

The reality of china's digital economy

واقع الاقتصاد الرقمي في الصين



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Abstract:

The study aimed to provide an overview of the reality of the digital economy in China by revealing the key steps China has taken to transition from a traditional economy to a digital economy, as well as highlighting the main indicators of the digital economy in China.

The study also concluded that China has managed to enter the field of the digital economy and utilize it in a way that suits its interests, both domestically and internationally. However, despite this, the Chinese digital economy still faces some future challenges, especially those related to countries' ability to keep up with rapid economic and technological developments..

key words: The digital, economy , China, technology

ملخص:

هدفت الدراسة إلى تقديم لمحة عامة عن واقع الاقتصاد الرقمي في الصين من خلال الكشف عن أهم الخطوات الرئيسية التي اتخذتها وتبنتها الصين للانتقال من الاقتصاد التقليدي إلى الاقتصاد الرقمي، وكذلك تسليط الضوء على المؤشرات الرئيسية للاقتصاد الرقمي في الصين. وخلصت الدراسة أيضاً إلى أن الصين تمكنت من دخول مجال الاقتصاد الرقمي أيضاً، واستغلاله بالشكل الذي يتناسب مع مصالحها، سواء في المستوى المحلي أو الدولي. ومع ذلك، لا يزال الاقتصاد الرقمي الصيني يواجه بعض التحديات المستقبلية، خاصة تلك المتعلقة بقدرة الدول على مواكبة التطورات الاقتصادية والتكنولوجية المتسارعة.

الكلمات المفتاحية: الرقمي. الاقتصاد. الصين التكنولوجي

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Introduction:

Digital economy is considered one of the modern concepts that emerged with the information society. With the rapid development of information technology, the digital economy has become a necessity for societies, especially as they used to rely on traditional economic activities such as agriculture, industry, and trade.

With the development of multiple technologies and information, this has triggered the research and reliance on alternative activities and businesses represented by the information revolution, as well as the need and importance of the digital economy it has spawned, which in turn relies on Different and diverse sectors such as services and industry rely not only on traditional means but also on more effective mechanisms and means. and efficiency, such as the production of electronic equipment, telephones, and computers

The importance of the Internet in commercial operations has also emerged. Commercial exchanges have moved from their primitive form to an electronic form of high quality and rapid completion. Countries and companies have become heavily dependent on it for most of their economic activities, which has resulted in increased interest in the digital economy and its major role in supporting the national economy as well as International.

In light of this great and growing importance of the digital economy, China's increasing interests in adopting this model and employing digital

Based on the above, the study relied on the following problem:

What is the reality of the digital economy in China?

To answer this problem, the study relied on the following hypothesis:

China has strengthened its national economy by relying on modern digital technologies

The study used a set of research methodologies that align with the research topic, so the study relied on the descriptive analytical approach. The study employed the analytical approach as analysis is a fundamental stage in the field of research, and each researcher has their own analysis method, based on identifying a set of hypotheses that they analyze in order to build a suitable analytical framework for the studied phenomenon.

To address this topic, the study relied on two main sections that can be highlighted as follows:

Title of the first Topic: Introduction to Digital Economy

Title of the second Topic: Indicators of the Digital Economy in China

Title of the Third Topic: The Risks Facing the Digital Economy in china

Title of the first Topic

Introduction to Digital Economy

The first requirement: The concept of digital economy

First section:

Don tassbucket played a major role in introducing the concept of digital economy in 1995.¹

The digital economy encompasses a vast range of economic activities that heavily depend on digitized information and knowledge as essential components of production.² The utilization of the internet, cloud computing, big data, financial technology, and other emerging digital technologies enables the collection, storage, analysis, and sharing of information in a digital format³, thereby revolutionizing social interactions. The process of digitizing the economy not only yields advantages and efficiencies but also fosters innovation, creates employment prospects, and drives economic growth⁴. Moreover, the digital economy permeates every facet of society, shaping the dynamics of human interaction and instigating profound sociological transformations.⁵

The digital economy is defined as the economic activity that arises from the integration of individuals, businesses, devices, data, and operations using digital technology. It includes online interactions and transactions occurring across various sectors and technologies, such as the Internet, mobile technologies, big data, and information and communication technologies.⁶

The technical infrastructure and equipment: the presence of an information technology infrastructure, And communications allow the transition to the global economy, examples of these are, Technologies: telephone networks, computers, the internet.

Ensuring fair competition by establishing a regulated legal framework

The ability of the financial sector to provide and develop investments and capital

¹ Atef Ahmed Abdel Aal Zeidan.**The digital economy is between the hoped-for reality and special tax treatment.**2021.P. 4.

² Edward J.Malecki and bruno moriset. **The digital economy: business organization production processes and regional development** .routledge.usa:2008.p4.

³ harold overby.Jan arild outdated. **Introduction to digital economics: foundation business models and case study second edition.**Springer.usa:2018.p.8

⁴ Farid rakibe nadjar **The digital economy: the internet and restructuring of investment, stock. Exchanges, electronic banks.** University Publishing House.Egypt:2007.P25

⁵kinza Yasar, Technical Writer, Mary K. Pratt, **DEEFINITION digital economy:**
<https://www.techtarget.com/searchcio/definition/digital-economy>

The real capital represented by the human resources concerned with the sector Education and training.

Research and development: where governments pay great attention to research and development

As the basis of technological development, as required by entry into the economy

The New increase in the percentage of spending on research and development projects

Intellectual property: that is, giving the rights of any new knowledge to the one who made the effort

To create them, in order to provide an incentive for further efforts, these rights are

.In patents, trademarks and copyrights

Human resources in the education and training sector represent real capital. Governments prioritize research and development as the basis for technological progress necessary for economic growth. There is a recent increase in investment in research and development projects. Intellectual property rights are granted to individuals who create new knowledge, which serves as an incentive to continue innovation. These rights are protected by patents, trademarks and copyrights.¹

The second requirement: Components and Advantages of Digital economy

First section: Components of Digital Economy:

The digital economy comprises three essential components:²

- 1) Electronic business
- 2) Electronic business infrastructure
- 3) Electronic commerce

1 Electronic business:

The term business refers to the integration of information and communication technologies within a company with the aim of enhancing business management and customer relationship, as well as increasing revenue³.

2 Electronic business infrastructure

Electronic business infrastructure refers to the combination of hardware such as servers and client's Computer hardware in an organization, the network

¹ Walter W. Powell, and Kaisa Snellman, **The Knowledge Economy** , P. 9.

² **Digital Economy:**

<https://www.vedantu.com/commerce/digital-economy>

³ Définition De le-business:

[HTTPS://WWW.ICD-ECOLES.COM/DEFINITION-DE-LE-BUSINESS](https://www.icd-ecoles.com/definition-de-le-business)

used to link this hardware and the software applications used to deliver services to workers within the Electronic business and also to its partners and customers¹.

3) Electronic commerce

Electronic commerce encompasses utilizing computer networks to enhance organizational effectiveness. Enhancing profitability, expanding market presence, enhancing customer service, and expediting product delivery are among the potential benefits for organizational performance through electronic commerce. It goes beyond simply purchasing items from an online catalog,

encompassing all facets of an organization's digital engagements with its stakeholders, the individuals who shape the organization's future².

Electronic commerce buying and selling different of goods and services, or the transmitting of funds or data, over an electronic network, It is done through the internet. These Electronic commerce transactions typically fall within four types: business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer or consumer-to-business.³

Electronic business infrastructure refers to the combination of hardware such as servers

and client's Computer hardware in organization, the network used to link this hardware and

The software applications employed for providing services to employees within the e-business, as well as to its partners and customers, are crucial. It is worth noting that the terms electronic commerce and electronic business are frequently used interchangeably. Additionally, the term e-tail is occasionally utilized to describe the transactional procedures involved in online retail shopping⁴.

Electronic commerce and business are clearly distinguishable. Electronic commerce makes use of Information and communication to facilitate external interactions and relationships between a business and various entities such as individuals, groups, or other businesses. Conversely, e-business involves the restructuring of an organization's processes to provide added value to customers through the adoption of technologies, philosophies, and the computing model of the new economy. In essence, e-commerce is a specific type of electronic business. In comparison to economic commerce, Electronic Business is a more

¹ Richard T. Watson, **Electronic Commerce: The Strategic Perspective:**

https://www.opentextbooks.org.hk/system/files/export/24/24988/pdf/Electronic_Commerce_The_Strategic_Perspective_24988.pdf

² Michael J. Shaw editor. **E-commerce and the digital economy**. AIMS.UAS:2006.p.37.

⁴ Cameron Hashemi-Pour, Ben Lutkevich, **Définition -commerce:**

<https://www.techtarget.com/searchcio/definition/e-commerce>

inclusive term as it encompasses not only information exchanges related to transactions but also customer support and collaboration with partners, distributors, and suppliers. Interestingly, in electronic business¹.

Electronic commerce encompasses a vast array of online business endeavors involving the exchange of goods and services. It encompasses any type of business conducted over the Internet, as well as any transaction that involves the transfer of ownership or rights to use goods or services through a computer-mediated network. Electronic commerce utilizes digital information processing technology to facilitate business transactions, enabling organizations to establish, transform, and redefine relationships for the purpose of value creation. These relationships can exist between or among organizations, as well as between organizations and individuals.

The digital economy transcends physical boundaries, allowing for the seamless sharing of information, services, and commerce across borders. This enhanced mobility creates new global business prospects and empowers companies to engage in international competition and operations.

Firstly: Advantages of Digital economy Some of the advantages of the digital economy include

Global data flow is the fundamental aspect of digital commerce, as it involves the transmission of information through the Internet. This enables the global provision of not only physical goods but also intangible services like cloud storage, video streaming, and other digital offerings.

Data analysis and algorithms play a crucial role in the digital economy. The collection, analysis, and utilization of extensive data enable companies to enhance their decision-making process, gain valuable insights, and facilitate personalized experiences.

Digital platforms have become a prominent feature of the digital economy, thanks to the network effect. This effect, unique to the digital realm, enhances the value of a service as its user base expands. Social media platforms, ride-sharing services, and Electronic commerce marketplaces exemplify this model, where an increase in users leads to more providers, ultimately resulting in improved services and a larger user community.²

- Increased integration of the country's economy into the macro economy³.

¹ Eteng – Unical, **Introduction To e-commerce:**

<https://nou.edu.ng/coursewarecontent/CIT%20415%20FINAL.pdf>

² **Benjain Talin, Digital Economy incl. Definition, Impact and Future Explained:**

<https://morethandigital.info/en/understanding-the-digital-economy-incl-definition-the-revolutionary-impact-and-whats-next/>

and distribution.Egypt:2018.P.8

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- Increase global trade opportunities and access to global markets
- The digital economy improves relationships between suppliers, exporters, competitors, customers, investors, banks, insurance companies, manufacturers, producers, government agencies, customs, taxes, international organizations, etc¹.

Title of the second Topic

The Components of Digital Economy and infrastructure in china

The global landscape is greatly impacted by China's telecommunications industry, raising worries about information security and the increasing power of the Chinese surveillance state. Chinese telecom firms are actively involved in expanding their infrastructure, offering network services, and marketing communication equipment in nations participating in the Belt and Road Initiative

As a result, these countries not only obtain the equipment but also embrace China's standards. Through establishing the standards and building the required infrastructure, China effectively retains control over the equipment, offers technical assistance, and shapes the direction of emerging technologies.²

The first requirement: Internet, Internet

As of June 2023, the number of Internet users in China has reached 1.079 billion, an increase of 11.09 million from December 2022, and Internet applications have grown steadily. According to the "Statistical Report on China's Internet Development" released by the China Internet Network Information Center, China's Internet penetration rate reached 76.4%. As of June 2023, China has achieved significant progress in digital infrastructure construction. The country boasts an impressive 30.24 million registered domain names, along with a staggering 767 million active IPv6 users. Furthermore, China has successfully established a total of 1.11 billion broadband access points, ensuring widespread connectivity.

The extensive network of optical cables spans an impressive 61.96 million kilometers across the nation. In terms of Internet applications, the user base continues to expand rapidly.

³ Radwan Abu Shasha al-Sayed. The digital economy. A good institution for publishing

¹Osama Abdul Salam al-Sayed. **The digital economy**. Ghaya publishing and distribution house.p.110.

² Carolyn Bartholomew w,**China and 5G:**
<https://issues.org/china-and-5g/>

In June 2023, the number of instant messaging, online video, and short video users reached an astounding 1.047 billion, 1.044 billion, and 1.026 billion respectively.¹

China's netizen population reached 1,079 million by June 2023, showing a growth of 11.09 million since December 2022. The Internet penetration rate also increased to 76.4%, up by 0.8 percentage points compared to the previous year. In the same period, the number of mobile Internet users in China rose to 1,076 million, with nearly all netizens, 99.8%, accessing the Internet through mobile phones. There were 777 million Internet users in urban areas of China, constituting 72.1% of the overall population. On the other hand, rural areas had 301 million Internet users, representing 27.9% of the total. Until June 2023, the vast majority of Chinese internet users utilized mobile phones, desktop computers, laptops, TVs, and tablet computers to access the Internet, with adoption rates of 99.8%, 34.4%, 32.4%, 26.8%, and 28.6%, in that order.

In June 2023, the online food ordering user base in China surged to 535 million, marking a rise of 13.72 million from December 2022.

This figure represents 49.6% of the entire Internet user population.

In June 2023, the online ride-hailing user count in China stood at 472 million, showing a year-on-year growth of 3.492%.

In December 2022, this number was 1 million, accounting for 43.8% of all Internet users.

By June 2023, the online travel booking service users in China had reached 454 million, reflecting a year-on-year increase.

In December 2022, this figure was 30.91 million, representing 42.1% of the total Internet user population.²

China's e-commerce market is projected to experience continued rapid expansion from 2023 to 2027, with an annualized growth rate of 11.6 percent. This growth is anticipated to result in annual sales of 23.5 trillion yuan by 2027.³

5G network

¹ **China's internet users total 1.079 bln with vibrant digital infrastructure, internet app growth:**

http://english.www.gov.cn/archive/statistics/202308/28/content_WS64ec5126c6d0868f4e8de21.html

² **The 52nd Statistical Report on China's Internet Development, China Internet Network Information Center (CNNIC) August 2023 :**

<https://www.cnnic.com.cn/IDR/ReportDownloads/202311/P020231121355042476714.pdf>

³ **Wen Sheng, E-commerce drives up consumption, transforming businesses, social networks and more:**

<https://www.globaltimes.cn/page/202309/1297479.shtml>

E-commerce drives up consumption, transforming businesses, social networks and more

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Advanced infrastructure facilities like a 5G network and data centers play a crucial role in driving economic growth in different countries, serving as the foundation for the digital economy. China boasts the world's largest digital infrastructure

In November 2023, China's top three telecom operators disclosed their subscriber numbers, revealing a collective growth of around 26 million 5G package subscribers. This surge elevated their total 5G package subscriber count to almost 1.348 billion. By the end of November, 5G package subscribers made up 78.6% and 77.3% of China Mobile's and China Telecom's overall mobile subscriber bases, respectively.¹

The second requirement: Scientific and technological innovation in China

China's annual research expenditure has risen significantly from 1.03 trillion yuan in 2012 to 3.09 trillion yuan in 2022, making it the second-highest globally. Additionally, the number of R&D personnel has more than doubled, reaching over 6 million from 3.25 million.

In 2022, China secured the 11th spot in the global innovation index ranking, as reported by the World Intellectual Property Organization.

Moreover, China's investment in fundamental scientific research has seen a substantial increase, soaring from 49.9 billion yuan in 2012 to 195.1 billion yuan in 2022. These investments have enabled Chinese scientists to delve into cutting-edge fields such as quantum computing and brain technologies.

Furthermore, China has established 19 national technology innovation centers, 420 technology transfer agencies, and over 40 technology exchange platforms. These facilities have facilitated technology-related transactions amounting to 3.73 trillion yuan in 2021.²

China is the only middle-income economy to be ranked among the top 30 in the GII 2023, securing the 12th spot out of 132 economies analyzed. It also stands out in terms of performance on the two major sub-indices of GII, ranking 25th globally in the "Innovation Input" sub-index and 8th globally in the "Innovation Output" sub-index. China's innovation output surpasses its innovation input, effectively translating input into output.

¹ Juan Pedro Tomás, **China to end 2023 with 5G penetration of 90%, China Mobile says**, <https://www.rcrwireless.com/20240102/5g/china-end-2023-5g-penetration-90-china-mobile-says>

² Liu Wei, **China's tech innovation prospers as nation targets breakthroughs**, <https://news.cgtn.com/news/2023-12-15/China-s-tech-innovation-prospers-as-nation-targets-breakthroughs-1pxo6XrXboc/index.html>

Furthermore, China has achieved a milestone by having the largest number of technology clusters, totaling 24 in 2023, up from 21 in the previous year. The United States follows closely with 21 technology clusters, while Germany ranks third with 9 clusters. Notably, three out of the top five global technology clusters are from China, including the Shenzhen-Hong Kong-Guangzhou cluster, Beijing cluster, and Shanghai-Suzhou cluster. In the Yangtze River Delta region alone, there are 6 technology clusters that have made it to the global top 100, representing a quarter of the country's total clusters.¹

The third requirement: e-commerce in china, and The Digital Yuan

First section: e-commerce in china

China continues to dominate the global e-commerce market, experiencing a significant growth rate of 9.9%.

According to E-Commerce Analytics by Global Data, China's e-commerce sales witnessed a compound annual growth rate of 11.2% from 2018 to 2022, reaching an impressive CNY13.8 trillion (\$2.0 trillion) in 2022.

In terms of payment value, China accounted for a substantial 33.9% of the global e-commerce market in 2022, surpassing the United States with \$1.8 trillion. The United Kingdom trailed behind as a distant third with \$287.4 billion. Global Data predicts that this trend is likely to persist in 2023, with China maintaining its leading position.

China's success in e-commerce can be attributed to its efforts in rural areas. The Chinese Ministry of Commerce reports a 12.5% increase in online retail sales in rural areas during the first half of 2023, compared to the same period in 2022. This highlights the positive impact of improved e-commerce activities in rural regions, further contributing to the overall growth of the e-commerce market in China.²

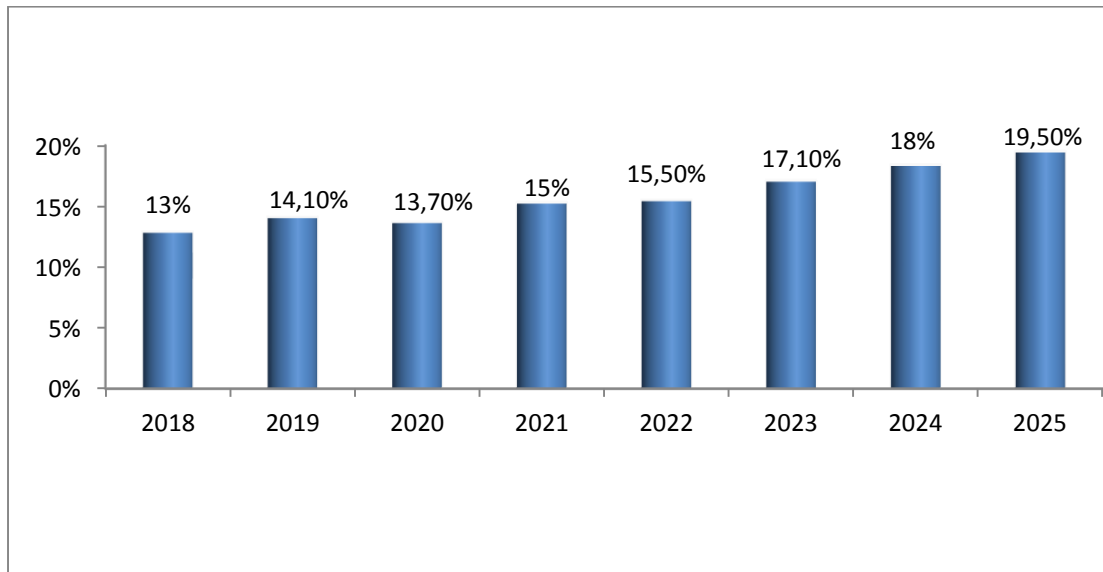
The growth in the size of China's domestic e-commerce market by 2 billion yuan from 2018 to 2022, with projections extending to 2025, is illustrated in the accompanying graph.

¹ Wipo **Releases the 2023 Global Innovation Index, China's Innovation Power Reaches a New High:**

<https://www.lexology.com/library/detail.aspx?g=2b5fec7b-0114-4052-83f6-01b13facf59b>

² **Frank Calviño, China retains global e-commerce leadership with a 9.9% growth in 2023:** <https://cross-border-magazine.com/china-e-commerce-keeps-growing/>

domestic e-commerce in China from 2018 to 2022 with estimates until 2025(in trillion yuan¹).



Source: prepared by the researcher based on what is on the following website:

Market size of domestic B2B (business-to-business) electronic commerce in China from 2018 to 2022 with estimates until 2025(in trillion yuan)

<https://www.statista.com/statistics/1390620/china-market-size-of-b2b-e-commerce/>

Extrapolating the graph showing the increasing growth in the size of the domestic electronic commerce market in China by 2 billion yuan from 2018 to 2022, with forecasts extending to 2025, e-commerce is witnessing a continuous recovery from the beginning of 2018, which was by 13 percent to reach 17.10 percent in 2023 and is expected to rise for 2024 and 2025 to reach 19.50 percent, this confirms the increasing growth of e-commerce transactions between companies and their counterparts

Firstly:The Digital Yuan

China's central bank, the People's Bank of China (PBC), a government-controlled institution under the State Council, initiated discussions on the development of a digital fiat currency known as Digital Currency Electronic Payment (DCEP) in 2014.

Subsequently, in 2016, the Digital Currency Research Institute was established by the PBC to create the first-generation prototype of the digital fiat

¹ **Market size of domestic B2B (business-to-business) e-commerce in China from 2018 to 2022 with estimates until 2025(in trillion yuan)**

<https://www.statista.com/statistics/1390620/china-market-size-of-b2b-e-commerce/>

currency. The following year, the PBC commenced collaborations with commercial banks, internet companies, and telecommunication firms to develop and test the e-CNY.

Pilot programs for the digital yuan were introduced in 2020 in various cities within designated ‘representative regions’, including Shenzhen, Suzhou, Xiong’an, and Chengdu.

This places China at the forefront compared to other major economies like Japan, which only launched its CBDC pilot program in 2023.

Currently operational in 23 cities in China primarily for domestic retail transactions, the digital yuan was also tested during the 2022 Beijing Winter Olympics.

Moreover, it is being utilized for utility bill payments and the salaries of public sector and state-owned enterprise employees in select Chinese cities.

The usage of the digital yuan is expanding, with plans to integrate it into wholesale banking transactions and cross-border payments in the next phase of its development.

This gradual implementation approach aligns with China’s economic policymaking strategy, which emphasizes local-level experimentation, with successful initiatives eventually being scaled up nationwide.¹

Title of third Topic

The Risks Facing the Digital Economy in china

are manifested in the following points.

The first requirement: The Digital Divide

The digital divide pertains to the disparity between individuals who possess sufficient access to information communication technology, and those who lack or have limited access to information communication technology. Ever since the internet emerged, the digital divide has become a crucial subject in internet governance. Its focus lies in finding ways to enhance information technology infrastructure to enable a greater number of users to connect to the internet. The latest wave of technological advancements, including 5G, A.I., block chain, and quantum technology, has significantly accelerated the implementation of digital technology. Consequently, a new digital divide has emerged, which is more extensive in scope and more striking in its impact. As digital technology continues to advance, numerous segments of the population

¹ Monique Taylor, **The Digital Yuan: Purpose, Progress, and Politics:**

<https://madeinchinajournal.com/2023/11/27/the-digital-yuan-purpose-progress-and-politics/>

struggle to keep up, resulting in only a select few individuals grasping the new digital technology and a decline in information sharing. This disparity gives rise to social inequality in China.¹

The second requirement: The privacy of data

The digital divide refers to the disparity between individuals who have sufficient access to information communication technology and those who lack or have limited access to information communication technology. Since the advent of the internet, addressing the digital divide has been a crucial aspect of internet governance. It primarily focuses on expanding information technology infrastructure to enable more people to connect to the internet. The recent advancements in technology have resulted in a significant growth of the digital economy, leading to a substantial increase in the collection of personal data online. However, this also poses a potential risk to privacy. Currently, China's data privacy protection system is not fully developed. Although a personal information protection law has been proposed, there are numerous challenges in implementing it. One of the key issues is finding a balance between data utilization and ensuring information security. In the era of big data, various internet services require gathering user information to enhance their offerings. Typically, users do not thoroughly review data privacy agreements before accessing benefits and services. Consequently, their personal information is often shared with multiple third parties, potentially compromising their privacy. To effectively safeguard data privacy, stricter policies and regulations are urgently needed to strike a balance between data utilization and privacy protection.²

The second requirement: The advent of a new wave of unemployment

The emergence of a fresh wave of unemployment has become evident

One major concern is Widespread unemployment the lack of sufficient government regulations in this sector. The unique employment model of the digital industry has the potential to impact traditional industries and disrupt the social security system. There are numerous legal loopholes in the digital economy when it comes to contracts.

¹K.A. Soomro, U. Kale, R. Curtis, M. Akcaoglu, M. Bernstein, **Digital divide among higher education faculty, International Journal of Educational Technology in Higher Education**, vol. 17, no. 21, 2020, pp. 1-16. DOI:

<https://doi.org/10.1186/s41239-020-00191-5>

²Harbhajan .S kehal .Varinder p.singh .**digital economy: impacts, influences and challenges**. IDEA GROUP PUBLISHING. London 2004.p.314

Unlike traditional sectors, the digital economy allows for greater freedom in hiring and firing employees, which can lead to an increase in disputes. The highly flexible nature of employment in this field can also hinder the proper allocation of social security funds and personal income tax, thus affecting fair income distribution. Moreover, the digital economy may contribute to structural unemployment.

For example, in the manufacturing industry, the continuous advancements in artificial intelligence (A.I.) may eventually replace assembly-line workers with robots. As these positions become obsolete, the unemployment rate is likely to rise. It is often challenging for these workers to find new employment opportunities without acquiring a new set of skills.

A similar situation arises in the realm of e-commerce, where online stores are replacing traditional brick-and-mortar establishments and specialized salespeople. This shift towards the digital economy can make ordinary salespeople redundant, further worsening the issue of unemployment.

In addition, there are other challenges such as market-based innovations are intrinsically unpredictable, and expectations regarding innovations often overshoot. China's digital economy has been negatively impacted by inadequate regulations and enforcement, leading to increased vulnerabilities due to imbalances in the business environment, from financial and debt risk to pollution and inequality.¹

A digital economy evaluation index system is established, encompassing five industrial dimensions: digital product manufacturing, digital product service, digital technology application, digital factor drive, and digital efficiency enhancement².

Contribution percentage of the digital economy in the gross domestic product of China

The contribution of the digital economy to China's GDP has been increasing, replacing the reliance on traditional sources. This shift is evident in the table provided, highlighting the changing landscape of China's economic growth.

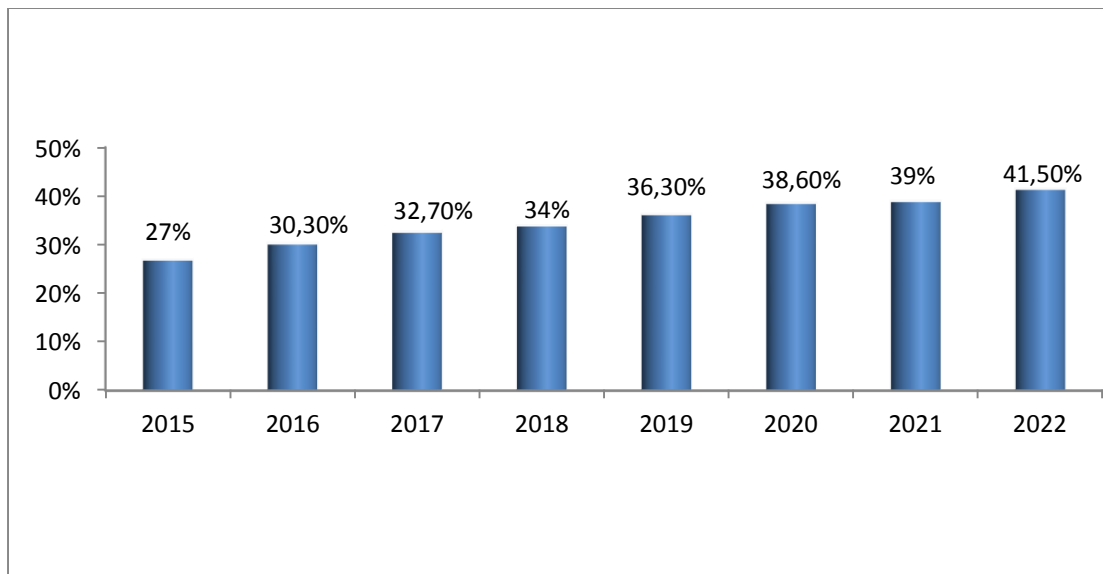
1 China's digital economy is a world leader, but it still faces challenges

<https://www.weforum.org/agenda/2018/01/these-are-the-challenges-facing-chinas-digital-economy>

² Kongtuan Lin, , Xuanhao Zhang, Jie Hou, Evaluation of China's provincial digital economy development level and its coupling coordination relationship

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10368274/>

Contribution percentage of the digital economy in the gross domestic product of China from 2015 to 2022¹



Source: prepared by the researcher based on what is on the following website:
<https://www.statista.com/statistics/1250092/china-digital-economy-gdp-share/>

By projecting the proportion of the digital economy in China's GDP from 2015 to 2022, it is evident that the digital economy has gained substantial significance and prominence within China's macroeconomics.

Over the years, its contribution has consistently grown, with a notable surge in 2015 estimated at 27 percent, and is projected to reach 41.50 percent by 2022.

This emphasizes the pivotal role that the digital economy has assumed within the broader macroeconomic landscape.

Conclusion :

The China has successfully aligned its domestic economy with a wide range of information and communication technology products, in line with its national and global objectives and strategy. This has been achieved through bolstering the digital economy's infrastructure and fostering the growth of e-commerce and e-business. As a result, China has witnessed a steady and remarkable progress in both its national and digital economies, making a substantial contribution to its overall economic development.

¹ **Share of the digital economy in the GDP of China from 2015 to 2022**

<https://www.statista.com/statistics/1250092/china-digital-economy-gdp-share/>

The results

The development of a comprehensive ICT sector-oriented strategy is among the things necessary for the advancement of the digital economy.

Attention to the infrastructure of the digital economy gives it more efficient and effective.

Focusing on Business, Digital Government and e-commerce contributes to the growth of the digital economy, which in turn contributes to the growth of the national economy.

The recommendations

Continued support for investment in information and communication technology infrastructure, with importance to organizational aspect and testing licensing systems, Innovative contribution to more effective use of spectrum and expansion of regulations used to include new areas, such as the Internet of Things, domain name systems services, participatory platforms.

The information and communication technology sector, as well as the internet, are the backbone of the digital economy. It is imperative for countries to focus on advancing this sector, expanding its industries, and strengthening its competitiveness through the implementation of suitable methodologies and strategies. This is crucial for establishing a comprehensive and efficient digital economy.

Strengthen collaboration among in information and communication technology infrastructure policymakers, who bear the responsibility for their nations' digital economy, and their counterparts in diverse sectors to harness the potential of emerging digital markets for augmenting employment opportunities and facilitating the shift towards novel forms of digital employment.

Effectively managing the risks associated with social and economic activities online is crucial in order to foster entrepreneurship, create job opportunities, and promote inclusivity in the digital realm.

A supplement to the author's instructions

A- Books:

1-Atef Ahmed Abdel Aal Zeidan.**The digital economy is between the hoped-for reality and special tax treatment.**2021.

2-Edward J.Malecki and bruno moriset .**The digital economy: business organization production processes and regional development .**routledge.usa:2018.

3-Farid rakibe nadjar, **in electronic systems and the digital economy. University Youth Foundation.**Egypt:2004.

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