

Topic:
GIS

China GIS Market – Can the Dragon be Tamed?

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The Asia Pacific region remains a mystery to many western Geographical Information System (GIS) software vendors. This, which looks at China, is the second in a series of articles in which the Business Advantage Group look at the current opportunities in some of the major markets in this region.

China GIS Market – Can the Dragon be Tamed?

The geographical expanse of China and the population, estimated to be in the region of 1,276 million, suggests that the developing GIS market has vast potential for western GIS software providers. However, with a long history in Cartography coupled with the political importance attached to mapping data throughout China's history, western software providers can face a tough time entering this potentially lucrative market.

Consider a popular scene from Chinese history set in the tombs of the [Han dynasty](#) depicting a map being used to conceal a dagger intended to assassinate the first emperor of Qin, Shi Huangdi in 227 BC. The potential assassin, a foreigner, was admitted to the emperor's chamber in order to present a map of a tributary territory. Despite the unsuccessful assassination attempt, thousands of years later it seems the Chinese Government remain suspicious about the use of geographical information by western companies. They are actively supporting local market players in order to retain mapping data.

GIS in China is predominantly used in the public sector, the main user being the Ministry of Land and Resources. Those organisations responsible for the prevention and management of catastrophic events such as environmental protection authorities, health and public security are the bodies allocated most budget to spend on this type of technology.

In the next 5 – 10 years the Chinese Government plans to implement a number of national infrastructure projects offering huge GIS market potential. The Government plans to develop digital geospatial information, which will be developed as multi scale land data sets updated annually. The scales used will vary at national, province and municipality level.



Country Level	Scale
Nation	1:4 million
	1:1 million
	1:250,000
Province	1:50,000
	1:10,000
Municipality	1:5,000
	1:1,000
	1:500

The number of cities in China will be increased in the coming years and mapping information for each new city will be digitised. Investment in the China city digitisation programme has already been on an enormous scale; during the 9th planning period over 70 cities in China invested a total of 8 billion RMB (US \$ 966.6 million) in the project. Investment will soon reach 100 billion RMB (US \$ 12.1 billion) as over 200 cities are planning to make further investment in digitisation.

Most local players in the Chinese GIS market are subsidiaries of Universities such as GeoStar who have a self-developed GIS platform. Zhondysoft is another whose core technology was provided by the China Geography University. SuperMap is the leading GIS software provider in China and has subsidiaries in Hong Kong and Tokyo.

International players are also present in the Chinese GIS market. Autodesk has offices in Beijing, Guanzhou and Shanghai, and with a locally based management team they have developed a network of government relationships. Autodesk has been particularly successful in Beijing where city administrators rely on Autodesk Map-based GIS applications to manage city traffic. ESRI who were also early to enter the market in Japan, established an office in China in 1998. Their platform is widely used in city and regional planning, transportation, environmental protection and surveying.

One of the main issues for western software vendors in this region is piracy of software licenses. A local presence is essential and software vendors entering the market are well advised to work with a local partner. Since 1996 the Chinese Government has actively promoted local software providers in order to protect national geographic information. Barriers to entry can be removed by choosing an appropriate partner with local expertise and contacts within Government funded bodies such as design institutes.



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Business Advantage, a specialist market research, marketing and management consulting practice operating in the IT, Telecommunications and Digital Communications sectors, has recently completed a research project within the Chinese GIS market.

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