

Hong Kong Among World's Stand Out Digital Economies

The Fletcher School and Mastercard unveil the Digital Evolution Index 2017, an in-depth look at technology adoption and the state of digital trust around the world

Hong Kong – July 20, 2017 – The Fletcher School at Tufts University in partnership with Mastercard recently unveiled the Digital Evolution Index 2017, which revealed that Hong Kong ranks third in Asia Pacific and ninth globally, among the world's most advanced digital economies.

This comprehensive research tracks the progress countries have made in developing their digital economies and integrating connectivity into the lives of billions. With nearly half of the world's population online, the research maps the development of 60 markets globally, demonstrating their competitiveness and market potential for further digital economic growth. The Index measures four key drivers of supply, demand, institutional environment and innovation, as well as 170 unique indicators to chart each country's respective course.

Key Findings

- According to the overall digital evolution scores, **Hong Kong** ranks **ninth globally** as one of the most advanced digital economies with a score of 3.66, and **third in Asia Pacific** behind Singapore (3.69) and South Korea (3.68), but ahead of Japan (3.52) and China (2.49).
- Combining the pace and state of digital advancement, the research puts markets into four distinct categories where Hong Kong was among the eight “stand-out” markets.
 - **Stand Out – Hong Kong**, Singapore, the United Kingdom, New Zealand, the United Arab Emirates, Estonia, Japan, and Israel demonstrate high levels of digital development while continuing to lead in innovation and new growth.
 - **Stall Out** - Many developed countries such as in Western Europe, the Nordics, Australia and South Korea have a history of strong growth, but their momentum is slowing. Without further innovation, they are at risk of falling behind.
 - **Break Out** – Though still at relatively lower absolute levels of digital advancement, **China**, Kenya, Russia, India, Malaysia, Philippines, Indonesia, Brazil, Colombia, Chile and Mexico demonstrate the fastest momentum, are poised for growth and are attractive to investors.
 - **Watch Out** – Countries such as South Africa, Peru, Egypt, Greece and Pakistan face significant challenges, constrained both by low levels of digital advancement and a slow pace of growth.

“Adoption, the quality of digital infrastructure and institutions, and innovation collectively shape a country's digital competitiveness, but governments also play a key role. The report also found that consumers' trust in digital technologies correlates with digital competitiveness,” said Bhaskar Chakravorti, senior associate dean of international business & finance at The Fletcher School at Tufts University, and founding executive director of Fletcher's Institute for Business in the Global Context.

“We all know technology can do more to improve economies and make our lives better, but growth is only achievable if everyone has confidence in the developing ecosystem,” said Ajay Bhalla, president, global enterprise risk & security, Mastercard. “In our pursuit of a truly connected world, trust and security are critical to successful digital development.”

New This Year: The Trust Factor

To date digital trust remains a keystone of the global digital economy. New to the 2017 report, the research team at The Fletcher School analyzed 42 of the 60 countries in the Index around four key dimensions -- behavior, attitudes, environment, and experience – to understand the state of digital trust. Some of the findings include:

- **Hong Kong** demonstrates consistent and uniform strength across all dimensions with users that show patient and engaged behavior online, combined with a more trustworthy environment and relatively seamless experience.
- Consumers in China are outliers when it comes to demonstrating patient user behavior in the face of friction, such as slow internet speeds, while South Korea is among the least tolerant of friction.
- Western and Northern European states lead in digital trust experience and environment scores, which reflect investments in strong security, privacy, and accountability measures, and in minimizing friction.

Further, governments and businesses are considered the guarantors of trust, and are charged with facilitating trust among their citizens and consumers. The findings demonstrate that trust is critical to digital competitiveness, and that countries can only go so far without it.

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

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Appendix: Digital Evolution Index 2017 – Overall Score and Ranking of Selected Markets

Rank	Market	Score
1	Norway	3.79
2	Sweden	3.79
3	Switzerland	3.74
4	Denmark	3.72
5	Finland	3.72
6	Singapore	3.69
7	South Korea	3.68
8	UK	3.67
9	Hong Kong	3.66
10	USA	3.61
36	China	2.49

About the Digital Evolution Index

The Digital Evolution Index 2017 builds off the successful launch of the first edition of the Index in 2014. The research behind this latest edition considers numerous new factors to better reflect rapid changes in the digital world and create a report that is accurate, robust and comprehensive.

The in-depth analysis includes a study of the pace of digital evolution across 60 countries, across four key drivers of supply, demand, institutional environment and innovation. It utilizes data over 8 years (2008 – 2015) to provide an overall digital evolution score and digital momentum score, as well as a measure for digital trust.

The Digital Evolution Index is a research product of [Digital Planet](#) -- an interdisciplinary research platform, based at the Institute for Business in the Global Context at The Fletcher School at Tufts University.

About The Fletcher School

[The Fletcher School at Tufts University](#) is the oldest exclusively graduate school of international affairs in the United States. The School's alumni represent the highest levels of leadership in the world, including hundreds of sitting ambassadors, political and military leaders, respected voices from distinguished media outlets and institutions, heads of global non-profit organizations, and executive leadership of some of the world's largest corporations. The Fletcher School offers a collaborative, flexible and interdisciplinary approach to the study of international affairs, featuring a distinguished faculty and diverse student body representing more than half the world's countries.

About Mastercard

[Mastercard](#) (NYSE: MA), www.mastercard.com, is a technology company in the global payments industry. We operate the world's fastest payments processing network, connecting consumers, financial institutions, merchants, governments and businesses in more than 210 countries and territories. Mastercard products and solutions make everyday commerce activities – such as shopping, traveling, running a business and managing finances – easier, more secure and more efficient for everyone. Follow us on Twitter [@MastercardAP](#) and [@MastercardNews](#), join the discussion on the [Beyond the Transaction Blog](#) and [subscribe](#) for the latest news on the [Engagement Bureau](#).

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