of 22 index points. However, this did not affect its ranking: as in the previous year, China was in second to last place. “Mobile phone penetration in the population” in China improved six percentage points to 47.5 percent, i. e. to 32 index points. The category “Internet access in households” also rose three percentage points to 20 percent, which corresponded to an index value of 23 points.

Applications – 14th place ↑

China improved its average performance in the category “Applications” in 2008, gaining four index points to reach 45 index points and thus rising from last to second to last place. The Chinese ICT industry has made headway largely as a result of its improved figures in “Internet use in the population”, which rose more than six percentage points to 22.3 percent. It also gained ground in “Use of social networks”, which rose from 44.7 to 50.3 percent.

Fig. 5.3.1a: Significance of the Chinese ICT market as of 2008

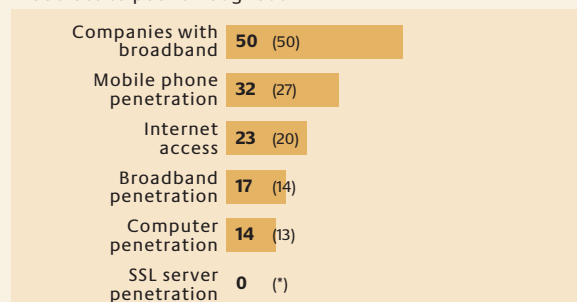
Global market leader in “ICT exports” and “Growth in IT turnover”



Source: TNS Infratest (2009); Previous year's figures in brackets, * Figures unavailable

Fig. 5.3.1b: State of development of China's infrastructure as of 2008

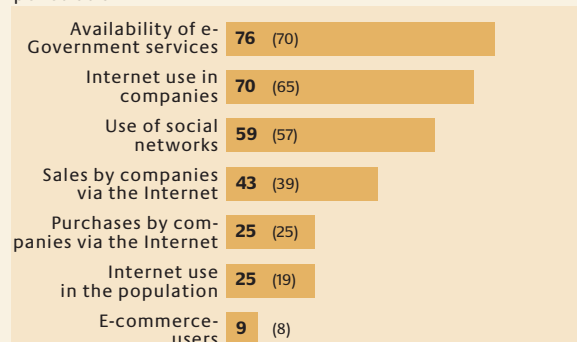
China's performance in the category “Infrastructure” was moderate to poor throughout



Source: TNS Infratest (2009); Previous year's figures in brackets, * Figures unavailable

Fig. 5.3.1c: Maturity of the Chinese applications sector as of 2008

Still some catching up to do in the category “Internet user penetration”



Source: TNS Infratest (2009); Previous year's figures in brackets