

BIG DATA DEVELOPMENT IN CHINA

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Executive Summary

1. China has looked towards big data as a “fundamental national strategic resource” to improve governance, move Chinese manufacturing up the value chain and transform China into a “high quality data power”.
2. It had formulated several national level plans from 2015 to 2018 to develop the industry into an endogenous and autonomously innovating source of growth for China. The government has plans to break up isolated data pockets within government departments by improving classification of data.
3. The Chinese big data industry has expanded rapidly. In 2017, it was worth RMB470 billion, up from RMB360 billion the year before. The Chinese government is optimistic that the industry will attain a compound annual growth rate (CAGR) rate of at least 30% and reach more than RMB1 trillion in 2020.
4. The Chinese strategy is to kick-start data sharing in selected industries and sectors that have strong foundations in information technology. These industries are telecommunications, internet service providers, finance, health care and transport.
5. Although China has made great strides in data management, it still lags behind advanced industrial nations in terms of big data innovation and data sharing. Big data usage remains concentrated in a few industries, in peripheral business functions and in the wealthier parts of eastern China.
6. Government surveys have shown that the financial sector, public service and e-commerce in China have the largest number of companies and entities involved in big data products and solutions, accounting for 63%, 57% and 47%, respectively.
7. Among 1,572 companies in China surveyed by the China Academy of Information and Communications Technology (CAICT) in 2017, close to four in 10 companies (39.6%) have begun using big data in their business functions, a rise of 4.5% from

2016. Big data has improved intelligent decision making (55.2%), increased operational efficiency (46.6%) and enhanced risk management (35.9%).

8. The obstacles facing big data development in China are not limited to technology. A good 50.2% of CAICT survey respondents in 2017 pointed to privacy protection policies as a primary obstacle to the development of corporate big data and 40.5% cited a shortage of data talent. These two problems had worsened from 2016 to 2017.
9. Administrative fragmentation remains a serious problem. According to *Xinhua*, information gathered by reporters in Guiyang, Hangzhou and Beijing reveals that up to 80% of data is still locked inside various government departments.
10. Long-term measures such as the reorganisation of business processes, changes in management models and continued opening of the Chinese market will be necessary to overcome these barriers to big data development. Above all, the mindset of government officials and businessmen will need to change.