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MEDIA CONTACT
Jordan Lubowitz, 202-326-1776
jordan.lubowitz@edelman.com

Despite New Challengers, US Remains World's Most Competitive Country in Information Technology
EIU study finds developing nations beginning to close the gap

Washington, DC — September 27, 2011 — Even while grappling with a multi-year economic downturn, the United States ranks as the world's most competitive country in information technology, the Business Software Alliance (BSA) reported today with its publication of the 2011 edition of the Economist Intelligence Unit's *IT Industry Competitiveness Index*.

The *Index*, updated for the fourth time since 2007, 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, legal environment, and public support for industry development.

Rounding out the top 10 in overall rankings for 2011 are Finland, Singapore, Sweden, the United Kingdom, Denmark and Canada — with Ireland and Australia tied for eighth, and the Netherlands and Israel tied for tenth.

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.

This year's study found that well-established IT powerhouses are maintaining their positions of leadership in part because "advantage begets advantage" — they have built up solid foundations for IT innovation through years of investment, and they are continuing to reap the benefits. But the field of competition is becoming more crowded as new challengers — especially in the developing world — 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. 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.

"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. We're seeing the fast-growing economies of the developing world invest heavily in things like research and development and human capital. They are moving away from a more singular focus on providing low-cost products and services. Because of that, we are moving to a world with many centers of IT power."

A number of countries slipped in this year's overall rankings or hovered in place after making gains in previous years. Among developed countries, for example, Canada dropped three spots overall after slipping in the areas of R&D and intellectual property protection, and the United Kingdom fell one place in the overall rankings in part because of lower enrolment in science and higher education. Meanwhile, among developing economies, China's upward progress slowed compared to previous years, partly because of its weak performance in protecting intellectual property rights.

"As the global economy starts to recover, it is more important than ever that governments 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."

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

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.

About the Economist Intelligence Unit

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