

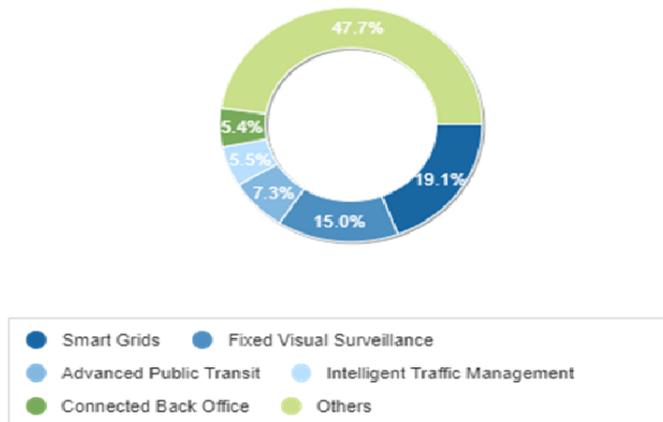
IDC Reveals Asia/Pacific* Will Account for 1/3 of Global Spending on Smart Cities Initiatives Throughout the 2019-2023 Forecast Period

SINGAPORE, March 24, 2020 – According to the latest [IDC Worldwide Semiannual Smart Cities Spending Guide](#), Asia/Pacific* will account for one third of global spending on smart cities initiatives throughout the 2019-23 forecast – reaching US\$ 65.5 billion in 2023. In Asia/Pacific, more than half of the population is living in cities, and it is expected to reach 60% by 2030. This rapid urbanization brings numerous challenges such as traffic congestion, water and electricity shortage, and public safety. State/local governments are investing on smart cities initiatives to address these challenges.

"Digital operational investments that aims to bring about greater automation and productivity of cities' critical infrastructures continue to be the largest spending use cases. Increasingly, cities are investing in a range of IT services and software development for personalized citizen-centric civic engagements, and urban city administration tools to demonstrate better outcomes-based value for each dollar spent. With the recent global COVID-19 pandemic, IDC expects cities to leverage extraordinary budgets to drive more remote 'live, learn, work, and play' city services through greater digital assimilation," says [Gerald Wang](#), Head of Public Sector at IDC Asia/Pacific.

IDC's use-cases represents specific projects/initiatives which are digitally transforming the urban ecosystem with an end goal of improving resident's quality of life. Top use-cases that receive more than 50% of the spending over the forecast period will be smart grids, which attract the largest share (19%) of investments, followed by fixed visual surveillance, advanced public transportation, intelligent traffic management and connected back office.

Figure 1



Source: IDC Worldwide Smart Cities Spending Guide - Use Case Forecast 2019H1

Looking at the largest use cases, smart grids focus on using data from sensors and smart meters. This real time communication helps in optimizing the supply and demand forecast and reduce operational cost because of predictive maintenance. Pandemics like COVID-19 can be efficiently handled if the cities are equipped with data driven public safety systems (e.g. fixed visual systems) so that local governments can monitor the situation and engage with the residents on real time. Advanced public transportation and intelligent traffic management enables the metropolitan cities to take on the traffic congestion and maximize the road & driver safety.

The use cases that will see the fastest spending growth over the 2019-23 forecast are: open data, vehicle-to-everything (V2X) connectivity, and officer wearables.

The new addition to IDC's smart cities use-case repository is Smart ports – which will be under top 10 use-case throughout the forecast with the CAGR of 22%.

“Smart applications and data analysis capabilities will enable the cities to digitally transform the governance, mobility, infrastructure and public safety, to move up the smart city maturity curve. As the maturity of the smart cities improves their spending on the smart cities' projects will also increase,” says [Sharad Kotagi](#), Associate Market Analyst at IDC Asia/Pacific.

Singapore tops the list of cities that will spend most money on the smart city projects globally. It is expected that Singapore's spending will surpass the US \$ 2 billion mark on smart cities initiative by 2020, followed by Beijing and Seoul where each will invest around US\$ 1 billion. Top 10 cities investing on smart city initiatives in 2019 represents around 23% of all Asia/Pacific* spending. China's spending on smart cities projects is almost double the collective investments made by the rest of the countries in Asia/Pacific*. Spending will largely come from smart grids and fixed visual surveillance in 2019.

[IDC Worldwide Smart Cities Spending Guide](#) quantifies the expected technology opportunity around smart cities initiatives from

a regional and worldwide level. Spending data is available for nine regions with 36 distinct use cases across five strategic priorities and eight technology categories. In addition, the spending guide offers a complementary Cities dataset, providing smart city spending for 207 cities across nine regions. The spending guide is designed to provide IT vendors with insights into this rapidly growing market and how the market will develop over the five-year forecast period.

For more information on IDC Smart Cities Spending Guide, please contact Ashutosh Bisht abisht@idc.com. For media inquiries, please contact Tessa Rago at trago@idc.com or Alvin Afuang at aafuang@idc.com.

*Note: Asia/Pacific excluding Japan

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About IDC Spending Guides

IDC's Spending Guides provide a granular view of key technology markets from a regional, vertical industry, use case, buyer, and technology perspective. The spending guides are delivered via pivot table format or custom query tool, allowing the user to easily extract meaningful information about each market by viewing data trends and relationships.

For more information about IDC's Spending Guides, please

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