

BEIJING - This year marks the 200th anniversary of the birth of bikes.

Every day, millions of Chinese still ride them to work or go shopping.

However, they no longer open bikes with keys, but by smartphone apps. It is not only bikes. By scanning QR codes at stations and restaurants with a smartphone or logging in to one of thousands of mini-sites on Tencent's instant-messaging app WeChat, users can access and rent everything from sports equipment and washing machines to umbrellas and cars.

The sharing economy, which is now re-shaping the lives of millions, did not come out of nowhere. Behind it was years of technological development and industrial upgrading.

China's sharing economy witnessed a total transaction volume of 3.45 trillion yuan (\$511 billion) last year, more than double that of 2015, which involved more than 600 million Chinese, according to a report released by the State Information Center in March.

To seek new growth drivers and accelerate economic transformation, the government has been actively pursuing mass entrepreneurship and innovation, in a new round of scientific and technological revolution.

Mass entrepreneurship and innovation were first unveiled in the Government Work Report in 2015. Two years on, innovation is the buzzword in China's economy.

"Mass entrepreneurship and innovation in China prompted the growth of sharing economy, while the sharing economy makes it easier to start up new enterprises," said Xu Zhaoyuan, a researcher with the Development Research Center of the State Council.

According to a report by China's Ministry of Science and Technology and the **Great Wall Enterprise Institute**, China was home to 131 "unicorns" - young, unlisted companies with a market value of over \$1 billion - by the end of last year, including many leaders in the sharing economy, such as bike-sharing giants Mobike and Ofo.

An ordinary bicycle with a Mobike logo integrates several innovative technologies: a smart lock with GPS, embedded internet-of-things chips, and a supporting artificial intelligence platform.

According to Sun Hao, CEO of a bike producer in Tianjin, cooperation with the bike-sharing business has almost doubled his company's production volume.

Now, every few minutes, one sharing bike is delivered from our assembly line, said Sun, who expects his company to produce more than 20 million bicycles this year.

The country's robust economic expansion was the strongest force behind the latest sharing wave.

After more than 30 years of rapid growth, the Chinese economy has entered a key stage of economic transformation and restructuring, according to Zhuang Jian, a senior economist with the Asian Development Bank.

With the economy growing, the number of Chinese netizens reached 730 million last year, of which over 690 million access the internet through mobile phones.

According to a guideline on China's Information Strategy released last year, the sharing economy has become an important part of China's information strategy.

Yet, like all industries witnessing breakneck growth, the sharing economy is facing challenges such as urban management, market disorder and trust issues between users and service providers.

For example, haphazardly parked shared bikes have led to congested city sidewalks, while the handling of broken bikes is creating headaches for urban management.

"The regulation of the sharing economy should be tolerant while prudent, as there is still much to be learnt about new business models. We should avoid simply applying traditional methods in the sharing economy," Li said.

The sharing economy will grow at an average annual rate of 40 percent over the next few years and will account for more than 10 percent of the country's GDP by 2020, according to the State Information Center report.

Zhuang believes that China's sharing economy will serve as an example for other countries.

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