



Mastercard Index: Hong Kong Among World's "Super-Stand Out" Economies

Digital Intelligence Index from Fletcher and Mastercard provides an in-depth look at the rate of technology adoption and the state of digital trust in the region

Hong Kong – December 10, 2020 – As the Grand Sponsor of the Singapore FinTech Festival, the world's largest fintech event that brings together the world's innovators to explore solutions addressing global challenges, Mastercard today joins the Fletcher School at Tufts University to unveil the **Digital Intelligence Index**, which reveals that Hong Kong ranks second in Asia Pacific and third globally among the world's most highly digitally advanced economies. Particularly notable for maintaining a high absolute score and fast digital momentum, Hong Kong is truly one of the "Super-Stand Out" economies.

The Digital Intelligence Index is a data-driven holistic evaluation of the progress of the digital economy across 90 economies, combining more than 358 indicators in two scorecards: **Digital Evolution** and **Digital Trust**. Building upon earlier editions in 2014 and 2017, this year's index paints a picture of global digital development, sheds insight on key factors driving change and momentum, and unpacks what this means for economies facing the challenges of a global pandemic and post-pandemic future.

Bhaskar Chakravorti, Dean of Global Business at Fletcher, said, "The pandemic may be the purest test of the world's progress towards digitalization. We have a clearer view on how dynamic digital economies can contribute to economic resiliency during a time of unparalleled global turmoil and can be positioned for recovery and change."

Ajay Bhalla, President, Cyber & Intelligence, Mastercard, said, "Never before has there been such an acute need to understand the factors that drive digitalization and digital trust. With that knowledge, businesses and governments can work together to help all 7.6 billion people around the world benefit from the vast opportunities a digitally advanced economy can bring. Whilst much remains uncertain today, it is clear that digital success will be a key building block in our collective recovery."

Key Findings

Mapping 95 percent of the world's online population and drawing on 12 years of data, the **Digital Evolution** scorecard measures four key pillars of institutional environment, demand conditions, supply conditions, and the capacity for innovation and change.

- According to the scores which show the state of digital evolution, **Hong Kong** ranks **third globally** and **second in Asia Pacific** as one of the most advanced digital economies with a score of 88.12, behind Singapore (98.82) and the United States (89.82), but ahead of other economies in the region, such as South Korea (83.09), Taiwan (80.75), Japan (77.76) and China (61.89).
- Combining the state and momentum of digitalization, the research puts markets into four distinct categories where Hong Kong was among the 13 "stand-out" markets.
 - **Stand Out – Hong Kong**, Singapore, the United States, South Korea, Taiwan, Germany, Estonia, Israel, the United Arab Emirates, Malaysia, Czechia, Lithuania and Qatar are both highly digitally advanced and exhibit high momentum. These economies are leaders in driving innovation, building on their existing advantages in efficient and effective ways.
 - **Stall Out** – Many developed countries such as the Western Europe, Australia, New Zealand and Japan are noted as mature digital economies with a high state of digital adoption despite slowing digital momentum. They tend to trade off speed for



sustainability and are typically invested in expanding digital inclusion and building robust institutions.

- **Break Out** – Though scoring relatively lower states of digitalization, these economies are evolving rapidly with momentum and significant headroom for growth that is highly attractive to investors. **China**, India, Indonesia, Saudi Arabia, Kenya and Russia are leading the pack with the potential to become Stand Out economies in the future.
- **Watch Out** – Economies such as the Philippines, Italy and South Africa face significant challenges with severe infrastructure gaps. Despite this, young people in these countries show their enthusiasm for a digital future with increased use of social media and mobile payments.

The **Digital Trust** scorecard measures 198 indicators in 42 of the index’s economies across four key pillars: behavior, attitudes, environment, and experience.

- **Hong Kong** provides citizens with a near seamless experience, which includes advanced infrastructure, broad access and unparalleled interaction. This experience is also matched by high levels of engagement with the digitalizing world. The city ranks **second (75.77) in behavior and third (68.71) in experience globally**, showing a clear advantage in a ‘beyond access’ future.
- Hong Kong ranks **fourth (55.15) in Asia Pacific** in providing a digital trust **environment**, behind Singapore, New Zealand and Japan, which have put investment in strong security, privacy, accountability measures and in minimizing friction. This may also explain why Hong Kong is observed to hold **more skeptical attitudes** towards technology, digitalization and the future, with a score of 34.93.
- Economies such as China, Indonesia and Vietnam have increasingly **favorable attitudes** about their digital future, buoyed by rapidly expanding digital adoption and opportunity.
- Overall, digitally advanced economies with higher levels of socio-economic equity expressed more positive attitudes towards digital technologies, while fast-moving Break Outs are more optimistic than their Watch Out peers.

“COVID-19 has further accelerated the digitalization development in Hong Kong, particularly the usage of electronic payments, online shopping and e-commerce under social distancing measures. The strong performance in the two components of Digital Evolution and Digital Trust of Hong Kong not only prove Mastercard’s role of being an integral part of Hongkongers’ digitalized daily lives and in pushing forward the development of Hong Kong as a smart city, but also makes the city one of the leaders and shapers of the best and next practice in the global economy.” Said Helena Chen, Managing Director, Hong Kong and Macau, Mastercard.

Furthermore, the research pointed that most discussions around trust in the digital sphere tend to fall back on what institutions and businesses can do to protect users. It is time to move beyond supply-side interventions and recognize that users have an integral role to play in fostering a trustworthy and resilient digital ecosystem as well. From maintaining high levels of cyber hygiene to developing the skills to combat misinformation, policymakers and technologists would do well to invest in nurturing good digital hygiene and habits among users.

The link to the full report and methodology can be found [here](#). For more information and shareable content, please visit our digital press kit.

Appendix: Digital Intelligence Index – Scores and Rankings of Selected Markets

Digital Evolution: State

Rank	Market	Score	Rank	Market	Score
1	Singapore	98.82	7	Netherlands	85.48



2	United States	89.82	8	Norway	85.34
3	Hong Kong	88.12	9	Sweden	85.07
4	Finland	87.30	10	Iceland	84.29
5	Denmark	87.17	39	China	61.89
6	Switzerland	86.89			

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About the Digital Intelligence Index

The Digital Intelligence Index, researched and authored by The Fletcher School at Tufts University in partnership with Mastercard, provides world-leading, state-of-play reporting on the progress that countries have made in advancing their digital economies.

About Mastercard

[Mastercard](#) (NYSE: MA), is a global technology company in the payments industry. Our mission is to connect and power an inclusive, digital economy that benefits everyone, everywhere by making transactions safe, simple, smart and accessible. Using secure data and networks, partnerships and passion, our innovations and solutions help individuals, financial institutions, governments and businesses realize their greatest potential. Our decency quotient, or DQ, drives our culture and everything we do inside and outside of our company. With connections across more than 210 countries and territories, we are building a sustainable world that unlocks priceless possibilities for all.

About Fletcher

[The Fletcher School at Tufts University](#) is the preeminent graduate school of international affairs in the U.S., working to solve the world's most pressing challenges through a collaborative, cross-disciplinary approach to research and education. Since 1933, Fletcher has prepared the world's leaders to become innovative problem-solvers in government, business, and non-governmental organizations with strategic cross-sector networks. Through our ongoing commitment and rigorous approach to advancing world knowledge through research, scholarship and practice, Fletcher continues to inform and build bridges to meaningful global solutions.

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