

## North East rides tech wave after digital business births rocket

- Digital tech businesses started in Newcastle soared by 154% in the five years to 2016
- Digital tech jobs are growing across the region by an average of 13% a year

Newcastle, 27 June 2018

The number of digital tech businesses started in Newcastle soared by 154% from 2011 to 2016, according to research from Tech Nation, the new organisation that seeks to accelerate the digital tech sector and help ambitious entrepreneurs to grow their businesses.

Some 134 digital tech businesses were founded in Newcastle during 2016, the fifth year to see an acceleration in the number of digital tech businesses started in the city. Tech clusters are springing up in other cities in the North East region as well, with digital tech jobs growing on average by 13% across the region. The number of digital tech jobs in Newcastle grew by 8 per cent in 2017, by 12% in Sunderland and by 19.5% in Middlesbrough.

The cities are all singled out in Tech Nation's 2018 state of the nation report. Other fast-growing tech clusters in the region include Durham and Darlington.

Tech Nation on Tour will meet entrepreneurs, founders and tech ecosystem experts in Newcastle on 27 June, five days into the 11 week Great Exhibition of the North which will highlight the region's creativity and history of innovation and business success. Tech Nation's chief executive and Dr. George Windsor, insights lead, will present data on the North East region and lead a discussion on the challenges faced by local entrepreneurs and startups at TusPark, the first UK accelerator from a company started by Tsinghua University aimed at UK companies looking to enter the Chinese market.

Gerard Grech, chief executive at Tech Nation, said: "The North East has a fast-growing tech sector with great companies such as the Performance Horizon Group and ZeroLight showing that the conditions are becoming even more ripe for digital tech businesses. The region has a long industrial tradition and this is now being applied to found a new generation of companies with massive potential. Data from our latest Tech Nation report has shown that the sector is worth almost a £1bn in turnover and is adding jobs steadily."

David Dunn, CEO, Sunderland Software City said: "The North East has a lot to offer with five universities delivering a pool of highly skilled programmers and developers and an impressive cluster of tech companies already based here. The digital tech sector is providing new hope of great careers for younger generations in the North East and we expect the number of new companies formed here to keep rising as people see what can be achieved from this region."

Jo York, co-founder and CCO at Ricochet Technologies, said: "These are exciting times to be working in the North East digital tech sector. There's huge potential in developing new

technologies that affect every area of our lives. I'm looking forward to seeing how North East innovators can become world leaders in all kinds of new technologies."

The North East, home to Sage Group, the UK's largest tech company, has demonstrated steady growth in digital tech businesses in the last five years and a number of new initiatives will help the trend. Both the National Innovation Centre for Ageing (NICA) and the National Innovation Centre for Data (NICD) will be built in Newcastle. These centres will link research and academic talent at the University of Newcastle with industry and the public sector, to help develop skills needed to solve real world problems. The NICD will enable industry to unleash the huge potential for innovation offered by the explosive growth in digital data, which will benefit the UK economy and society. A third initiative from Newcastle University - the National Institute for Health Research Innovation Observatory - will apply Big Data analytics tools, from text mining, machine learning and cognitive analytics to health innovation.

A £120m fund to help support new businesses in the region is now live and is expected to stimulate the North East's tech sector even further. The North East Fund could support 600 businesses and help create around 2,500 jobs over the next five years.

Other initiatives in the region include:

- Sunderland is one of three test areas in the country for a low power wide area network (LPWAN) which will help to support adoption of internet of things devices in areas as diverse as healthcare and manufacturing
- North East Futures UTC (university technical college), the first in the region, opens in September, in partnership with Sage, Accenture, Ubisoft, the NHS, Dynamo, the University of Sunderland and Academic Health Science Network
- Middlesbrough's reputation as a digital tech cluster was boosted when it was named as one of the top 10 small cities in Europe by fDi Intelligence.
- Teesside University's specialism in animation has helped spawn a host of companies in the area. The city hosts the UK's largest festival of animation and computer games, which attracts big names from around the world.