

INNOVATION  LEADER

CHINA

Population: 1,384,688,986 | GDP: \$23.21 trillion | Language: Mandarin | Unicorns 2009-2018: 120



What did China do right?

China scores well in markers of Entrepreneurial Activity and boasts 120 unicorns, or companies worth at least USD \$1 billion. China has improved its air and water quality since last year, and in 2018 it established national standards for testing self-driving vehicles, improving its grade dramatically – from an F to an A.



What can China do better?

China could significantly increase the personal and political freedom it affords and reduce its top corporate and individual tax rates. It could also improve its grade in Resilience by increasing prosperity nationwide and improving infrastructure to better withstand natural hazards.

KEY TAKEAWAYS

China boasts one of the fastest-growing large economies in the world, and it comes as little surprise that it saw enough gains on the Scorecard to become an Innovation Leader this year. Environmental indicators, drone policy and measures of entrepreneurial activity all improved.

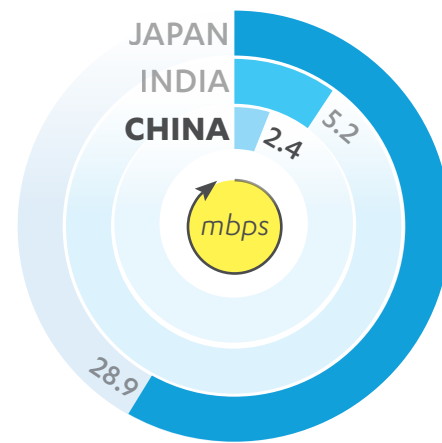


Research and development investment in China is high, at 2.1 percent of gross domestic product, which corresponds to roughly USD \$262.5 billion. Between 2009 and 2018, China spawned at least 120 unicorns – startups valued at over USD \$1 billion – a figure trailing only that of the United States. Two of the most highly-valued are the fintech company Ant Financial and ByteDance, which operates Chinese content platform Toutiao. Toutiao uses machine learning to deliver personalized, aggregated news feeds to over 120 million Chinese users and is one of the country’s most-used apps.

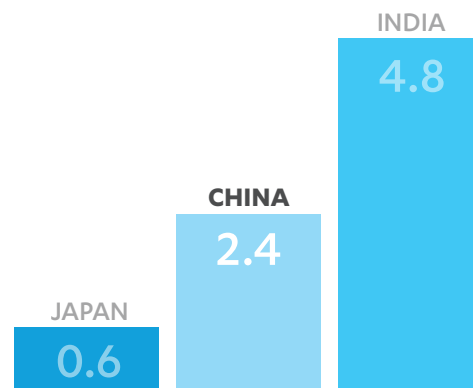
Although China’s tech companies are booming, the country lacks economic and political freedom. Apart from a relatively narrow gender gap in employment, China performs poorly in Diversity as well. China could raise its overall score by improving broadband access and connecting its citizens to online government services.

Sources: (Techcrunch)

Mean Download Speed (Fixed & Mobile)



Fixed Broadband Cost Per Month



Shown as a percentage of gross monthly income per capita



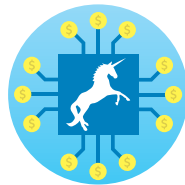
R&D Investment

The country spends 2.1 percent of its GDP on research and development.



Entrepreneurial Activity

The ease of starting a business in China is above average. China's grade increased slightly to a B in 2019 from a B- in 2018.



Unicorns

The country produced 120 unicorns between 2009 and 2018.



Drones

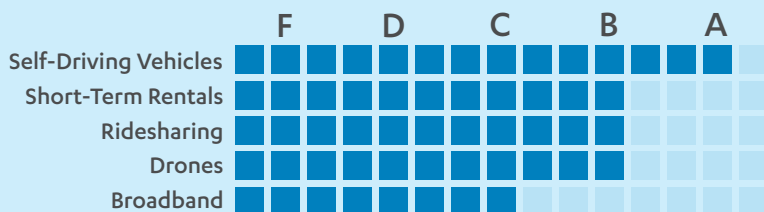
Registration requirements for commercial drone users are clear. The Office of Standardization has also started a process to spur development of the drone industry, increasing China's overall grade to a B from a D in 2018.



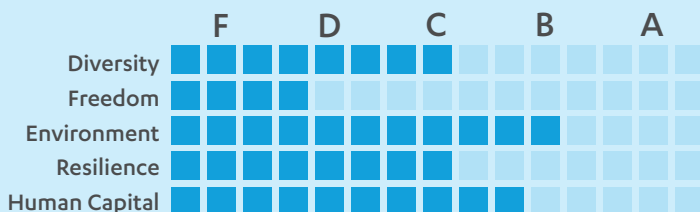
Short-Term Rentals

There are no national regulations, but short-term rentals are subject to local rules, such as requirements that guests register with local police departments.

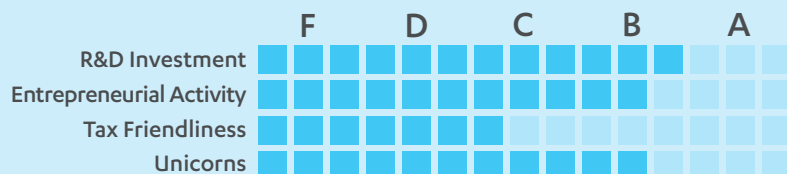
Technology



Society



Economy



ABOUT THE SCORECARD

With the 2019 International Innovation Scorecard, the Consumer Technology Association expands the report in breadth and depth, adding 23 new countries and two new categories. In this second edition, we evaluate 61 countries and the European Union across 28 indicators to determine whether they stifle progress or fuel the fires of innovation.

Each country on the Scorecard ranks in one of four tiers: Innovation Champions excel in almost all areas, followed by Innovation Leaders, which earn high scores in most. Behind the Leaders are Innovation Adopters, which promote innovation in some areas but not others. Finally, Modest Innovators may support innovation in one or more areas, but they show the greatest room for improvement.

ABOUT CTA

The Consumer Technology Association (CTA)[™] is the preeminent trade organization representing the \$398 billion U.S. consumer technology industry, which supports more than 15 million jobs. CTA serves over 2,200 companies, ranging from the startups and small businesses that make up 80 percent of its membership to some of the world's best-known brands. CTA also owns and produces CES[®], the world's premier gathering for consumer technology and the innovators who turn today's dreams into tomorrow's realities. Profits from CES are reinvested into CTA's industry services.

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