China GenAI Market will reach **US$ 9.6B** by 2027

China GenAI Core IT Spending, 2022-2027

2027
$9.6B

2026
$5.7B

2025
$3.0B

2024
$1.4B

2023
$0.6B

2022
$0.3B

CAGR: 99.1%
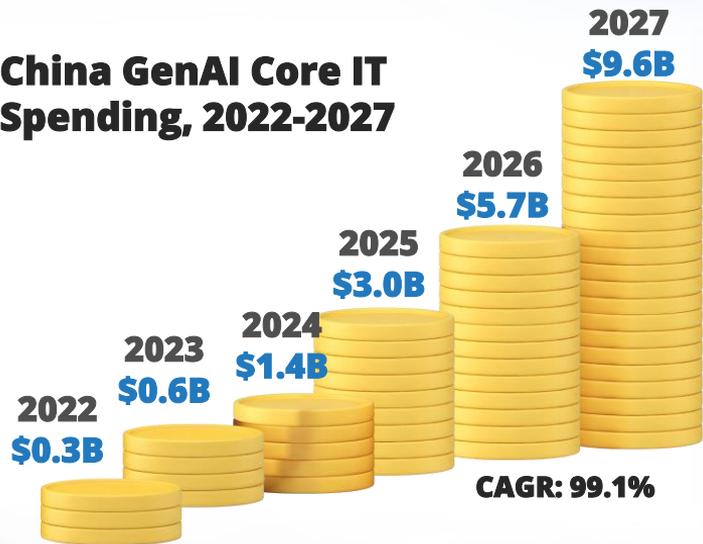
China's GenAI Differentiation

Technologically self-sufficient: Preferring locally developed products

AI chips development: addressing the lack of AI Infra

Language support: Local dialect support

Customized AI application: most of the application are customized projects

On-premise: most of the applications are deployed privately

Open-source community: deep learning framework, large model open source community
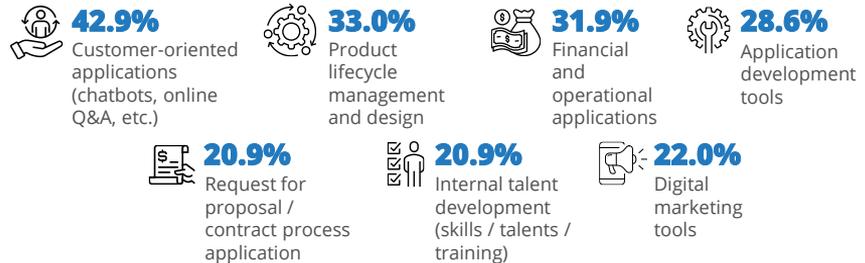
Generative AI and LLM Development Milestone

Source: GenAI Trends Use Cases and Enterprise Response Strategies, CHC 50356223

IDC FutureScape

Industry Users are Enthusiastic about Deploying Applications with LLM

Q: What is the status of your organization's application of LLMs?

Global	China	
22%	**33%**	I'm not doing anything right now
49%	**34%**	I'm doing some preliminary exploration of application scenarios
29%	**33%**	I will invest in generative AI technology in 2023

Q: When integrating generative AI into existing applications or business processes, what are the two application areas that your executives focus on the most?
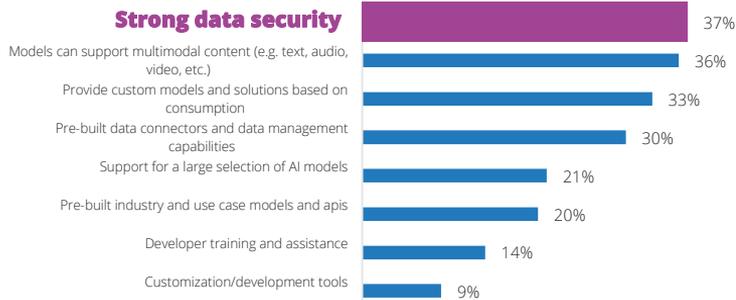
42.9% Customer-oriented applications (chatbots, online Q&A, etc.)

33.0% Product lifecycle management and design

31.9% Financial and operational applications

28.6% Application development tools

20.9% Request for proposal / contract process application

20.9% Internal talent development (skills / talents / training)

22.0% Digital marketing tools

Artificial Intelligence and Automation 2024 China Implications

IDC Prediction

Secure GenAI

By 2025, **40% of cloud and software platform providers will bundle GenAI safety and governance packages with their primary services, reducing GenAI risk scenarios **by 1-3 times.**

Q: Based on your current or near-term plans to develop generative AI capabilities using software platform and tool providers, what needs does your organization have for software vendors in the next 18 months? Please select the two most important.

Strong data security	37%
Models can support multimodal content (e.g. text, audio, video, etc.)	36%
Provide custom models and solutions based on consumption	33%
Pre-built data connectors and data management capabilities	30%
Support for a large selection of AI models	21%
Pre-built industry and use case models and apis	20%
Developer training and assistance	14%
Customization/development tools	9%

N=100   Source: IDC, 2023

33%
We didn't do anything yet

34%
We're on the initial stage to introduce GenAI

33%
We'll invest in GenAI in 2023

IDC Prediction

AI Spend as 30% of Core IT Spend

By 2026, top 500 companies in China **will allocate over 30%** of their core IT spending to AI initiatives, leading to a **double-digit** increase in the rate of product and process innovation.

Path AI to Impact Industries

IDC Prediction

By 2025, 50% of provinces and cities in China will pilot GenAI to improve efficacy in community outreach and customer service, procurement, staff recruitment and training, and software development.

IDC Prediction

By 2028, the demand for product innovation will drive 40% of large manufacturers to evaluate engineering archives using generative AI to uncover new opportunities for old innovations.
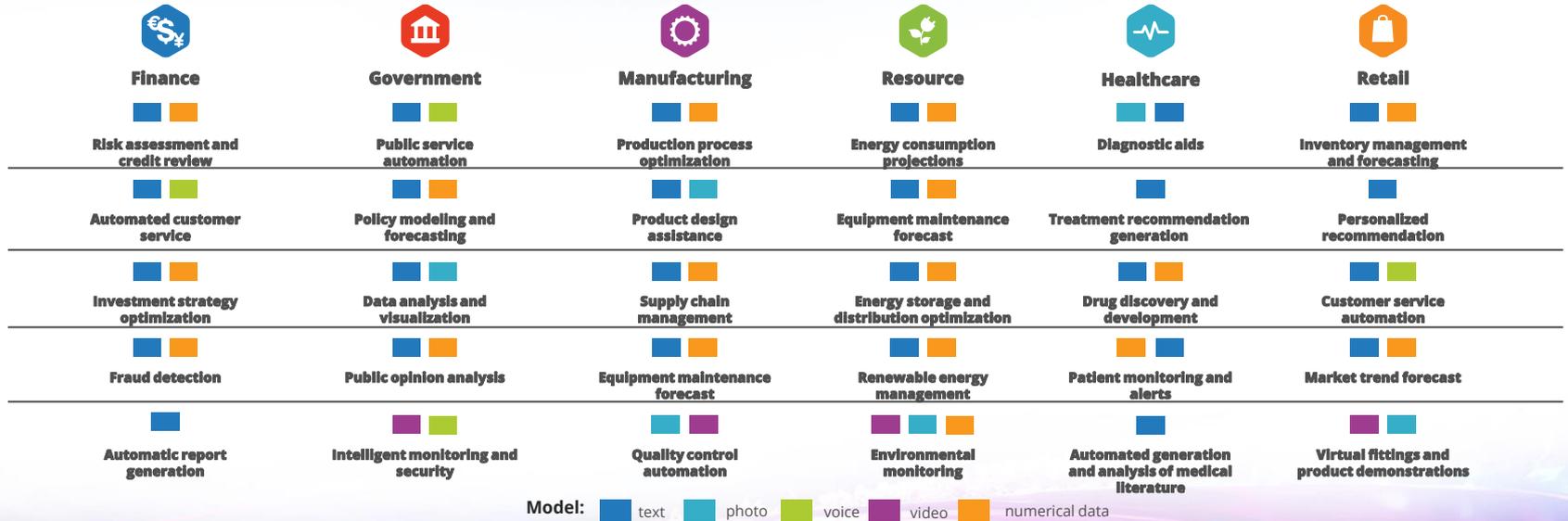
IDC Prediction

By 2027, 25% of utilities will implement GenAI, improving asset and equipment restoration times by 30% and establishing a knowledge management platform for the next generation of field technicians.

China GenAI Market Glance, v1.0

Source：China GenAI Market Glance, 2023 Q3

IDC FutureScape

Recommended Resources

Watch On-Demand

Replay Live feed analyst fireside session recording on-demand.

Jump to timecode - 2:21:02 to listen Zhong Zhenshan on The China GenAI Play.

Click to Watch>>

View Full Report

View the IDC FutureScape: Worldwide Artificial Intelligence and Automation 2024 Forecast—China Implications report (#CHC51596824) online. *(subscription)*

Check Report

IDC FutureScape Resources

Access the complete library of IDC's complimentary resources for Future Proofing Your Business in era of AI Everywhere.

View Library

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