

For immediate release

Hong Kong SMEs' cyber awareness declines despite rise in cyberattacks, QBE survey shows

18 April 2023, Hong Kong – Small to medium-sized enterprises (SMEs) in Hong Kong are continuing to invest in digital technologies but have become less aware of cyber threats. According to research conducted at end of 2022 and released by QBE today, Hong Kong SMEs' cyber risk awareness has decreased to 36% from 43% in 2021, despite a rise in cyberattacks reported to the government's computer security centre.

Over the past three years, the adoption of digital technology in business has become a part of the new normal for many Hong Kong enterprises. QBE's survey reveals that some 62% of SMEs said their business had become more digitalised in the past 12 months, compared to 57% in 2021.

That modernisation looks set to continue with the top three digital technologies SMEs plan to spend on over the next 12 months being digital marketing (23%), e-commerce platform/software (23%) and software that enables staff to collaborate better (22%).

E-commerce revenue increases while cyber risk awareness declines

E-commerce has contributed greatly to the digitalisation of Hong Kong SMEs, as about 4 out of 5 (82%) companies said that they now buy and/or sell goods or services over the internet, a similar level compared to 81% in 2021.

In a first for the QBE annual SME survey, revenue from e-commerce surpassed traditional channels with more than half (51%) coming from digital channels and the remaining 49% from offline business in 2022. This is in comparison to 45% and 55%, respectively, in 2021. The SMEs surveyed also expect this trend to continue for the next 12 months.

Shifting focus to e-commerce brings new concerns too; increased competition (31%) and data security threats (22%) remain the top two concerns for SMEs.

Concerns about cybercrime are well-placed with an almost double-digit increase in security incidents in 2022 (9% year-on-year¹), according to the Hong Kong Computer Emergency Response Team Coordination Centre (HKCERT). One in ten SMEs, however, remain without processes or protection against cyber risks, and even less (29%) are controlling their cyber risk exposure through the purchase of insurance.

"Hong Kong SMEs are progressively digitalised, however with the continued increase in cyberattacks and the growing complexity of the security breaches we see, companies need multiple tools and strategies to keep their business systems and data secure. Software and staff awareness are essential, but SMEs should not overlook the value of cyber insurance as part of their risk management strategy," said Lei Yu, Chief Executive Officer for North Asia and Regional Head of Distribution at QBE Asia.

Digital channels preferred for SME insurance purchase

Local SMEs have become more comfortable conducting business online, including purchasing insurance. The 2022 survey revealed an upward trend in online insurance purchases – from 32% in 2020 and 37% in 2021 to 43% in 2022. SME insurance customers said their main reason for moving online was because it is easier to use, responses are quicker and that buying insurance online saves them time.

¹ Hong Kong Computer Emergency Response Team Coordination Centre (n.d.). *Statistics*. HKCERT. <https://www.hkcert.org/statistic>

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“QBE’s annual survey shows that companies are increasingly purchasing their insurance online, however many have limited awareness of the insurance products available to help them manage newer and emerging risks. The onus is on insurers and brokers to educate our SME customers on the most appropriate coverage for their risk profiles, as well as to ensure we make the purchase process – online or otherwise, as seamless as possible,” said Lei.

Commissioned by QBE Hong Kong, the SME Survey draws on the responses of 422 SMEs from a wide range of industries in October 2022.

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About the SME Survey

About QBE Hong Kong

QBE Hong Kong has been serving Hong Kong for more than a century. Today, QBE Hong Kong operations include QBE Hongkong & Shanghai Insurance Limited, QBE General Insurance (Hong Kong) Limited, and QBE Mortgage Insurance (Asia) Limited. As a leading general insurer, QBE Hong Kong provides a comprehensive range of non-life insurance solutions for both business and personal customers. QBE Hong Kong operates through an extensive network of professional insurance agents and brokers and has an exclusive distribution partnership with Hang Seng Bank and Manulife.

To learn more about QBE Hong Kong, please visit www.qbe.com/hk.

For further information please contact:

Felicia Song

Senior Manager, Marketing and Media Relations
QBE Asia
Mobile: (65) 9233 7387
Email: Felicia.Song@qbe.com

Austine Chan

FleishmanHillard Hong Kong
Direct: (852) 2586 7837
Mobile: (852) 6901 9629
Email: austine.chan@fleishman.com