



# Assessing the Landscape of the Sport Industry in China: A Brief Commentary

## *Evaluación del panorama de la industria del deporte en China: un breve comentario*

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### Key words

- Sports industry
- China

### Palabras clave

- Industria del deporte
- China

### Abstract

Sport has played a critical role in China's development since 1949, with achievements in elite sports, the hosting of Olympic games, and establishing professional leagues. The aim of China is to establish itself as a global sporting leader, influenced by the success of the US market and the rising obesity epidemic. In 2008, Chinese athletes showcased their talents at the Beijing Olympics, although concerns were raised about the social impact of traditional culture. Despite the transition to a market economy, China's elite sports system remains centralised and government-controlled. The "Number 46" policy introduced in 2014 aimed to establish a world-leading sports industry by 2025. While the market has grown, promoting sport participation and addressing cultural influences and governmental control are essential for sustained future growth.

### Resumen

*El deporte ha desempeñado un papel fundamental en el desarrollo de China desde 1949, con logros en deportes de élite, la celebración de Juegos Olímpicos y el establecimiento de ligas profesionales. El objetivo de China es consolidarse como líder deportivo mundial, influido por el éxito del mercado estadounidense y la creciente epidemia de obesidad. En 2008, los atletas chinos mostraron sus talentos en los Juegos Olímpicos de Beijing, aunque surgieron preocupaciones sobre el impacto social de la cultura tradicional. A pesar de la transición a una economía de mercado, el sistema deportivo de élite de China sigue centralizado y controlado por el gobierno. La política "Número 46" introducida en 2014 tenía como objetivo establecer una industria deportiva líder a nivel mundial para 2025. Si bien el mercado ha crecido, promover la participación deportiva y abordar las influencias culturales y el control gubernamental son esenciales para un crecimiento futuro sostenido.*

## Main Body

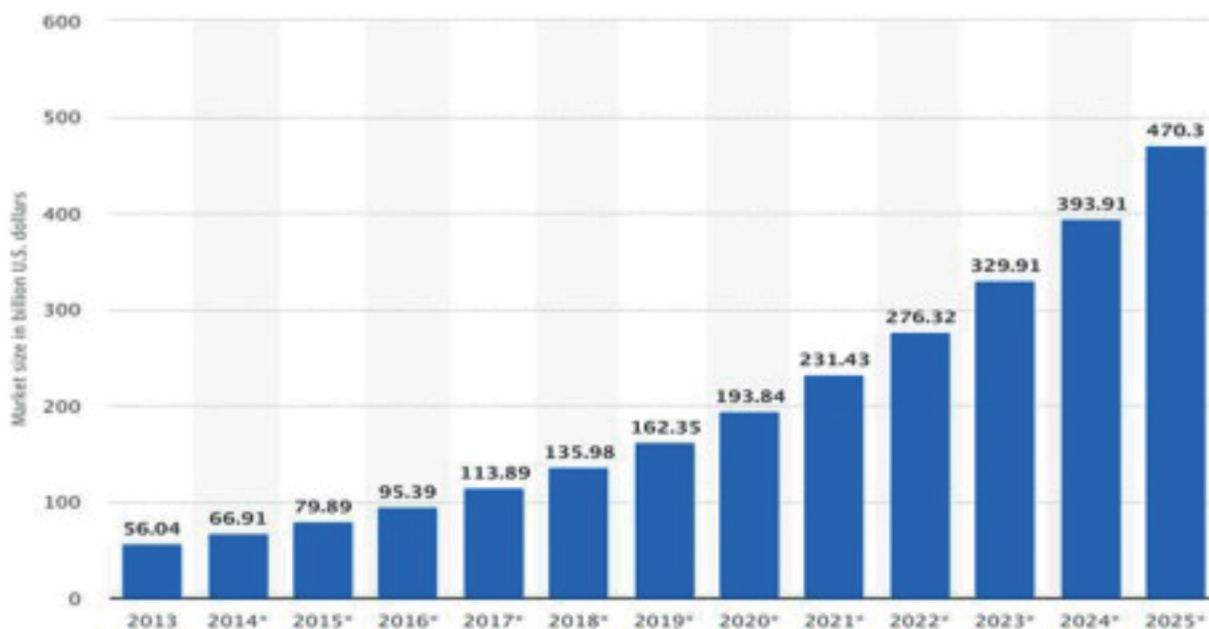
The current commentary piece aims to provide a brief introduction to the sport environment in China and the affect the Olympic legacy has had on the past and present of sport governance in China, shifting from athletic performance towards population-based promotion. Overall, sport has contributed significantly to the development of China since the establishment of the People's Republic of China in 1949. This commitment has been reinforced by the notable achievements in elite sports over the past two decades. China's intentions have been evident through its hosting of Olympic games, increased development and engagement with sporting organisations, establishment of professional leagues, and subsequent commercialization of these endeavours, all culminating in the aim of positioning China as a global leader in the sporting realm. A principal factor behind this development is the success of the sports market in the United States, alongside a steadily increasing obesity epidemic.

From 1993 to 2010, the prevalence of general obesity in China has increased from 3.6% to 11% and from 8.2% to 29.1% among males and females (Li XY et al, 2012; Xi B et al, 2012; Liu X et al, 2018). These alarming findings have prompted a shift in China's approach to sports, transitioning from a focus solely on peak athletic performance to a broader emphasis on public promotion and well-being among the population. China's bid for the Olympics occurred twice, with the successful bid for the Beijing Olympics in 2008 being particularly impactful. These events were regarded as an opportunity to showcase the prowess of Chinese athletes, establishing a lasting public legacy and leaving behind world-class facilities for post-event use. These bids gathered support from both the government and Chinese citizens, who perceived this as a landmark occasion to bridge the cultural gap between China and the rest of the world while also bolstering the country's strengths and validating its political views.

The successful bid for the Beijing Olympics in 2008 received substantial support from Beijing residents, with the organisation committee reporting that the majority of residents (94%) were in favour of the bids (Zhou & Ap, 2009). Despite this, post-game analysis revealed that perceptions regarding social impact, such as noise, crime, and environmental damage, were seen as inevitabilities and negative. These perceptions can be attributed to the influence of traditional Confucian culture, which emphasises respect for authorities and discourages opposition (Bond, 1991; Schutte & Ciarlante, 1998). Although it is important to note that residents possess limited civil liberties or press based freedom that could provide a voice for dissatisfaction at a large scale across China without facing severe backlash from political governance that could include jail time.

Prior to the Olympics, the stance of the governmental sports administration was clear, with the aim of securing as many Olympic medals as possible, thereby enhancing the nation's overall status. Consequently, other aspects of sport in China were devalued. The elite sport system consisted of a centralised administration, a professional training system, and an elite sport organisation centred around the Olympic games. Overall, this system involved 70 national sport associations collaborating with 23 sport management centres, all of which were regarded as quasi-governmental organisations (Liu & Desbordes, 2017). Despite China's transition towards a market economy, the country's previous state-dominated system has retained political and governmental control (Yardley, 2012). The development of sports policies and their associated management continue to be governed by arbitrary decision-making procedures (Xue, 2019). To build upon the legacy of the 2008 games, Beijing introduced an ambitious policy document known as "Number 46" in 2014. This policy outlines the intention to establish a world-leading sport industry by 2025, with the objective being to increase the active population and fan base for local sports teams. The prospective growth between 2013 and 2025 is depicted in Graph 1 (Statista, 2015).

Graph 1. Size of the sports industry market in China from 2013 to 2025.



A report by the Bank of China estimated that the value of the sport market in China reached \$222.68 billion in 2017. This figure is almost double the predicted amount and underscores the fact that China has only 1/27th of the number of fitness and sporting venues compared to the United States (BOC, 2017). In line with this, the Chinese State Council released a statement in September 2019 outlining plans to realise their ambitions by 2025. Among these plans were the construction of sports venues, providing tax breaks for companies within the sport industry, targeting crucial demographics such as teenagers, the elderly, and the disabled, facilitating the expansion of private organisations specialising in basketball, football, and volleyball, organising more sporting events for the public, enhancing international sport exchanges, and focusing on the development of the snow-sport industry in preparation for the Beijing winter Olympics in 2022.

Current literature suggests that sport participation in China is limited, but the sport market itself remains highly valued, as demonstrated by the \$222 billion figure reported in 2017. Notably, in China, consumption of sports goods and products is the principal revenue generator. In 2016, the General Administration of Sport of China released a report that totaled the output of the sport industry at 1.7 trillion yuan in China, with over 86.2% of this value attributed to the sectors

“sports goods manufacturing” and “sales, trade, and rental of sports goods and related products” (Xinhuanet, 2008). Despite the sport economy in China remaining largely focused on sporting goods, there has been a noticeable development in the structure of the sport service sector. As of 2017, this accounted for 23% of the total sports economy in China, reflecting 6% growth since 2006 (Liu & Desborde, 2017). This growth can be attributed to factors such as the expanding economy, urbanisation trends, and shifts in lifestyle, all of which contribute to a changing momentum in sport participation.

As of 2022, the sport market in China sits at a valuation of \$464.15 billion (RMB 3.30 trillion), with a growth of 5.9% over the previous year. This strong growth is further exemplified by a surge in outdoor sport participation, which exceeded 400 million people by the end of 2021, increasing the demand for outdoor sport and exercise opportunities and adequate facilities. This growth may be aided by the strict lockdown measures during the COVID-19 pandemic imposed across China (Chen & Yan, 2024). Crucially, in 2014, only 33.9% of the total Chinese population participated in sport on a regular basis, with this dropping to 30.9% of the total population in 2018. Although, in 2020, 37.3% of the total population in China over the age of 7 participated in sport regularly (Zhong et al, 2022). This participation rate is sig-

nificantly higher in other countries, such as the UK and USA. In relation to physical activity, between 2010 and 2018, the prevalence of insufficient physical activity in China increased from 17.9% to 22.3%, with a significant increase in insufficient physical activity in adults between the ages of 18 and 34 years (Zhang et al, 2023). This data is alarming and points towards a crucial role for sports governance to address. The outline of the “Healthy China 2030” plan, which aims to increase the population to more than 40% of urban and rural residents in China by 2030, aims to address the alarming inactivity rates (Zhang & Gong, 2019; Tan & Shao, 2017).

Consequently, future efforts should prioritise the promotion of sport participation at the population level, as it will drive substantial growth within China’s sport industry. It is essential for the industry to adapt and grow to meet the needs of the general population as a consumer and participant. Sport is an internationally recognised catalyst for positive change (mental and physical). However, the characteristics that differentiate between countries are shaped by varying factors such as culture, society, government, technology, and environment. Each country must consider and adapt to these mentioned characteristics in order to provide the highest-quality sports experience tailored to the needs of the population. China is currently undergoing a period of transformative change, with strategies in place to foster the growth of its sports industry. It must consider how to grow its sport industry without sidelining population participation rates to sustain prolonged consumption of sport in China.

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