

FOR IMMEDIATE RELEASE**Contact:**

Lisa Randles, Communications Director, EMEA
+44 (0)20 7340 6080
lisar@bsa.org

EU Member States Positioned On Top of Global IT Industry Competitiveness Index

*Business Software Alliance urges EU leaders to adopt
pro-innovation policies and focus on key "IT competitiveness enablers"*

London, 17 September 2009 — The Economist Intelligence Unit IT Industry Competitiveness Index shows that European Union (EU) countries are prominently placed to leverage the information technology (IT) sector for long-term growth. Five of the top 10 countries on the index are EU member states with northern European countries including Finland (2), Sweden (3), Netherlands (5), and the UK (6) placing particularly well. Of the 24 EU countries included in the index, all but four are ranked in the top half. The 2009 IT Industry Competitiveness Index is created by the Economist Intelligence Unit and sponsored by the Business Software Alliance (BSA).

Now in its third year, the study assesses and compares the information technology (IT) industry environments of 66 countries to determine the extent to which they support the competitiveness of the IT sector.

"What we see is that EU countries are markedly well placed to capitalize on excellence in the technology sector to drive the economic recovery and long-term growth," said Francisco Mingorance, senior director, public policy Europe for BSA. "This study is timely as the European Commission president, Mr. Barroso, ponders a new digital agenda for Europe, and the new European Parliament sets to tackle economic and social challenges that IT can help overcome. European leaders should focus on the six key "IT competitiveness enablers" identified in the Index and work alongside industry to shape Europe into the world leader in information technology."

The 2009 IT industry competitiveness index is released on the heels of the European Commission's Digital Competitiveness report¹, which stated, "ICT policies have confirmed their role as a major driver of Europe's economic and social modernization and have made Europe more resilient in times of crisis. Today they are firmly anchored in European core policies for growth and jobs."

¹ [Europe's Digital Competitiveness Report](#), 4th August 2009

Six Key Competitiveness Enablers

According to the Economist Intelligence Unit, six factors work together to create a sound environment for the IT sector: an ample supply of skilled workers; an innovation-friendly culture; world-class technology infrastructure; a robust legal regime that protects intellectual property and supports cyber security; a stable, open, and competitive economy; and government leadership that strikes the right balance between promoting technology and allowing market forces to work.

Those countries that perform well in these six “competitiveness enablers” are well placed to support high-performance IT industries. The study is intended to provide a roadmap for governments in addressing their strengths and weaknesses when it comes to supporting a strong domestic IT sector.

Other findings from the Economist Intelligence Unit research:

- Broadband networks are a vital factor for IT competitiveness, and the competitiveness gap could widen for countries with slower adoption.
- Investment in skills development, including a combination of IT, business and language skills training, remains a long-term imperative.
- Protectionism and support for ailing ‘national champions’ will hinder recovery efforts — and longer term sector competitiveness.
- Intellectual property (IP) regimes are improving in many emerging markets, but further progress is needed. IP protection is critically important to IT competitiveness and is a relatively low-cost way of stimulating long-term economic development.

"Globally, the IT sector has ridden out the crisis reasonably well, despite reduced technology spending," says Denis McCauley, director of global technology research with the Economist Intelligence Unit. "Rather than pushing short-term measures designed to boost sector output or support ailing IT producers, policymakers need to remain focused on strengthening the fundamental enablers of long-term sector competitiveness."

For more information on the index results and the methodology, see “Resilience amid turmoil: Benchmarking IT industry competitiveness 2009,” available free of charge at www.bsa.org/globalindex.

About the Economist Intelligence Unit

The Economist Intelligence Unit is the business information arm of The Economist Group, publisher of The Economist. Through our global network of over 650 analysts, we continuously assess and forecast political, economic and business conditions in 200 countries. As the world's leading provider of country intelligence, we help executives make better business decisions by providing timely, reliable and impartial analysis on worldwide market trends and business strategies.

About the Business Software Alliance

The Business Software Alliance (www.bsa.org) is the foremost organization dedicated to promoting a safe and legal digital world. BSA is the voice of the world's commercial software industry and its hardware partners before governments and in the international marketplace. Its members represent one of the fastest growing industries in the world. BSA programs foster technology innovation through education and policy initiatives that promote copyright protection, cyber security, trade and e-commerce. BSA members include: Adobe, Altium, Apple, Autodesk, Bentley Systems, CA, Cadence, Cisco, Corel, CyberLink, Dassault Systèmes SolidWorks Corporation, DBA Lab S.p.A., Dell, Embarcadero, Famatech, FrontRange Solutions, HP, IBM, Intel, Intuit, Mamut, Materialise, McAfee, Microsoft, Minitab, NedGraphics, O&O Software, Quark, Quest, Ringier-Informatik, Rosetta Stone, SAP, Scalable Software, Siemens, Staff & Line, Sybase, Symantec, Tekla, The MathWorks.

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