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UK Makes Top Five in Global IT Competitiveness Study

*Business Software Alliance study shows technology
contributes £102bn to UK economy*

London, 27th September 2011 — The UK has advanced one place in the Business Software Alliance (BSA) 2011 Global IT Industry Competitiveness Index to 5th position since the index was last published in 2009. Continuing to outperform the other large European economies including Germany, France, Italy and Spain, technology and content industries now contribute £102 billion in gross value-added to the UK economy, according to the Council for Industry and Higher Education.

Despite the deepest sustained period of public spending cuts since the 1940s, the UK only fell one place in the global rankings to 8th when it came to the business environment and remains among the world leaders at developing talent for the technology industry based on the quality of training and the skills its workers offer. The UK's R&D environment ranking has moved up one place to 11th thanks to improvements in IT-related patent activity in the years covered in the Index. IP protection and enforcement are strengths of the UK legal environment and continue to remain strong.

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.

This year's index finds that countries traditionally strong in IT are maintaining their positions of leadership in part because advantage begets advantage — 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.

India and China currently lie mid-rankings but both countries have gained ground in the Index since its inception. Having built competitive IT industries in the services and manufacturing sectors, both countries face a threat to their low-cost labour advantage as wages rise and commoditising businesses move to other emerging markets. As innovation gathers pace, the enforcement of intellectual property rights is likely to improve.

Europe continues to look attractive in terms of IT infrastructure and the legal environment, among other factors. However, the continent is failing to keep pace with other regions when it comes to human capital with suggestions rigid labour market regulations and a poor climate for investment in next generation broadband networks could slow the development of the IT sector in the future.

“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 country 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 centres of IT power. In the years ahead, policy and business decision makers in the UK have an opportunity to build on that momentum. We know from global experience it will be worth the effort.”

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. A number of other countries — including Singapore, Mexico, Austria, Germany and Poland — posted strong overall gains this year by showing new levels of strength across the board in all IT foundation areas.

“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. “Policy and business decision makers 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.”

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

Notes to editors

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

About BSA

The Business Software Alliance (www.bsa.org) is the leading global advocate for the software industry. It is an association of nearly 100 world-class companies that invest billions of dollars annually to create software solutions that spark the economy and improve modern life. Through international government relations, intellectual property enforcement and educational activities, BSA expands the horizons of the digital world and builds trust and confidence in the new technologies driving it forward.

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