



Smart Cities Initiatives Forecast to Drive \$189 Billion in Spending in 2023, According to a New Smart Cities Spending Guide from IDC

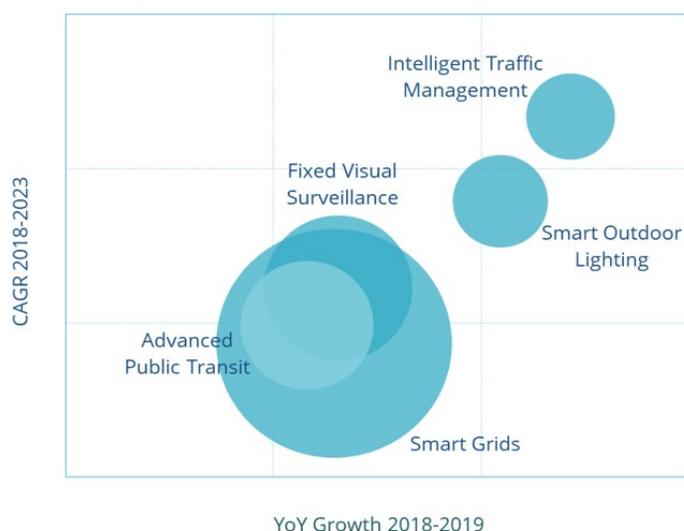
FRAMINGHAM, Mass., June 25, 2019 – A new forecast from the International Data Corporation (IDC) [Worldwide Semiannual Smart Cities Spending Guide](#) shows global spending on smart cities initiatives will reach \$189.5 billion in 2023. The top priorities for these initiatives will be resilient energy and infrastructure projects followed by data-driven public safety and intelligent transportation. Together, these priority areas will account for more than half of all smart cities spending throughout the 2019-2023 forecast.

"In the latest release of IDC's Worldwide Smart Cities Spending Guide, we expanded the scope of our research to include smart ecosystems, added detail for digital evidence management and smart grids for electricity and gas, and expanded our cities dataset to include over 180 named cities," said [Serena Da Rold](#), program manager in IDC's [Customer Insights & Analysis](#) group. "Although smart grid and smart meter investments still represent a large share of spending within smart cities, we see much stronger growth in other areas, related to intelligent transportation and data-driven public safety, as well as platform-related use cases and digital twin, which are increasingly implemented at the core of smart cities projects globally."

The use cases that will experience the most spending over the forecast period are closely aligned with the leading strategic priorities: smart grid, fixed visual surveillance, advanced public transportation, smart outdoor lighting, and intelligent traffic management. These five use cases will account for more than half of all smart cities spending in 2019, although their share will decline somewhat by 2023. The use cases that will see the fastest spending growth over the five-year forecast are vehicle-to-everything (V2X) connectivity, digital twin, and officer wearables.

Figure 1

Top 5 Use Cases by Size



Note: Bubble size indicates relative spending share in 2018
Source: IDC's Worldwide Semiannual Smart Cities Spending Guide, 2018H2 (May 2019)

Singapore will remain the top investor in smart cities initiatives, driven by the Virtual Singapore project. New York City will have the second largest spending total this year, followed by Tokyo and London. Beijing and Shanghai were essentially tied for the number 5 position and spending in all these cities is expected to surpass the \$1 billion mark in 2020.

On a regional basis, the United States, Western Europe, and China will account for more than 70% of all smart cities spending throughout the forecast. Japan and the Middle East and Africa (MEA) will experience the fastest growth in smart cities spending with CAGRs of around 21%.

"We are excited to present our continued expansion of this deep dive into the investment priorities of buyers in the urban ecosystem, with more cities added to our database of smart city spending and new forecasts that show the expanded view of smart cities, such as Smart Stadiums and Smart Campuses," said [Ruthbea Yesner](#), vice president of IDC Government Insights and [Smart Cities](#) programs. "As our research shows, there is steady growth across the globe in the 34 use cases we have sized and forecast."

IDC's [Worldwide Semiannual 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 34 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 182 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.

About IDC Spending Guides

IDC's Spending Guides provide detail on 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.

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For more information contact:

Serena Da Rold
sdarold@idc.com
+39 349 1806229
Michael Shirer
press@idc.com
+1 508-935-4200