

# China's 'Internet Plus' Strategy: Context and Market Opportunities for European Small Businesses

TAGS

Information and Communication Technology (ICT)

ARTICLES | 12 June 2016



*By Dr Martina Gerst, Standards & Conformity Assessment Advisor, EU SME Centre*

## China's new phase of development is characterised by digital transformation

With more than 630 million smartphone users buying or paying for products online it is already a part of Chinese consumers' everyday life. In an economic context, it will ensure China's sustainable growth and may also change the way how government organisations will communicate with the public in future.

Within the context of what has been dubbed as China's "New Normal", a term frequently used nowadays to describe the more innovation-, high-quality-, and environmentally-friendly-driven growth of China, other plans, programmes, initiatives and terms are often used in the same breath to characterise the current economic growth strategy of China, such as the [13th 5-year plan](#) ("135"),

“Made in China 2025” (MiC2025), cloud computing, big data, and Internet Plus.

Internet Plus? Does this mean that you can find products on Baidu faster, and buy them more quickly on Alibaba, or purchase with no delays on Tencent’s WeChat?

Almost, but not quite – Internet Plus aims to achieve a far higher goal – a closer integration of the entire supply chain from marketing through to production and then sales, and the respective analytics of it using advanced Information Technology (IT).

## **Business opportunities for European SMEs**

Besides the 10 priority sectors defined in the MiC2025, the “135” unveils that China aims to turn itself into a “Digital Powerhouse”, where from 2025 onwards, Internet Plus should serve as a new economic model pushed by economic and social innovation development. The integration of manufacturing, cloud computing and big data applies also to health, education and governmental institutions.

Business opportunities exist not only in the ten key sectors mentioned, for example in high-end equipment and manufacturing, new materials, or clean energy technologies ([see previous article here](#)), but also in areas such as agriculture equipment and technology. A modern Chinese agriculture sector is understood to be the foundation for building a prosperous and healthy society.

Key objectives for the future are in line with the amended food safety law and include:

- Improving grain productivity to increase food security;
- Promoting restructuring and modernisation of the agriculture sector;
- Ensuring sustainable development of safe agricultural products;
- Exploring additional sources of rural income and increasing the income of farmers.

To achieve these objectives, business opportunities can be found in the following areas:

- Agricultural Big Data and Cloud Computing:

– Data Processing software

– Intelligent Search software

- Information Acquisition of Animals and Plants Phenotyping:

– Sensors

– High-throughput Measurement Technology

- Precision Agriculture and Agricultural Aviation:

–Agricultural Remote Sensing

– Decision Making technology

- Navigation and Control instruments
- Agricultural Robots
  - Quality Control and Traceability of Agricultural products:
- Collection and Management of Field Production Information
- Warning systems of Plant Diseases
- Management systems for Control of Cold-chain Logistics
- Traceability management systems

There is a great demand for 21st Century technology from abroad in the context of China's Internet Plus strategy. SMEs could target Chinese companies with the necessary capabilities and provide technology or common R&D development.

Building such partnerships can be a good market entry strategy for EU SMEs. For more on the opportunities, for example in China's machinery sector, [see our sector report here](#).

A further good example of using advanced technology and its implementation is the concept of Smart Cities. [Download here the sector report on China's Smart Cities](#).

The Centre is currently developing a more comprehensive report on MiC2015 and Industry 4.0 together with renowned organisations. A report will be published soon.

EU SMEs exporting their technology to China that have approached the Centre mostly perceive the major challenges to be the lack of uniformity in the regulatory framework, such as different implementation rules at the central and provincial level, and the level of protection of intellectual property (IP) that is key in the area of high-tech. To learn more about it, read the Centre's report [Exporting Goods, Services and Technology to the Chinese Market](#).