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Australia Under Challenge in Global Ranking of Information Technology Competitiveness

AUSTRALIA, 27 September 2011 — The 2011 edition of the Economist Intelligence Unit’s IT Industry Competitiveness Index has found that Australia must do more to retain and improve its information technology standing against other economies around the world, the Business Software Alliance (BSA) reported today.

Australia slipped one spot to eighth place in the worldwide rankings despite a strong showing on indicators like the state of the country’s legal environment, support for IT industry development, its IT infrastructure and human capital.

Topping the overall rankings for 2011 are the United States, Finland, Singapore, Sweden, and the United Kingdom.

“Though Australia slipped slightly in this year’s rankings, we have done remarkably well in the legal environment and human capital categories,” said Clayton Noble, Co-Chair, BSA Australia. “International competition for IT leadership is increasing. Australian policymakers have an opportunity to build on our excellent regulatory foundations. We are running hard but we have to go even harder. The return will be worth the effort.”

This year’s Index finds that countries traditionally strong in IT are maintaining their positions of leadership because they have built up solid foundations for technology innovation through years of investment, and they are continuing to reap the benefits. But the global field of competition is becoming more crowded as new challengers, especially in developing economies, raise their games to meet the standards the leaders have set.

The biggest movers in this year’s Index compared to the previous edition in 2009 include Malaysia, which vaulted 11 spots in the overall rankings because of a surge in research and development activity, and India, which leapt 10 spots on the strength of its robust research and development and dynamic human capital environment.
“It is abundantly clear from this year’s IT Industry Competitiveness Index that investing in the fundamentals of technology innovation will pay huge dividends over the long term,” said BSA President and CEO Robert Holleyman. “It is also clear that no economy holds a monopoly in information technology. There is a proven formula for success, and everyone is free to take advantage of it. Because of that, we are moving to a world with many centers of IT power.”

“As the global economy starts to recover, it is more important than ever for governments to take a long-term view of IT industry development,” Holleyman said. “Policymakers cannot just look at this issue on an annual basis, or they risk being left behind. They must assess the next seven to nine years, and invest accordingly, in order to make substantive gains in IT competitiveness.”

Updated for the fourth time since 2007, the Index benchmarks 66 countries on a series of indicators covering the critical foundation areas for IT innovation: overall business environment, IT infrastructure, human capital, research and development (R&D), legal environment, and public support for industry development.

The 2011 IT Industry Competitiveness Index is available for download on BSA’s website at www.bsa.org/globalindex, along with interactive ranking tables, detailed country summaries, industry case studies, and video interviews with IT experts.

For more, please visit www.bsa.org/globalindex.

About BSA

The Business Software Alliance (www.bsa.org) is the world's foremost advocate for the software industry, working in 80 countries to expand software markets and create conditions for innovation and growth.

Governments and industry partners look to BSA for thoughtful approaches to key policy and legal issues, recognizing that software plays a critical role in driving economic and social progress in all nations. BSA’s member companies invest billions of dollars a year in local economies, good jobs, and next-generation solutions that will help people around the world be more productive, connected, and secure.

About the Economist Intelligence Unit

The Economist Intelligence Unit (EIU) is the world's leading resource for economic and business research, forecasting and analysis. It provides accurate and impartial intelligence for companies, government agencies, financial institutions and academic organisations around the globe, inspiring business leaders to act with confidence since 1946. More information is available at www.eiu.com or follow us on www.twitter.com/theeiu.