

2020 Risk Radar: Technology Sector

May 2020

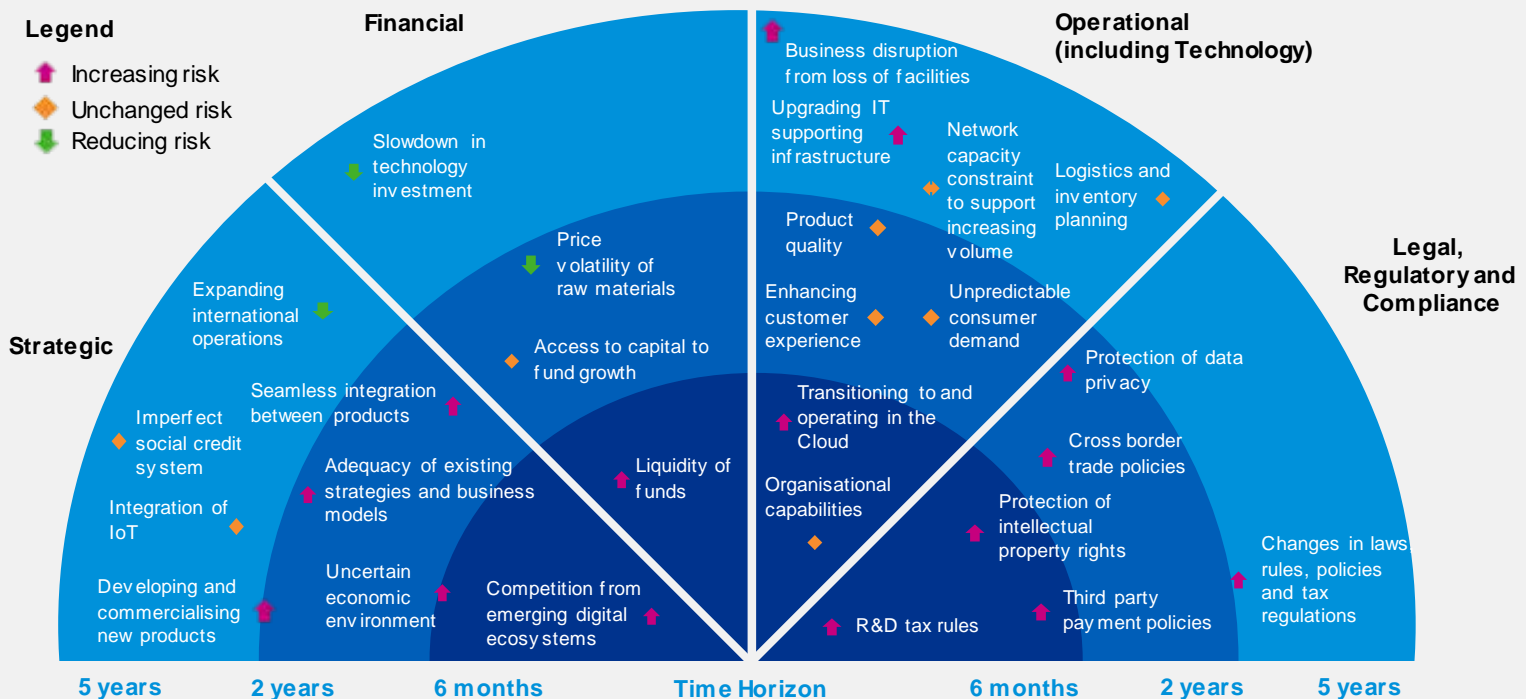
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COVID-19 has resulted in unprecedented changes in the way we live and work, and technology has emerged as an imperative tool both during and post COVID-19. The financial markets wiped out years of growth in one quarter, and many businesses came to a halt, but technology firms have been diligently working to address the spike in demand to keep people connected and to keep businesses operating. Technology companies have pivoted to address these new areas of demand, and the markets are recognizing the growth in value and potential for the technology sector based on its market performance.



Key trends observed in the market impacting the industry in the Greater China region:

- Businesses' technology implementation have seen increased investment and accelerated timelines as employers embrace collaboration and remote office technologies to keep the business running. It became rapidly clear which companies had under-developed technology and business continuity strategies, and must quickly catch-up.
- Distant learning became a reality for students overnight, and a number of technology companies are capitalizing on this opportunity to deliver the infrastructure, applications tools, and hardware to support learning from home.
- Contactless purchases and digital payments is an obvious choice in the age of social distancing - digital payments, e-wallets, online shopping, and contactless delivery has seen a surge in demand, while companies are urgently seeking opportunities to leverage AI and robots across the value and supply chain to become more agile and resilient.
- The increased reliance on technology has also given perpetrators opportunities for abuse, therefore cybersecurity is a top priority for management and users. Accordingly, regulatory bodies are also seeking to increasing their oversight.
- Public health officials are developing AI algorithms for disease surveillance and control - e.g. The Zhejiang Provincial Center for Disease Control and Prevention launched an automated genome-wide testing and mutation analysis platform.



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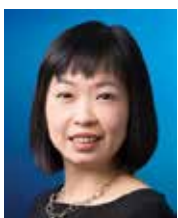
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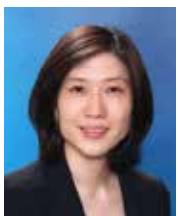
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