

Tech Nation Unlocking Global Tech Report reveals 68% growth in UK global tech exports, and 35% further growth prediction by 2025

- UK exports are booming: trade surplus (imports vs exports) has increased by 68% over the last four years, to £12.8bn in 2019
- UK digital tech exports are currently projected to grow by 35% by 2025, resulting in an additional £8.15bn worth of tech exports and bringing total digital tech exports to £31.45bn by 2025
- Tech Nation's CEO Gerard Grech argued that: *"UK founders, government and industry leaders should all be gearing up to double tech exports by 2025, in the aftermath of both the pandemic and Brexit"*
- Post-Brexit, UK tech companies should be looking to the US, Israel, Canada, Germany and The Netherlands as the most attractive export markets, and Brazil and Singapore are the fastest rising global opportunities for UK businesses to trade with, according to Tech Nation's *Global Opportunities Index*
- The UK is currently 5th greatest digital tech services exporter in the world at £23.3bn in 2019, behind India, the US, China and Germany

3rd September 2020: Tech Nation, the growth platform for tech companies and leaders, today launches its [Unlocking Global Tech](#) report, assessing the value of UK digital tech exports and exploring the opportunities and challenges for digital tech companies to expand and scale in different regions around the world post Covid-19.

The report found that the UK was the 5th greatest digital tech services exporter in the world, at £23.3bn in 2019, sitting behind India, the USA, China and Germany in the global rankings. This position is driven by a relatively high number (7,497) of high growth exporting tech companies in the UK, many of which are yet to realise their full exporting potential.

UK digital tech services currently export a much greater value of goods than they import, generating a significant trade surplus of 55% in 2019. This compares favourably to the average trade surplus among the top 57 countries globally, which is 48%. UK digital tech trade surplus has increased by 68% over the last four years - from £8.7bn in 2015 to £12.8bn in 2019 - now just behind the Insurance sector (£16.9bn) and Financial Services (£43.4).

The report also shows that the US was the biggest importer of global digital tech services in 2019, valued at £34bn, followed by Germany at £33bn and China at £21bn. India, Japan, and Brazil have seen the biggest growth in the level of tech services they import - by 29%, 24% and 17% respectively between 2018 and 2019.

Boosting export growth

According to recent projections (Oxford Economics, August 2020), digital tech is currently on the path to boosting exports by an additional £8.15bn, bringing total digital tech exports to £31.45bn by 2025. **Tech Nation's Chief Executive Gerard Grech comments upon this estimate:**

“The UK is a natural home for many scaling tech businesses, and there are a proportionally high number of scaling tech businesses located here that are already well-established in delivering domestic tech services. The UK is also third in the world for the number of UK tech unicorns, and number one in Europe. These factors give us a strong conviction that UK founders, government and industry leaders should all be gearing up to double tech exports by 2025, in the aftermath of both the pandemic and Brexit. By doubling exports, UK tech could contribute an additional £23bn to the economy per year by 2025 and move up the ranks to become a top global exporter of tech.”

Tech Nation's Global Opportunities Index: The UK leads Europe for Digital Trade conditions

Looking ahead at where global opportunities lie for UK digital tech service companies to boost exports, Tech Nation has created a *Global Opportunities Index* that ranks the top 25 countries in order of which are the most attractive countries to do business with.

The USA and the UK are first and second in the world respectively for digital tech trading opportunities. This is driven by UK online retail and e-commerce sales, which were valued at £688.4bn (which also includes domestic sales) in 2018 - more than 8x that of France, with £82bn. For UK tech companies, Singapore and Brazil are the fastest rising global opportunities for trade, climbing 5 and 17 places respectively in the country rankings for global tech opportunity between 2019 and 2020.

The rankings are determined by factors that contribute to the attractiveness of a location for doing business, with an emphasis on digital tech products and services. Variables such as infrastructure, access to talent and education levels, ease of doing business, regulation, language and consumers are weighted and aggregated to give a sense, for each country, of the opportunity for trade.

Rank	Country	Change in rank on 2019
1	United States	0
2	United Kingdom	0
3	Israel	+1
4	Canada	-1
5	Germany	+4
6	The Netherlands	0
7	Australia	-2
8	Switzerland	0
9	Spain	+1
10	Sweden	-3
11	Estonia	2
12	France	-1

13	Finland	-1
14	China	13
15	Lithuania	3
16	Singapore	+5
17	Russia	-2
18	Ireland	-4
19	South Korea	0
20	Brazil	+17
21	Japan	+2
22	Denmark	-6
23	India	-6
24	Belgium	0
25	Italy	0

Join Tech Nation's 'Unlocking Global Tech' event on Tuesday 8 September, part of London Tech Week, where we will navigate across the globe, hearing from leading tech figures in Australia, Singapore, Europe, the UK and US to discover how to expand and scale in different regions post Covid-19. Register free [here](#). Read the full report [here](#).

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Quotes

Exports Minister Graham Stuart said: "Today technology plays a vital role in almost all sectors and its importance has only increased during the pandemic. So, it's unsurprising that the sector is and will continue to drive our economic recovery.

"With UK digital tech exports projected to grow by 35% by 2025, this report shows the potential UK exporters have in the sector. The trade agreements that we are currently negotiating will create an exciting future, allowing businesses to export their goods and services across the world more easily.

"London Tech Week is a fantastic opportunity for British businesses to showcase their talent and provide innovative solutions to the challenges we face. Our tech innovators come from every region of the UK, in fact 25% of Europe's cities with the highest investment in technology last year are located here in the UK, proving the strength of our world-class tech sector."

Digital Minister Caroline Dinenage said: "The UK is Europe's tech capital and these figures reinforce our industry's reputation as a truly global player.

"It's great to see our digital exports booming which will help create more jobs and opportunities for people up and down the country.

"We are investing heavily in the nation's digital infrastructure as well as in people's digital skills which puts British firms in an unparalleled position to seize new, global opportunities on the horizon."

HM Trade Commissioner Natalie Black CBE said: "Asia Pacific is the growth opportunity for UK tech companies looking to expand overseas. It is great to see Australia, Singapore, Japan and South Korea all ranked in the Top 25 countries on Tech Nation's Global Opportunities Index. I look forward to working with Tech Nation through our Digital Trade Network to help more UK tech firms grow in this part of the world."

Antony Phillipson, British Consul General in New York and HM Trade Commissioner for North America, comments: "The US is ranked first in the world for digital tech trading opportunities, and the UK ranks second, according to Tech Nation's Global Opportunities Index. Additionally, US investors accounted for 24 percent of all investment in UK tech companies in 2019. As we look to exploit future UK/US trade opportunities, growth in this sector is key to keeping our economies competitive in a global context."

Richard Burn, HM Trade Commissioner for Europe, comments: "The UK's Exports to the EU and wider Europe are critical to the UK tech sector. Covid19 has created and accelerated new markets in edtech, medtech, fintech, autonomous manufacturing, robotics, and more, all of which will play a major role in our economic recovery alongside existing strengths like cybersecurity, artificial intelligence, smart cities, Industry 4.0."

The UK's tech sector is the home of forward-thinking innovators, the home of scale-ups. There is no better place for ambitious tech companies to take their businesses global than the UK. The UK fosters talent, has the networks, tech-savvy customers, the business-friendly regulations and remains at the centre of global commerce, making it the best place for tech companies to base themselves and grow.

The Department for International Trade is here to help with a major technology campaign. At London Tech Week we are celebrating the first European Tech Women Awards and later this month we will launch the European Tech Rocketship Awards, designed to identify Europe's brightest scale-ups and give them access to the UK's unrivalled platform for growth. This spirit of international collaboration remains central to the UK's position as a global tech leader. We look forward to supporting the Unicorns of the future."

Joanna Crellin, Her Majesty's Trade Commissioner for Latin America and the Caribbean, comments: "It's an exciting time for the UK's tech sector and the fact that Brazil has done so well in the Tech Nation's Global Opportunities Index showcases the immense amount of exciting work we have ahead. This is the perfect timing for Brazilian companies to connect with partners in the UK and take their tech and experience to the next level."

Carlo Gualandri, Founder and CEO, Soldo, said: "Companies operating within the UK's rich tech ecosystem have plenty of opportunities for growth and scalability. At Soldo, we made the deliberate choice to have a London HQ because of the copious talent, innovation and funding opportunities available. Over the past few months, this has helped us to secure Series B funding and expand into several new European markets."

“As for what’s next, Covid-19 has only accelerated the pace of digital transformation, and it is great to see UK tech companies leading this charge and paving the road to recovery.”

Notes to the Editor

Method

Digital tech services exports by 2025

According to Western Union and Oxford Economics, digital tech exports are expected to grow by 35% YoY from 2019 to 2025. This assumes no changes in any other country and a YoY increase in UK exports culminating in doubling of the export figure by 2025 - the conservative figure is 35% increase, and the extreme 'ambition oriented' figure is 100%.

The £8.15bn is an estimate for just digital technology - for context, Financial services exported £63bn in 2019, Insurance £20bn, Construction services £3bn. The change in digital tech exports by £8bn over five years (if all other service exports were to remain static) would be to rise above Transport (£30bn in 2019) but still fall below Travel services at £39bn in 2019.

2019 Telecommunications, computer and information services exports in 2019 were £23.3bn (Sources: ITC, UNCTAD, WTO trade in services database, Office for National Statistics, 2019) projected to grow by 35% from 2019 to 2025 (Western Union and Oxford Economics, 2020)

Digital tech trading opportunities

Using data from StartupBlink and Marketselection.net. The rankings are determined by factors that contribute to the attractiveness of a location for doing business, with an emphasis on digital tech products and services. Variables such as infrastructure, access to talent and education levels, ease of doing business, regulation, language and consumers are weighted and aggregated to comprise the index, to each country a sense of the opportunity for trade.

Data for the Index

The Global Opportunities Index uses four main data sources, explained below.

Data is combined by understanding the relative position of a country, to create a standard set of metrics across variables - so if Australia had the highest figure for educational attainment, it would be 100, and if Nicaragua had the lowest, it would be 1. This is repeated across all 47 variables, including disposable income, internet users, GDP per capita, and so on. The index therefore gives a relative sense of the opportunity available in a given country for the user.

ITC Market Access

- The report uses data from the ITC’s Market Access Map in the index, and in reporting on trade. This data is collected directly from institutions such as Ministries (Foreign Affairs, Finance and

Trade), Legislative Bodies, Specialised Directions (Customs Services, Taxes Directions and Revenue Authorities), Permanent Missions to the United Nations and to the World Trade Organization, as well as Regional Institutions.

- The Market Access Map extracts customs duties from the collected official documents. The extracted content is then cleaned, formatted and compiled by the ITC.

Startup Blink

- This report uses 2020 data from StartupBlink.
- The data covers 1,000 cities and 100 countries, and results are composed from a variety of sources, including a crowdsourced database of tens of thousands of startups, accelerators, and coworking spaces, among other entities.
- For more information see the global startup ecosystem map at www.StartupBlink.com.

Marketselection.net

- Data from Marketselection.net was used alongside StartupBlink and ITC Market Access in order to provide information about characteristics of countries and the propensity for UK based digital tech companies to trade there. There are 48 variables included in the data, which was used to create the filterable table for users to assess market conditions. These variables include GDP per capita, tech service imports, internet users, infrastructure, ease of doing business, disposable income, corruption and cultural difference (including language barriers).

OECD, World Bank

- OECD and World Bank data was used to form a relative understanding of tech service imports and exports. This was used in the filterable tool to understand the relative size of markets, and determine the opportunity for UK digital tech companies export to, or trade with these markets.

Note: Digital tech export, import and trade surplus data excludes Ireland. Definitions of digital tech service exports mean that activities such as customer services, call centre functions and administrative support for countries headquartered outside of the exporting nation are included, and would thereby misrepresent the export landscape for the purposes of describing exports of digital tech products and services.