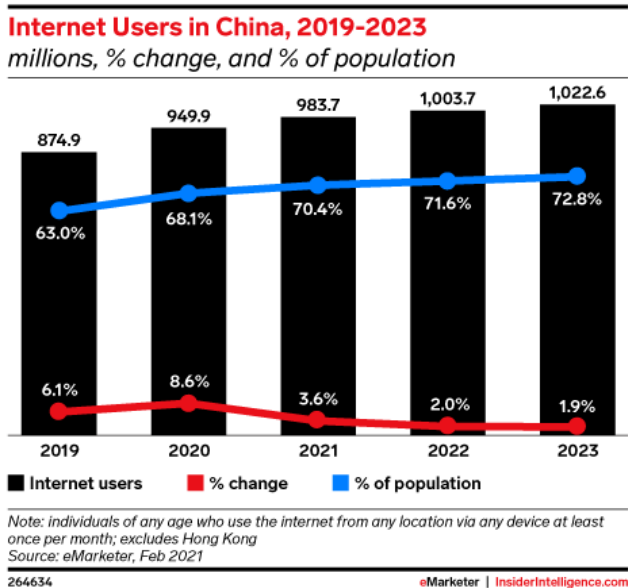# Unexpected surge pushes China's internet population to brink of 1 billion

Article

China will have 983.7 million internet users this year, thanks to an unexpected 8.6% boost in 2020, the fastest expansion its online population has seen since 2012. We previously forecast

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that it would take several more years for China's internet users to hit the magical 1-billion mark, but we now project this unprecedented milestone will come by the end of next year.

It's no secret that China has a huge population, and its internet population has been the largest in the world since the early 2000s. However, its internet user growth had declined in the lead-up to 2020, given how large the base had become. Before the pandemic, we thought user growth would only reach 4.5% last year. Instead, China added more new internet users (75.0 million) in 2020 than any year since 2009.

Internet Users in China, 2019-2023
millions, % change, and % of population

Year	Internet users	% of population	% change
2019	874.9	63.0%	6.1%
2020	949.9	68.1%	8.6%
2021	983.7	70.4%	3.6%
2022	1,003.7	71.6%	2.0%
2023	1,022.6	72.8%	1.9%

Note: individuals of any age who use the internet from any location via any device at least once per month; excludes Hong Kong
Source: eMarketer, Feb 2021

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Growth will decelerate to 3.6% this year, but that will still be enough for 70.4% of the population to qualify as internet users, a threshold China has never reached before. For comparison, in India only 45.0% of the population will be online this year. In the most advanced countries, penetration is usually in the mid-80% range. China is getting close to that status.

There are several explanations for the internet user boost in 2020, but the main drivers were the pandemic, improvement in rural internet access, and increases in usage among older age cohorts. In brief:

▪ **The pandemic had the same effect on behavior in China as it did everywhere else** (albeit for a shorter time span, given China's success in suppressing the virus). People spent more time indoors and had more time to explore new activities, and some of the youngest and oldest

found themselves using the internet for the first time, or more regularly than they normally would have.

- **Long-standing government efforts to wire rural areas started to bear fruit.** In February 2021, the China Internet Network Information Center (CNNIC) reported a spike in internet penetration for rural areas, an outcome propelled by the central government's efforts to build out internet infrastructure in China's poorer provinces and villages. According to CNNIC's data, internet penetration among rural residents jumped from 39.8% in June 2019 to 55.9% in December 2020. The penetration among city dwellers, meanwhile, ticked up by only 4.0% in that time frame.

- **Major ecommerce companies, with support from policymakers, ramped up new functionalities and incentives for rural buyers and sellers.** Platforms like Pinduoduo revolutionized ecommerce connectivity between rural farmers and urban consumers, generating new financial motivation for rural people to get online. Logistics support for nonagricultural ecommerce improved as well, enhancing the appeal of China's mcommerce ecosystem for those in remote rural areas.

- **Middle-aged and older cohorts jumped online at some of the fastest rates in China's history.** The number of internet users ages 65 and older grew by 38.9% last year, but they weren't alone. The 55-to-64 age group grew by 33.1%, its fastest expansion since 2009; and even the 45-to-54 cohort (which was already well penetrated) grew by 20.6%, the fastest for that group in 10 years.

The next stage of growth will need to come from these older cohorts, as China's population ages 12 to 44 is already online at rates comparable to those of the most connected countries in the world.

Internet Users in China, by Age, 2021
% of population

Age	%
0-11	21.2%
12-17	91.7%
18-24	96.4%
25-34	96.4%
35-44	95.2%
45-54	75.5%
55-64	59.0%
65+	41.8%
Total	70.4%
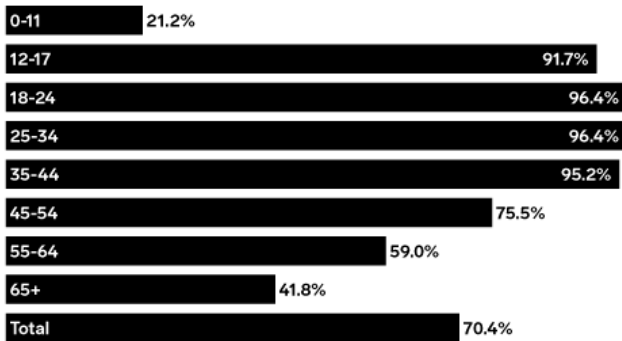
Note: individuals who use the internet from any location via any device at least once per month; excludes Hong Kong
Source: eMarketer, Feb 2021

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China's legislators have recently been emphasizing a new kind of internet accessibility gap, this time focused on age instead of wealth and education. Their concern is that China is digitizing so rapidly that retirees who are not tech savvy will struggle to conduct basic transactions or meaningfully participate in society. To that end, new legal mandates are rolling out to prevent grocery stores, restaurants, and retail businesses from going entirely cashless, and regulators are pressuring digital device-makers and app developers to create senior-friendly design options that will facilitate accessibility for the less digitally fluent.

If these initiatives prove effective, China will have a chance to more quickly achieve the levels of connectivity that its more developed peers in Asia-Pacific enjoy. For now, we estimate that 75.1% of China's population will be online by the end of 2025, still a bit behind that of the average developed country.