

# How can Hong Kong make the leap to become a Smarter Digital City?

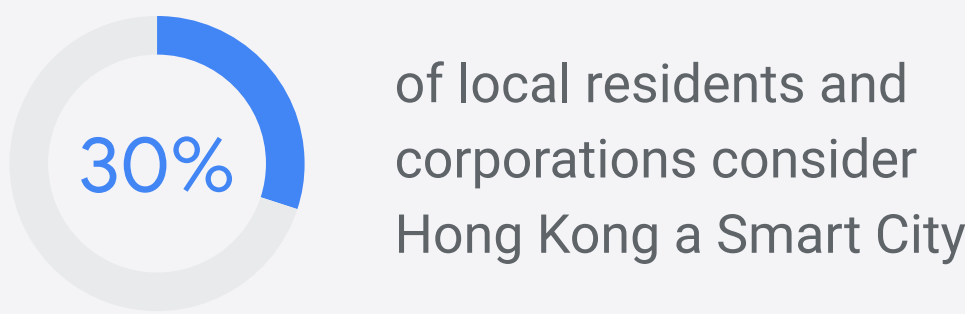
Highlights from Smarter Digital City 2.0

Hong Kong has all the prerequisites to be a Smart City: a strong legal framework, high mobile penetration, and a robust network infrastructure. A year after the first publication of our Smarter Digital City research, Hong Kong residents have a growing awareness and expectation in seeing the city's digitization, yet gaps in digital skills and talent remain.

The outlook is positive, with local residents ready for digitization, corporates investing more in digital transformation, and the Greater Bay Area initiative becoming a potential catalyst. See the challenges and opportunities that face Hong Kong's bid to becoming a Smarter Digital City below.



## 01 Hong Kong is not perceived as a leading Smart City in comparison to its Asia-Pacific neighbors ...



Residents rank Hong Kong third behind Tokyo and Singapore, while corporates see Hong Kong lagging behind Singapore, Tokyo, Seoul, Shenzhen, and Shanghai.



Only 14% of the public surveyed believe the local government is investing in making Hong Kong a Smart City.

↓ 33%  
YoY from 21% in 2017

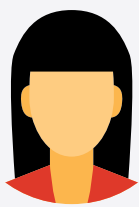
## 02 ... Partly because of Hong Kong's lagging behind in R&D and talent development despite strong infrastructure.

Both residents and corporates view "fast and reliable internet" as the top attribute of a Smart City, with

40% of residents & 65% of corporates believing it to be a strength of Hong Kong.

However, Hong Kong residents perceive that their city is lagging far behind on other Smart City attributes, including:

"Strong research and development"  
(9% of residents and 4% of corporates believe this is a strength of Hong Kong)



"Strong technological talent development"  
(14% of residents and 18% of corporates)



Hong Kong Residents	Associated with Smart City	Strength of HK
Strong research and development	30%	9%
Strong technological talent development	26%	14%
Strong app development	24%	14%
Hong Kong Corporates	Associated with Smart City	Strength of HK
Strong technological talent development	37%	18%
Process hubs for technology businesses	31%	16%
Strong research and development	27%	4%

## 03 Hong Kong residents are ready for digitization and eager to improve digital skills through learning.

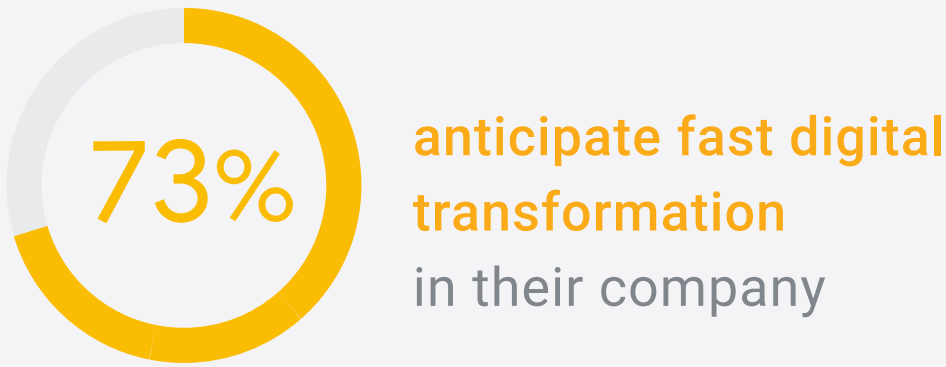


80% of Hong Kong residents would like to improve their digital skills, with machine learning, app development, and data analytics proving to be the most popular areas of interest.

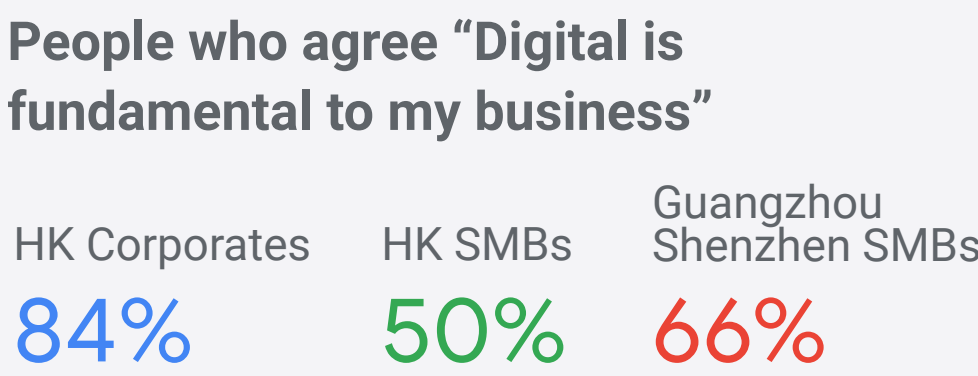
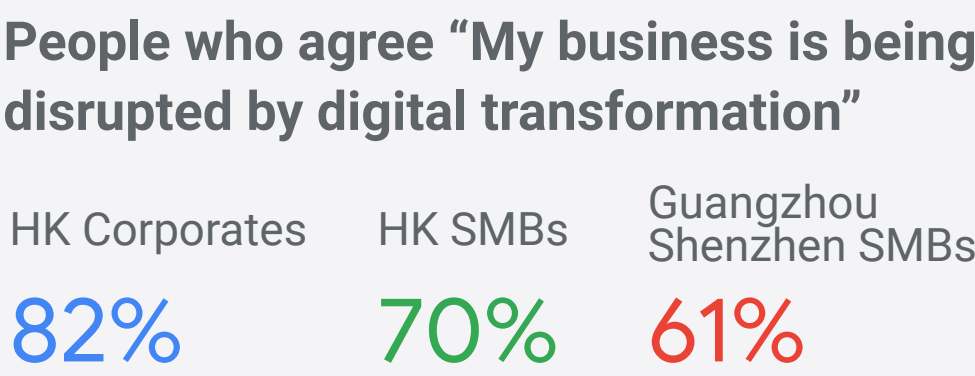
54% of corporates think data analytics is important as a skill in their staff – 70% among them think it's difficult to find staff with data analytic skills when recruiting.

## 04 Corporates are accelerating their path to digitization, while SMBs are not yet fully onboard.

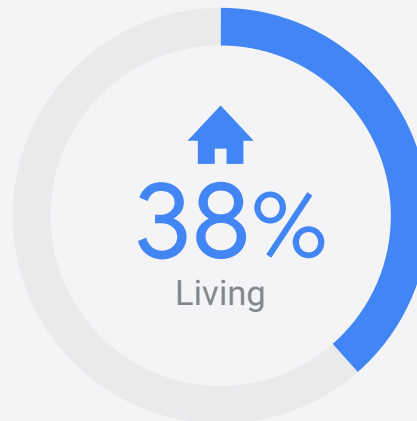
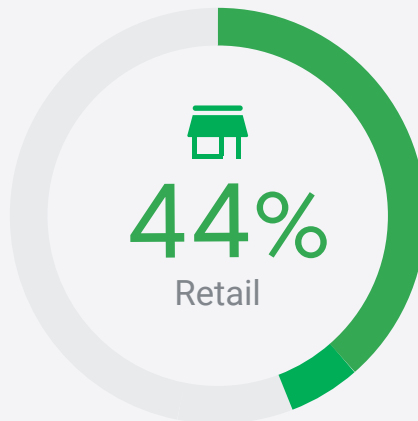
Corporates



SMBs



## 05 The Travel sector is leading digital adoption for Hong Kong consumers, while Finance, Retail, and Living (Healthcare) hold untapped opportunities.



Source: Google/Ipsos, "Smarter Digital City 2.0 Research," 2018.