

## 6. Conclusion

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In conclusion, there is potential for strong growth in the Data Centre Sector, primarily due to demand for data centre services arising from technology trends such as increasing digitization of information, growth of electronic commerce and increasing adoption of Cloud Computing. Taking into consideration Hong Kong's position as a key technology and telecommunications hub for the region, the territory is poised to benefit from this growth. Total RFS demand is expected to grow at a Compound Annual Growth Rate (CAGR) of 9.8 percent from 2.3 million square feet in 2009 to about 4.1 million square feet in 2015. It is reasonably expected that total RFS demand will continue to grow beyond 2015.

From an economic point of view, the Data Centre Sector's value added and employment contribution to Hong Kong's economy may be relatively small as compared to pillar industries such as Financial Services and Trading and Logistics. Nevertheless, industry players and relevant stakeholders agree that data centres are critical infrastructure that supports the rest of the economy. In addition, increasing adoption of Cloud Computing will have a significant bearing on the demand for, and provisioning of data centre services in the region.

Several issues exist which should be addressed to facilitate the growth of the Data Centre Sector and secure Hong Kong's position as a key hub for the region. These include issues related to the availability of suitable large land plots for development of high tier data centres. Potential measures could also be taken to address barriers related to the adequacy of power infrastructure/supply, as well as the demand for skilled manpower by the Data Centre Sector.

Given the criticality of the Data Centre Sector, **we recommend** that measures to facilitate further development of the sector be explored, by concluding that:

- High tier data centre demand for suitable space/land cannot be satisfied at current status quo; and
- Consequence of not being able to meet demand is putting the overall economic activities and competitiveness of Hong Kong at risk; and

Further deliberation is required to identify and assess potential facilitation measures, taking into consideration the practicality, benefits and implications of each measure.