



# Smart City Initiatives in China Overview & Outlook

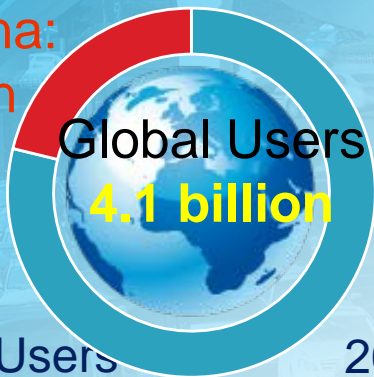
**Li Tie, Chief Economist**

**The China Center for Urban Development**

# ➤ Rapid Penetration of the Internet

## Internet Users

Users in China:  
0.829 billion



73.3% Urban Users

26.7% Rural Users



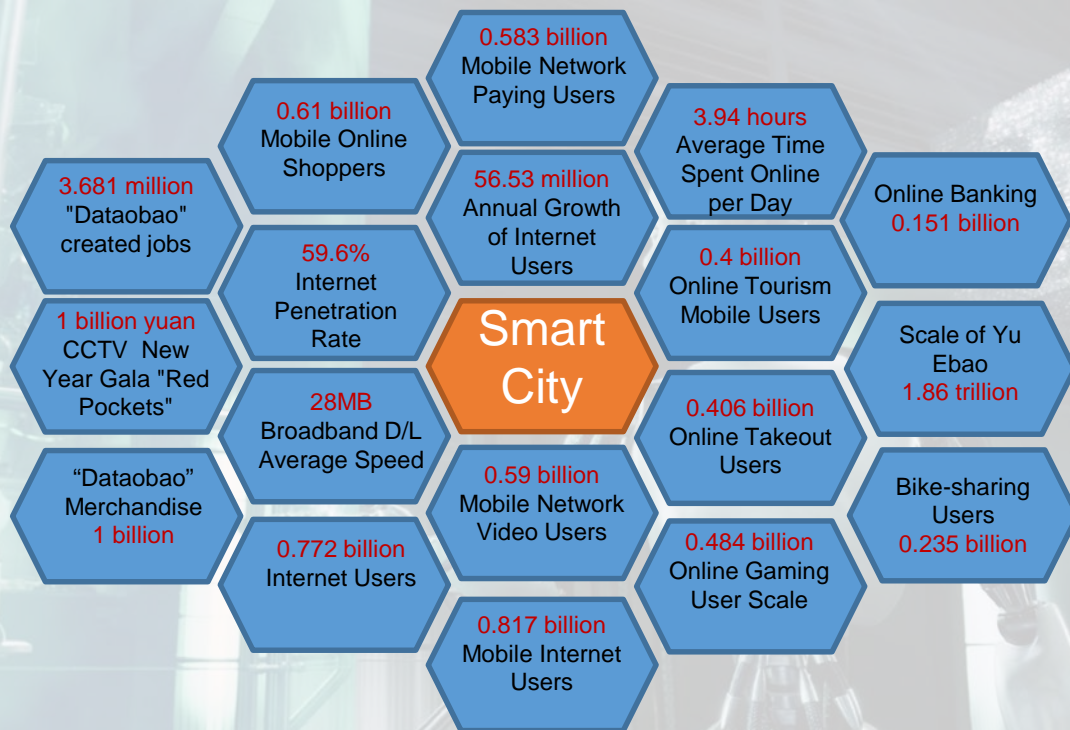
## Mobile Internet Users in China

0.817 billion



98.6% of Total Internet User

# ➤ Rapid Penetration of the Internet



Internet+

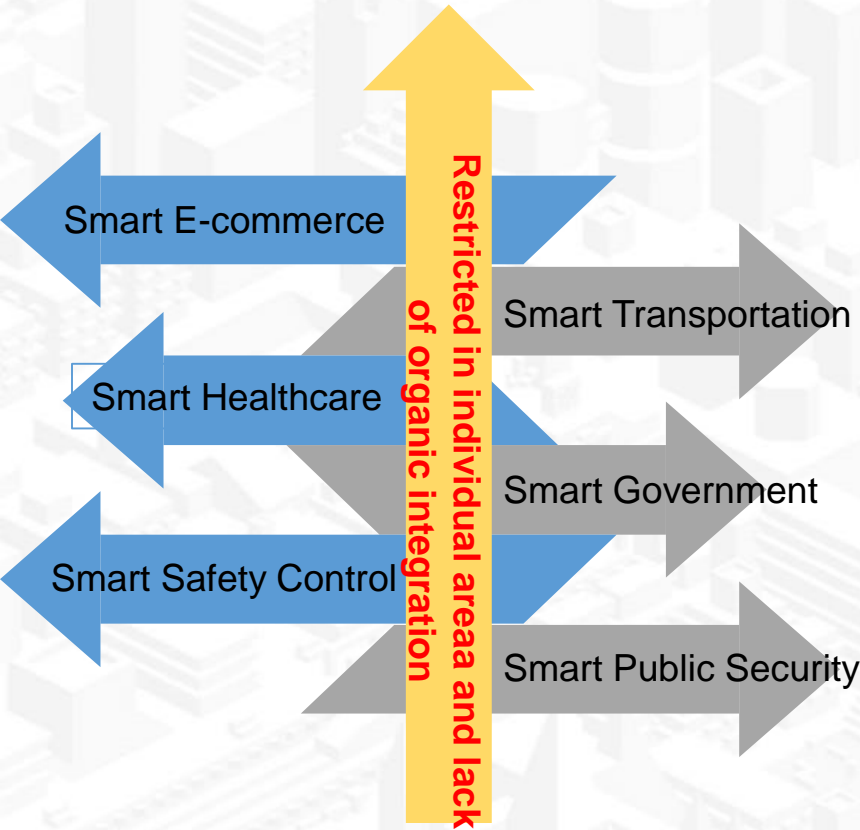
A.I.

Sharing Economy

Innovative Municipal Governing



While smart cities are still fragmented, systematized applications in individual areas are gaining speed..



The systemization of the internet within certain areas has been completed.



But in relatively segregated areas, the internet is still fragmented.



Integration of a systematized internet within each area is currently being explored.



To resolve various emergencies with intelligent solutions



While smart cities are still fragmented, systematized applications in individual areas are gaining speed.

**iFlytek, Tencents**

**Municipal Governmental System**



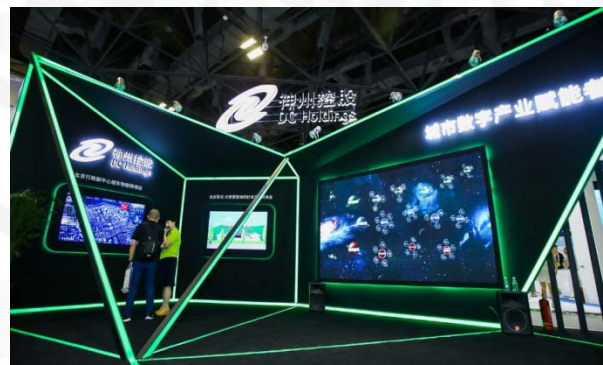
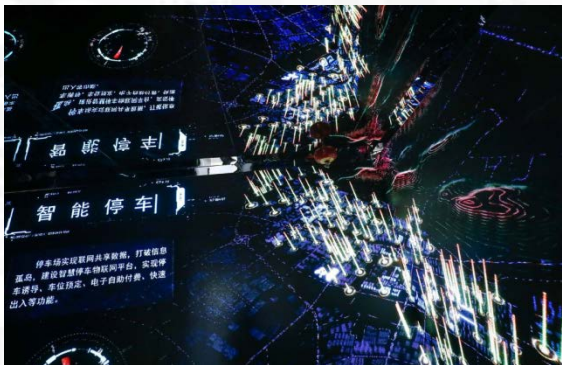
**Inspur, ZTE**

**Urban Big Data Center**



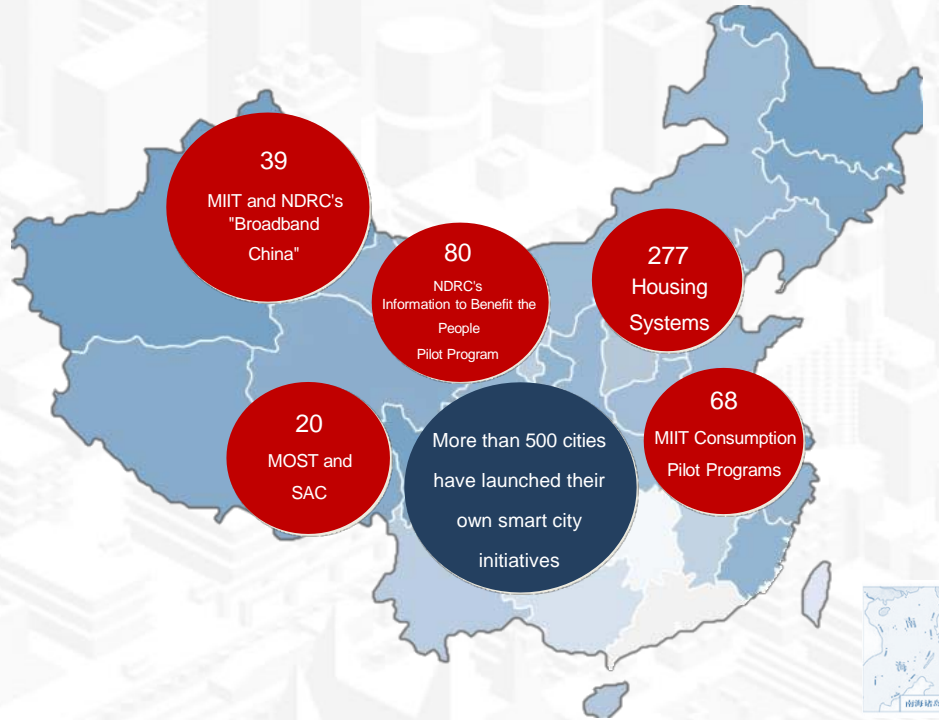
**Haier**

**Smart Home**





Government-sponsored smart city initiatives are slowing down due to concerns of increased government cost.



➤ More than **500** cities in China are either in the middle of constructing or have announced their own Smart City initiatives.

➤ Investment Scale **close to 1 trillion yuan**



# Local cities continue to explore the possibility of a smart city: Wei County's Case



1 Utilization of Mobile Functionality

2 Integration of Application Systems

3 Interconnectivity Creating and Sharing of Resources

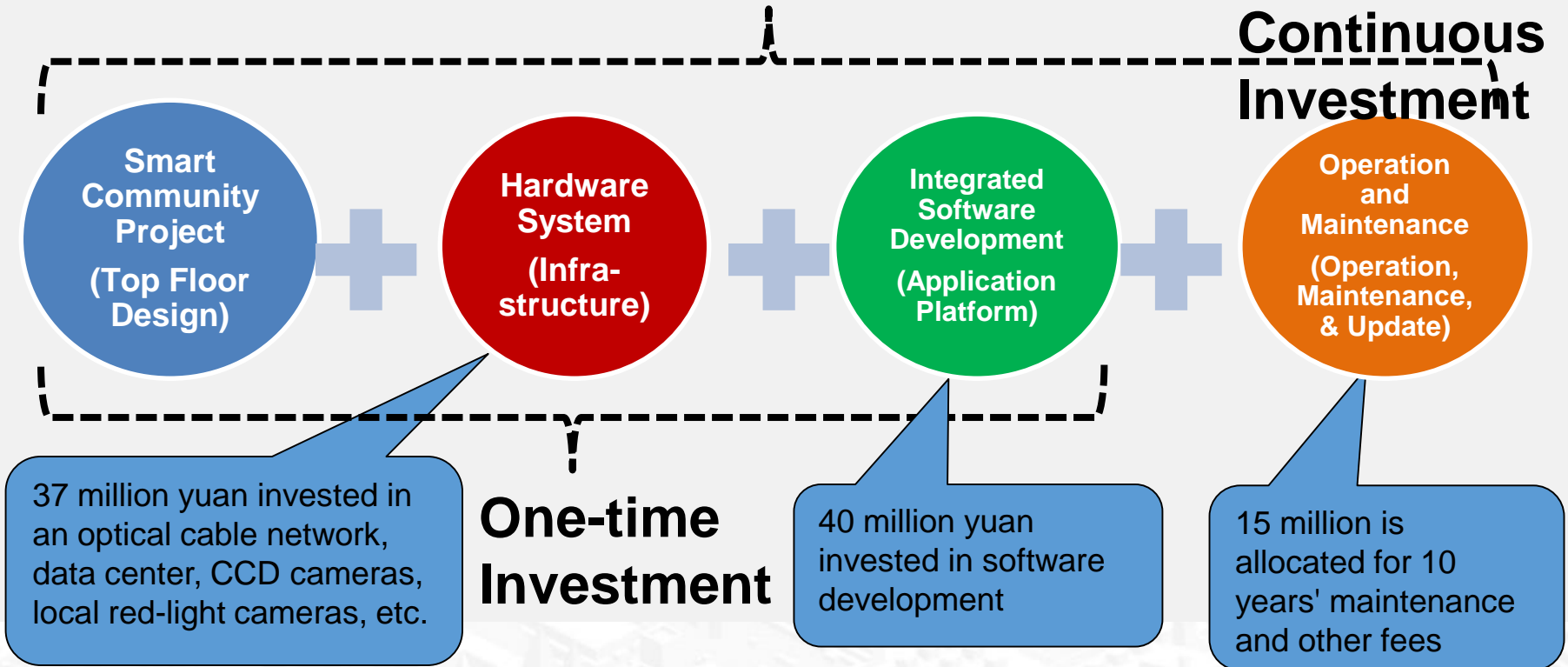
4 The **Smart Wei County Command and Control Center** integrated a comprehensive management center, a network management center, and a 12345 hotline service center.

5 The local government spends 1.5 million yuan each year on services and management of the center



# Local cities continue to explore the possibility of a smart city: Wei County's Case

Total Amount Spent on Smart City infrastructure in Wei County: 0.134 billion yuan







# Local cities continue to explore the possibility of a smart city





# Smart City continues to explore new ideas:

## (1) Sharing Economy

### Car-sharing



"Car-sharing" Active Users 2.0633 million

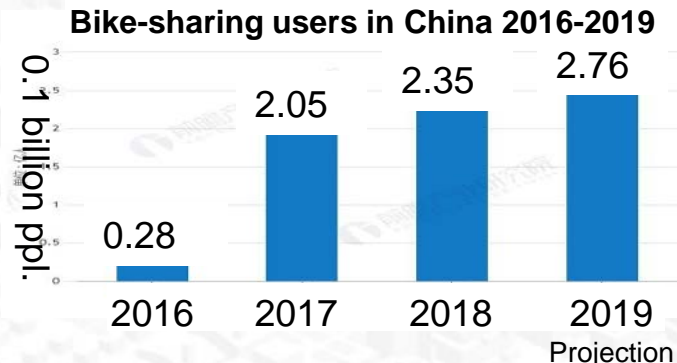
### Didi Taxi, Hitch, Carpool



|                       | 2018 User Scale |
|-----------------------|-----------------|
| Realtime Ride-sharing | 0.333 billion   |
| Realtime Taxi-hailing | 0.33 billion    |

### Bike-Sharing

As of April 30th 2018, Mobike recorded 48.1 million active members and 7.1 bicycle in use in 4 months.





# Smart City continues to explore new ideas:

## (1) Sharing Economy



Takeout & Catering



Express Delivery



Door-to-door Service



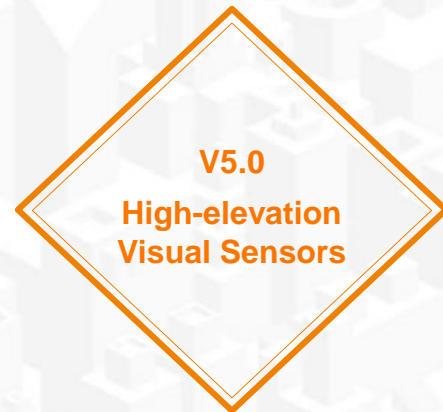


# Smart City continues to explore new ideas:

## (2) Smart Parking

### Conventional Parking Solution

Low coverage. Need manual interception. Lack of back-end algorithm support and effective monitoring platform





# Smart City continues to explore new ideas:

## (2) Smart Parking

### Smart Parking in Beijing

Alpark 爱泊车

- In 2018, a total of **12,245 parking spaces** were covered by the on-street parking initiative in the Dongcheng, Xicheng, Haidian, Tongzhou, and Chaoyang districts in Beijing.
- In 2019, **7,000 parking spaces** are to be added to the Shijingshan and Fengtai districts. The city of Beijing is planning to achieve **full coverage of all suburban areas** by the end of the year.





# Challenges

• **Ongoing Fragmentation**



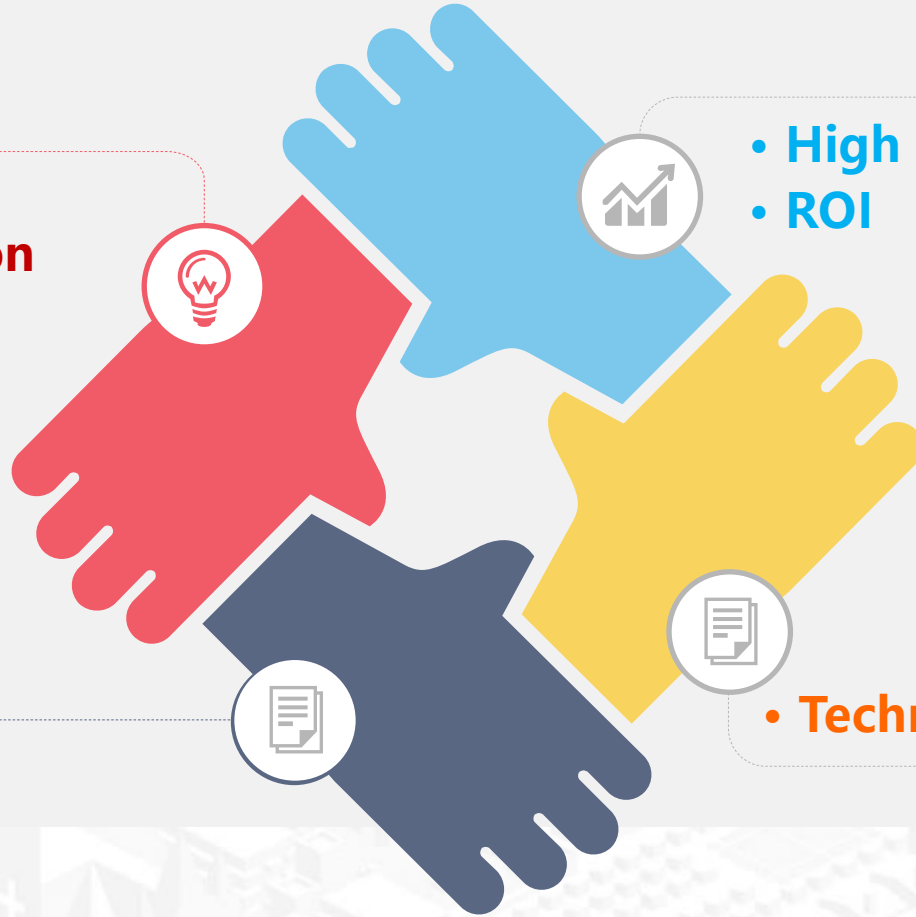
• **High Cost**  
• **ROI**



• **Funding**

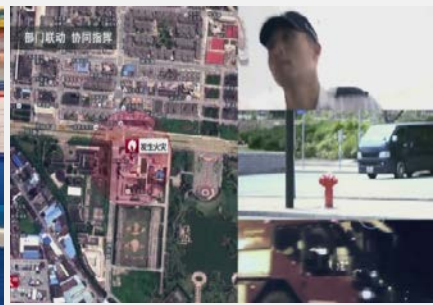
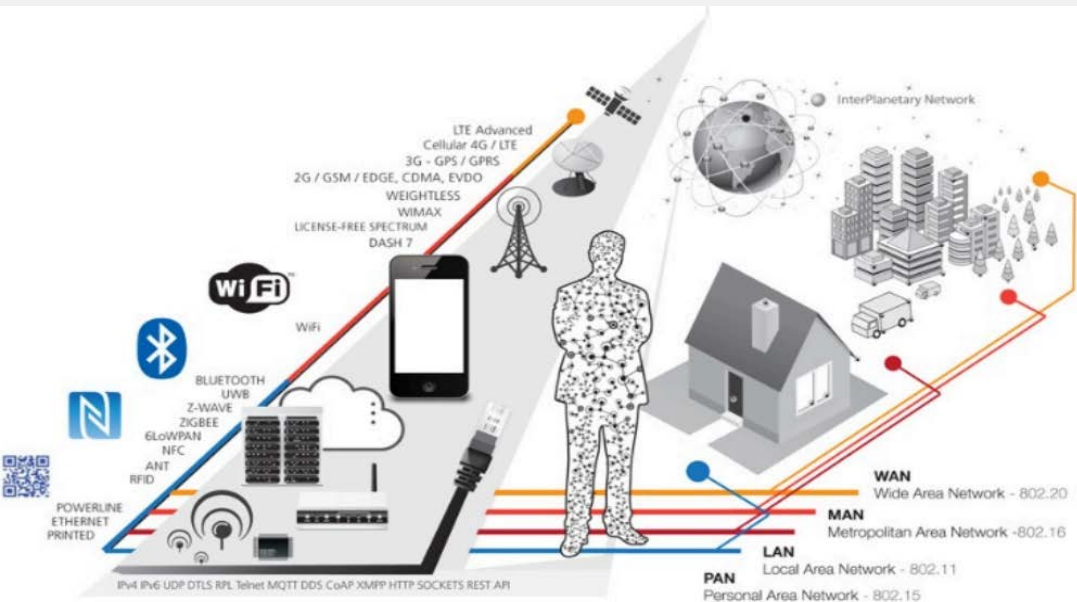


• **Technical Issues**



# ➤ Outlook

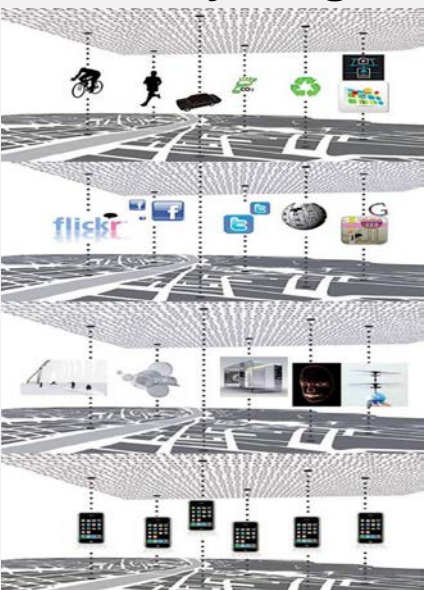
(1) With the penetration of the internet, a smart city is the inevitable path.



## ➤ Outlook

(2) 5G technology will be intricately integrated with the smart city initiative

### Internet of Everything



This year, China Mobile will launch its 5G data service in 40 mainland cities and will gradually open the service to the public.

China Unicom has started 5G pilot programs in 16 mainland cities.

It is expected that 29 global markets will kick-off their 5G services by the end of this year.



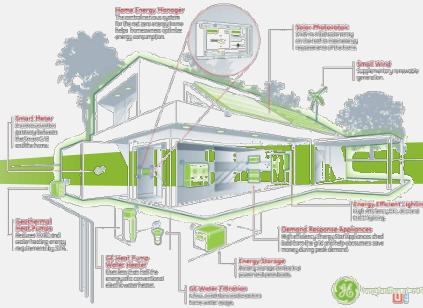


# Outlook

(3) Learn from the local smart city experience to perfect, popularize, and promote the innovative smart city initiative!



1.0



2.0



N.0

Smart City is an ongoing process of innovation and updating.

The key of advancing from v.1.0 to v. 2.0 and beyond is system integration.



**Thank You!**