

Data Evolution in the Cloud

Asia-Pacific at the global vanguard

All-in on data

The so-called data economy is surging around the world, but perhaps nowhere more so than in Asia-Pacific, where the consumption behaviour of huge populations is transforming industry on an unprecedented scale. As many Asia-Pacific economies have weathered the covid-19 pandemic better than their Western counterparts, they are poised to maintain their leading position in the global datasphere for the foreseeable future. To cite just one example, a recent report from Grand View Research predicts that the pace of growth in data-centre construction in Asia-Pacific will eclipse that of other global regions in the period to 2027¹

The rapidly-evolving data landscape is the subject of a recent survey, conducted by The Economist Intelligence Unit and sponsored by

Snowflake, of 914 executives around the world, including 219 in Asia-Pacific, spanning eight industries² and four countries (Australia, China, India and Japan). It finds that, with a strong culture of data management, development and sharing, organisations within the region are consolidating their already strong global position in data management and utilisation.

Comparatively, organisations in this region lead in self-reported organisational performance in some key areas of internal data utilisation. They rate their performance as stronger than the global average in a number of aspects (see Figure 1), showing strong confidence specifically in their ability to deal with data-related regulations and ability to draw insights from data.

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¹ ["Data Center Construction Market Size, Share & Trends Analysis Report By IT Infrastructure, By Power Distribution & Cooling Infrastructure, By Miscellaneous Expenses, By Tier Type, By End-use, By Region, And Segment Forecasts, 2020 - 2027"](#), Grand View Research, December 2020.

² Education; energy/utilities/oil and gas; entertainment, media and publishing; financial services/insurance/banking; healthcare/pharmaceuticals/life sciences; IT/technology/telecommunications; manufacturing; and retail/consumer goods.

A flourishing data marketplace

Asia-Pacific firms also appear to be engaging strongly with their peers in data commerce, buying, selling and sharing data to a greater extent than elsewhere. Specifically, they are slightly more likely than the global average to have purchased data from any source over the past six months (96% for Asia-Pacific versus a global average of 94%) and much more likely to have sold data over the same time period (90% versus 82%).

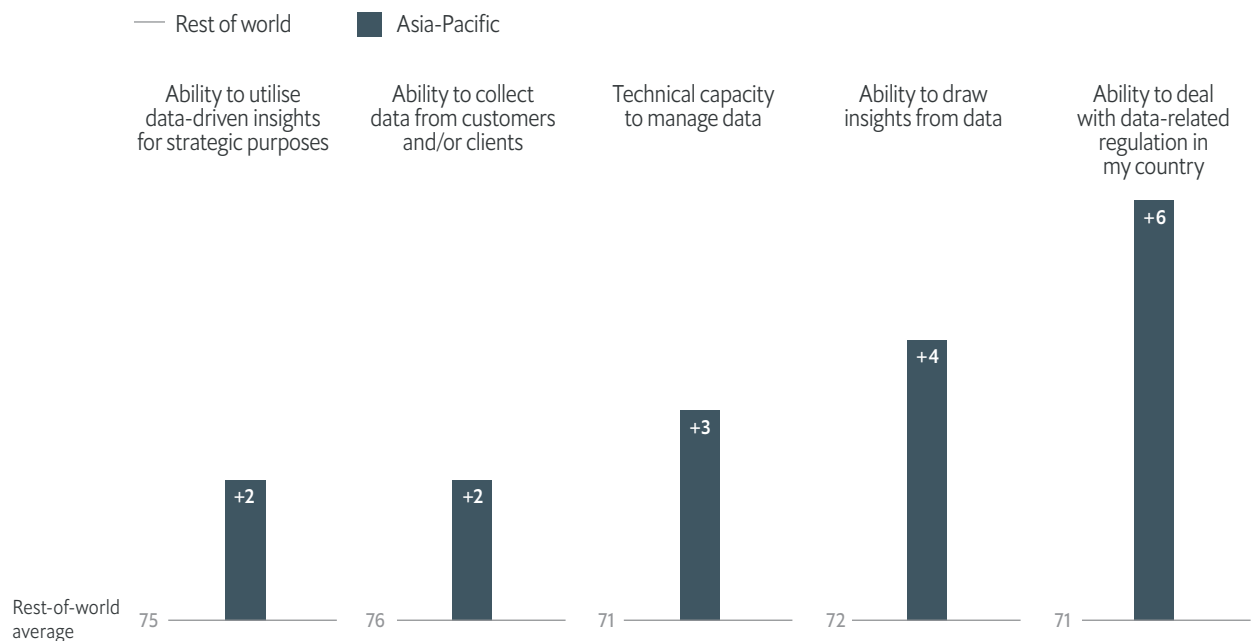
They are much more likely to select “third-party/syndicated data vendors” as their most useful source of data, with 54% support, compared with 42% globally. This choice is by far the most useful source of data for Asia-Pacific firms and sets the region apart from global peers, all of which ranked “customers/clients” in the top spot.

This is a trend worth watching, as such vendors can pose challenges with regards to consumer privacy and regulatory compliance, even as they open up potential opportunities with analytics and artificial intelligence/machine learning (AI/ML) development that might not be possible otherwise.³



Figure 1: How would you rate your organisation’s performance in the following areas, as compared with your industry peers?

(% stating stronger; APAC deviation from rest-of-world average)



Source: The Economist Intelligence Unit

³ “[Guide to Third-Party Data](#)”, Mobilewalla.

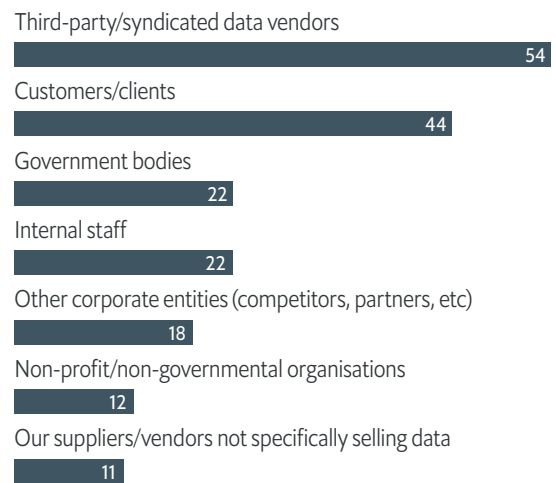
Charting an intelligent data future

Indeed, the relative strength of Asia-Pacific firms' AI/ML capabilities may provide an explanation for their confidence in their ability to draw insights from data—the region is pushing increasingly ambitious national AI/ML development strategies,⁴ led by China, which has an explicit goal of becoming the world leader in AI/ML by 2030.⁵ Our survey lends support to this, with organisations in the region leading the global average in the utilisation of AI/ML for several purposes. Notably, they are more likely than the global average to say they use AI/ML to a significant extent for developing products or services (45% for Asia-Pacific versus a global average of 38%).

Asia-Pacific firms are not resting on their laurels just yet, however. Organisational budgets geared towards strengthening data capabilities are increasing faster in the region than the global average in several areas, including dealing with data-related regulations and integrating data into business processes. This last point shows a notable divergence, with 37% of Asia-Pacific firms saying that their budget for integrating data had increased significantly over the past three years, compared with a global average of only 33%.

Figure 2: Which of the following currently provides the most useful source of data for your organisation?

(Asia-Pacific responses; %. Respondents could select more than one option)



Source: The Economist Intelligence Unit



⁴ "Asia-Pacific set to emerge as 'epicentre' for AI growth", Channel Asia, June 11th 2020.

⁵ Huw Roberts et al., "The Chinese approach to artificial intelligence: an analysis of policy, ethics, and regulation", AI & Society, June 17th 2020.

Data in Asia-Pacific firms is highly centralised in the IT department, largely in line with the global average (hovering around 90% in each case), although Asia-Pacific companies are more likely to see a benefit to centralisation from how it allows other departments to concentrate on their core competencies. Asia-Pacific firms cite this factor at 27%, compared with the global average of 18%, while other regions are more likely to cite less risk of data breaches and faster processing as the top benefits of centralisation.



Pressing ahead to overcome challenges

All this is not to suggest that Asia-Pacific's progress will be completely smooth. In line with other regions, data-privacy regulations are the top challenge to organisations' ability to collect data, although to a lesser extent than the global average (47% versus 56%). Of potentially greater concern is investment in infrastructure and data systems, the relative lack of which appears to be holding back Asia-Pacific firms to a greater extent than

their peers elsewhere. A far greater share of Asia-Pacific respondents selected this factor as a top challenge to data collection than the global average (40% in Asia-Pacific versus 32% globally).

Nevertheless, sturdy growth in the Asia-Pacific data-centre industry, as cited previously, is likely to help to bridge this gap in the coming years, especially as pandemic-related lockdowns underscore the need for robust data infrastructure to handle surges in remote working, e-commerce and other internet-enabled social-distancing shifts.⁶

Yet current infrastructure-related barriers could contribute to Asia-Pacific firms' concern over the high cost of sharing data—they cite this factor to a greater extent than the global average as the biggest challenge to sourcing data from and sharing data with external parties (32% versus 26%). Talent shortages also appear to be holding back Asia-Pacific firms' ambitions to a greater extent than elsewhere: Asia-Pacific respondents are 5 percentage points more likely to cite "lack of internal talent" as the main challenge to their ability to collect data compared with the survey average, and 6 percentage points more likely to cite "lack of internal talent to analyse data" as the main challenge to their ability to draw insights from data.



⁶ "Global Data Center Infrastructure Management Market (2020 to 2025) - Surge in Data Center Workloads During COVID-19 Pandemic Presents Opportunities", PRNewswire, November 5th 2020.

An unstoppable force

These issues are not likely to derail Asia-Pacific's overall data evolution, as firms in the region are looking to advance their already-leading global positions in the realms of data exchange, development and investment. Data and analytics, accordingly, is seen as crucial to success for organisations within Asia-Pacific over the next three years, highlighting the ambition of firms in this region to consolidate their strength and remain at the forefront for a long time to come.



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