

High-tech companies take on urban design with smart cities

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Hitachi Ltd., Toshiba Corp. and other major Japanese electronics makers are increasingly turning their sights toward "smart city" projects designed to create eco-friendly, energy-efficient communities.

In the wake of the March earthquake in Japan, smart cities are considered to be a crucial part of the government's energy-saving policy. Such projects are already under way overseas, particularly in urban developments in newly emerging economies.

Other electronics companies, including General Electric Co., are also gearing up to enter the [smart city](#) market, intensifying competition for orders.

The concept of a smart city refers to urban designs that maximize conservation of the environment by utilizing such [renewable energy sources](#) as solar and wind power, based on the introduction of a next-generation power supply control technology called a smart grid.

Hitachi plans to take part in smart city plans in Dalian, China, as well as one in the city of Kashiwa, Japan.

Urban development plans inspired by the smart city concept have been spawning a wide range of new demand for technologies such as [rechargeable batteries](#) and electric vehicles.

The market for smart city projects worldwide is expected to expand to

about 160 trillion yen in 2015 and 230 trillion yen in 2030, according to estimates by Nikkei BP Clean Tech Institute.

To ramp up its smart city development activities, Hitachi is considering setting up an in-house group specializing in smart city planning that would be self-supporting and responsible for its sales and profits.

The company has set a sales goal for its smart city department at about 350 billion yen (\$4.6 billion) for fiscal 2015, up 50 percent from fiscal 2010.

Toshiba plans to participate in 20 smart city projects in various parts of the world, including a demonstration model in Lyon, France.

With the aim of winning large number of smart city contracts, Toshiba established on Jan. 1 a department for planning information technology services under the direct supervision of the firm's president.

The company set a sales goal for its global smart city-related business activities for fiscal 2015 at about 900 billion yen, more than double the projected sales for fiscal 2011.

The smart city concept is also being incorporated into recovery projects for Japanese regions struck by the March's earthquake and tsunami.

Hitachi plans to help create an eco-friendly, energy-efficient city in Sendai, Japan, while Toshiba plans to realize its smart city ideas in the city of Ishinomaki, Japan.

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