

People's Republic of China

The size of the Chinese mobile market is truly staggering. In Q1 2012, mobile operators gained an additional 30 million users to mobile networks. Mobile penetration has reached 74% and continues to grow. The mobile operator China Mobile is the largest telecom company in the world.

TELECOMMUNICATIONS MARKET

Indicator ⁴⁵	Measurement	Value
Computers in Households	Per 100	38.4
Internet Users	Per 100	34.4
Fixed Lines	Per 100	21.3
Fixed Broadband	Per 100	9.44
Mobile Subscriptions	Per 100	73.6
Mobile Broadband	Per 100	11.9
International Bandwidth	Per 100	n/a

On March 30th, 2012, the country's Ministry of Industry and Information Technology confirmed that, as of the end of February, there were more than a billion mobile subscribers in the country (1.01 billion, to be specific). As the AFP notes, that refers to individual subscriptions, including users with more than one phone, but any way you slice it that is a whole lot of cellphone users. Of those, 143.92 million are on 3G networks, which is fully double the number from April of 2011. Fixed line phones have dropped to 284.3 million.

Internet use also continues to be on the upswing, with more than half a billion people having internet access of some sort, and 154.96 million having broadband access (up nearly five million during those same two months).⁴⁶

Statistics produced on the May 23rd, 2012⁴⁷, show mobile phone subscriptions increased to 1.030 billion,

⁴⁵ www.worldbank.org

⁴⁶ www.google.com/hostednews/afp/article/ALeqM5jhpFZrHwD9qqSZ2pfh9WxJuDwE8A?docId=CNG.dfo5140bd848fd4930151160f19892b6.501

⁴⁷ <http://www.miit.gov.cn/n11293472/n11293832/n11294132/n12858447/14621263.html>

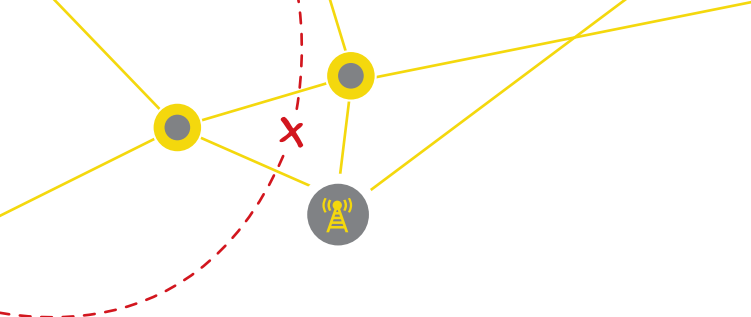
QUICK FACTS CHINA

Land Area: 9,327,480 sq km
Population: 1.338 billion (2010)
Urban Population: 43% of total population
GNI per capita, PPP: \$7,640 (WB, 2010)

TLD: .cn
Fixed Telephones: 283.7 million (2012)
GSM Telephones: 1.030 billion (2012)
Fixed Broadband: 159.3 million (2012)
Internet Users: 389 million (2009)



with 158.97 million using 3G.



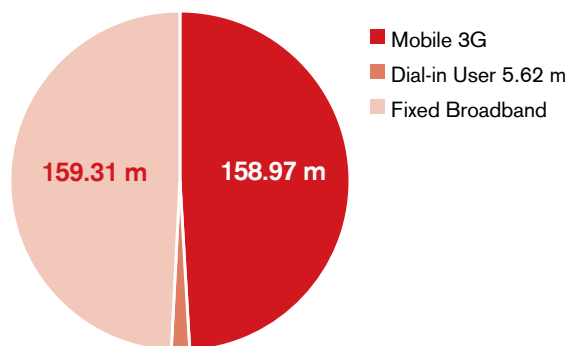
Pricing Analysis (\$US)	China	AllCountriesSurveyed	Rank by Cheapest	Median Price
PRE-PAID Package Pricing				
Monthly Package Cost	-			-
Cost per Minute National Call (First 3 Min)	0.04		2	0.07
Price for Data Traffic (Price per MB)	0.08		9	0.05
Price for One Text Message	0.02		2	0.02
POST-PAID Package Pricing				
Monthly Package Cost	7.60		6	7.53
Cost per Minute National Call (First 3 Min)	0.03		2	0.06
Price for Data Traffic (Price per MB)	0.08		7	0.04
Price for One Text Message	0.02		3	0.03

Operator	China Mobile	China Unicom	China Telecom
Brands	CMCC		
Survey Respondents	53%	39%	
Subscribers	672.5 m	212.7 m	138.5 m
Mobile Internet Users	300.0 m (61.9m 3G)	100.0 m (51.8m 3G)	50.0 m (45.6m 3G)
Ownership	State	State	State

INTERNET ACCESS

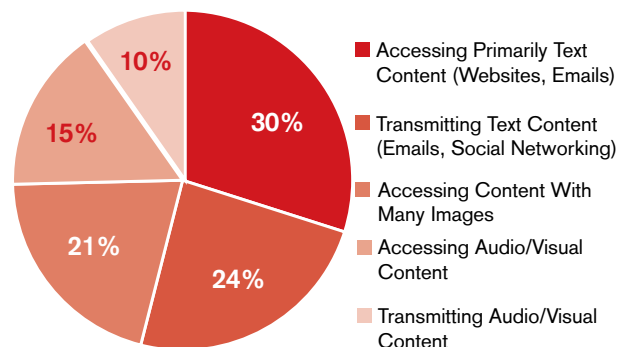
Over 93% of respondents used mobile internet and less than 6% do not use mobile internet. 79% of these mobile internet users pay for a limited bundle, almost 20% use WiFi and less than 0.5% have no access. Almost 96% owned a smartphone and almost 36% had "jailbroken" their phone but over 62% had updated the firmware on their phone.

INTERNET CONNECTION TYPES AS OF 23 MAY 2012 (MINISTRY OF INDUSTRY AND INFORMATION TECHNOLOGY)



ROLE OF MOBILE DEVICES

USE OF THE INTERNET 2012 (IN COUNTRY SURVEY)



CENSORSHIP AND CIRCUMVENTION

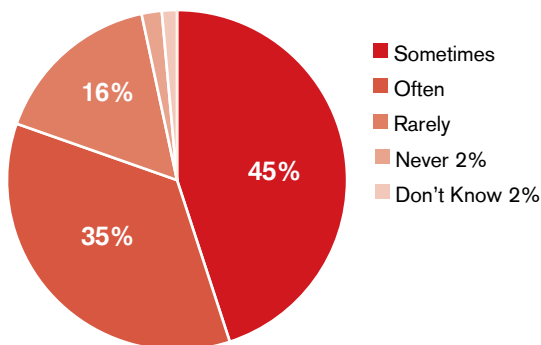
China operates the largest internet monitoring and censorship system in the world. Many documents have been written, and extensive research conducted, on the best methods of circumventing the blocking system in operation.

On June 4th, 2012, the UK's Guardian newspaper reported that China's censors blocked internet access to search terms "six four," "23," "candle," and "never forget," therefore broadening already extensive efforts to silence talk about the 23rd anniversary of the June 4th

crackdown on pro-democracy protesters in Tiananmen Square. These terms have also been blocked on Sina Weibo, the most popular of China's Twitter-like microblogging platforms.



HOW OFTEN DO YOU ENCOUNTER BLOCKED WEBSITES? (IN-COUNTRY SURVEY)



On May 31st, 2012, Alan Eustace, Senior Vice President for Knowledge at Google wrote on his blog⁴⁸ about a new service Google will provide to users suffering from internet blocking. Google “has had a lot of feedback that Google Search from mainland China can be inconsistent and unreliable. It depends on the search query and browser, but users are regularly getting error messages like ‘This webpage is not available’ or ‘The connection was reset.’ And when that happens, people typically cannot use Google again for a minute or more.” These interruptions are closely correlated with searches for a particular subset of queries. Google will now notify users in mainland China when they enter a keyword that may cause connection

issues. By prompting users to revise their queries, Google hopes to reduce the disruptions and improve user experience – particularly from mainland China. It has been suggested that users can then edit their query using pinyin, the system used to transliterate Chinese characters into Latin script.

CONCLUSION

The Chinese mobile market is huge and continues to grow. Mobile subscriptions are still at less than 75%, so there is a lot of room for growth. This market is also one of the least competitive considering the size of the market; it is also the most tightly regulated and controlled. Internet censorship is major state activity.

FURTHER INFORMATION

- Ministry of Industry and Information Technology – www.miit.gov.cn
- China Internet Network Information Center – www.cnnic.net.cn/en/
- China Mobile - www.chinamobileltd.com
- China Unicom - chinaunicom.com.hk
- China Telecom - chinatelecom-h.com

48 <http://insidesearch.blogspot.ie/2012/05/better-search-in-mainland-china.html>