

ICT standardisation China and the European Research Area

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Outline

- ICT is a strategic sector in China for government
- ICT standards-making in China
- EU-China relations and activities in the ICT sector
- Issues for EU industry



Key ICT markets in China: large and rapidly growing

- **Mobile subscribers** **624mn** (47.3% penetration)
Growth **8mn** (new subs/month)
- **Fixed subscribers** **353mn** (26.8% penetration)

Source: MII, September 2008 figures

- **Internet users** **253mn** (19.1% penetration)
- Of which **broadband:** **214mn** (16.2% penetration)

Source: CNNICs, June 2008 figures

- **Telecom services mkt** **66.9 bn Eur**
- **Telecom equpt mkt** **23 bn Eur**
- **TV services mkt** **7.1 bn Eur**

Source: IDATE, DigiWorld 2007, 2006 figures

- **Software Annual Output Value** **58.34 bn Eur**
- **share of global software industry** **8.7%**

Source: sohu.com, June 2008, 2007 figures



ICT is a strategic sector for China

- Role of ICTs prominent in overall Five Year Plan presented by Premier Wen in 2006, with strong emphasis on “independent innovation”
- Plan for the “Information Industry” issued by MII, 2006
- Plan for “High-Tech” sectors by NDRC, 2006
- Plan for e-Commerce by NDRC and SCITO 2007
- 15 Year Plan for Science&Technology led by MOST



Strong government interest in the sector

- Direction given by Five Year and 2020 plans
- Several governmental bodies involved in ICT standards
- Strong governmental support for the sectors (R&D funding system, high tech parks, links with academia, etc.)
- ICT sector still in transition from centrally planned economy

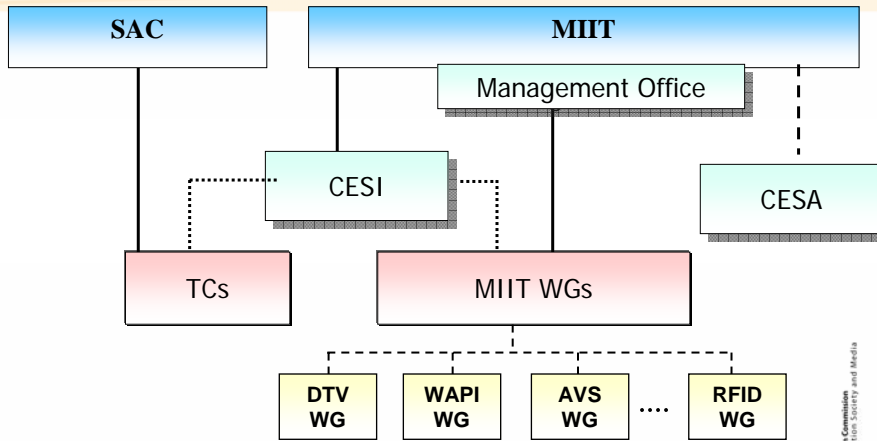


How China sees its needs in the standards field

- Too high royalty payments have made heavy burdens on enterprises (eg DVD players).
- Lack of independent standards in some domains a bottleneck for ICT industry development in China.



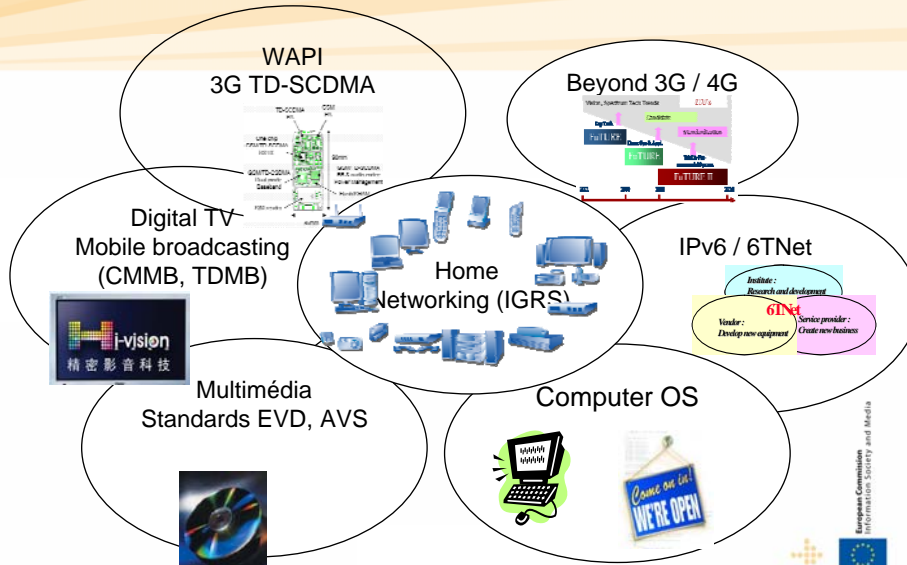
Org Chart for National standards of China



SAC: Standardization Administrative of China
 CESI :China Electronics Standardization Institute
 CESA :China Electronics Standardization Association
 TCs: Technical Committees



Standardization activities: China is seeing successful development of domestic standards with Chinese IPR



Occasional tension between Government policy And market developments

- Sometimes a paradox – government direction and support strong, yet market, private sector and other initiatives are also important:
 - 3G (TD-SCDMA, W-CDMA, CDMA-2000)
 - Digital mobile (CMMB, T-MMB)[DVB-H]
 - Wimax – not approved by MIIT, yet many trials under way
 - RFID



Overview of EU-China relations in the ICT sector

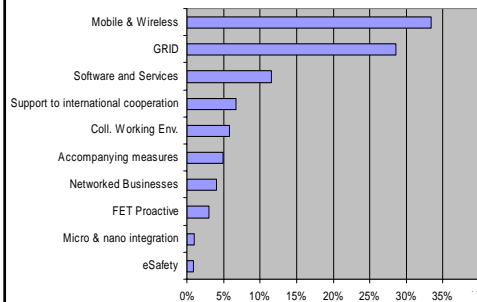
- A regular [Dialogue at Vice Minister level](#) has been held with China since 1997, focusing on technology research cooperation, telecom policy, issues affecting EU industry in China, market/technology developments, exchange of views on respective policy developments
- Cooperation projects: eg [EU-China Information Society project](#) (2005-2009, aims to promote economic and social development through "Informatisation", focuses on e-Government best practice and policy; as well as telecom regulatory frameworks), web link: <http://www.eu-china-info.org/>
- Chinese participation in EU FP6-7 ICT technology research projects (60 projects involving some 100 Chinese partners), web link: <http://cordis.europa.eu/en/home.html>
- Chinese participation in high speed research communications infrastructure (GEANT-ORIENT link)



Chinese participants in FP6

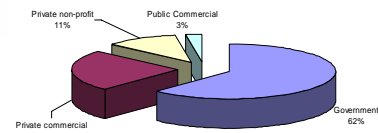
Activity areas

Funding per research area (% of total: 7.7M€)



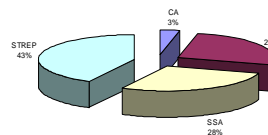
Organisation type

Funding per organisation type



Instruments

Funding per Instrument



Issues for EU industry regarding standards

EU industry strongly present in certain areas in China (equipment market is very open). But companies say they face a range of issues and obstacles, including in relation to standards:

- Standards and IPR
- Development of standards with specific Chinese characteristics
- 3G licensing
- Difficulties in putting products on the market (approval may be linked to standard, eg WLAN and 3G chips in mobile phones)



Activities of EU on ICT standards with China

- EU-China industry policy Dialogue (DG Enterprise, NDRC, MIIT)
- EU-China Infsoc Dialogue
- Use by EU actors of FP projects to engage with China on standards (eg to explore ways to ensure interoperability)
- Close contacts set up between CEN, CENELEC, ETSI with CCSA and CESI
- Encourage WTO notification of standards, in line with TBT agreement (MOFCOM, SAC)
- Workshops, seminars, conferences held



Likely outcome?

- **Open standards?**
- **Alignment between regional economies?**
- **Competitive standards?**



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