The Emergence of China’s Mobile Technology Sector

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Mobile Industry Overview
China has recently overtaken the U.S. as the largest mobile device market in the world.

China has 930 million mobile users as of 2012, up from 205 million in 2002.

- 99.7% of subscriptions carried by three major providers

Chinese mobile manufacturers such as Huawei, Lenovo, ZTE, and TCL Corporation have emerged as major competitors in the international market.

- 10.5% of global market share in 2012

Sources: Flurry Analytics, tech.163.com, Gartner Analytics
Growth of Major Mobile Manufacturers, 2002-2012

- **Huawei:** 1319%
- **Lenovo:** 1009%
- **ZTE:** 1045%
- **TCL Corp:** 290%

**Sources:** Annual Reports, International Monetary Fund
Growth of Major Mobile Providers, 2002-2012

Chinese Mobile Subscribers, 2002-2012

2002: 205 million      2012: 930 million

Sources: Annual Reports, tech.163.com
Summary of Findings

- Revenue from China’s four major mobile device manufacturers and three major mobile service providers has grown from a total of USD $40.13 billion in 2002 to USD $266.55 billion in 2012.

- Over the last decade, these companies have grown 664%.

Sources: Annual Reports
Deng Xiaoping’s “Reform and Opening Up” policy heralds modernization of China

“Four Modernizations” encourage development through improvements to industry, science, technology, etc.

Reduction of tariffs and establishment of SEZs spurs economic experimentation and development

Since the year 1980, China’s real GDP has grown at an average annual rate of 9.9%.

Sources: International Monetary Fund
China: Growth in the Last Decade

Real Chinese GDP per Capita (PPP per capita)

Sources: International Monetary Fund
Foreign Direct Investment in China (billions of U.S. dollars)

Sources: International Monetary Fund
Exports of Goods and Services (billions of U.S. dollars)

Sources: International Monetary Fund
Conclusion

• As a result of rampant economic growth, surging capital inflows, and rising per capita incomes, the Chinese mobile technology sector, as represented by the aforementioned major firms, has risen from 2.76% of overall GDP in 2002 to 3.24% in 2012.

• Although seemingly a small increase, given rampant growth of overall Chinese economy during this interval, it is significant that the mobile sector has still outpaced aggregate growth by such a margin.