

Birmingham set for rapid tech growth as city embraces 5G trial

- **41,550 digital tech jobs in Birmingham**
- **Birmingham's digital tech sector is worth £1.7bn**
- **26% of Birmingham digital tech workers from a BAME background**
- **Turnover of digital tech businesses reaches £2.2bn in 2017, up 6%**
- **293 businesses founded in 2016**

Birmingham 19 September 2018

Birmingham is building on its engineering history and success in manufacturing with a new focus on digital technology. The Midlands city is seeing entrepreneurs choose to base themselves in the West Midlands region and is primed for rapid growth in the next few years, as West Midlands mayor Andy Street steps up the focus on the digital technology sector.

Earlier this month, it was announced that Birmingham had beaten off other regions to become the UK's first large-scale test bed for 5G technology. The technology, which provides broadband speeds up to 100 x faster than 4G, could see buses, hospitals and the emergency services use 5G to better get information to customers and patients. It will also encourage a new generation of startups to the area to take advantage of world-class streaming and broadband.

According to Tech Nation research, Birmingham's digital tech sector grew steadily between 2006 and 2016, with a 351% increase in the number of businesses formed per year. Between 2011 and 2015, Birmingham has had an average of 557 business births a year. Turnover of the sector grew by 6% last year, outstripping the growth of the wider economy. According to the Centre of Entrepreneurs, 12,108 businesses were started in Birmingham last year, more than in any local authority outside London. The region also boasts one of the UK's most diverse digital tech workforces, with 26% of workers having a BAME background, compared to a UK tech workforce average of 15%.

Tech Nation on Tour arrives at Fazeley Studios on 19 September when entrepreneurs, founders and tech ecosystem experts will assemble to debate the opportunities for developing startups in the West Midlands. Tech Nation sees Birmingham as a crucial node in the development of a national network to encourage ambitious entrepreneurs and startups right across the nation.

Data on Birmingham will be presented by Tech Nation's insights team which will feed into a discussion on the challenges faced by local entrepreneurs and startups. The panel discussion will be moderated by Cliff Dennett, head of business development at Innovation Birmingham and will involve the CEOs of two Birmingham tech companies - Melissa Snover, CEO at Magic Candy Factory and Jill Palmer, CEO of Click Travel, as well as Julia Hawkins, partner at venture capital firm LocalGlobe and Tong Gu, investment lead at investor ADV.

MB Christie, chief operations officer at Tech Nation, said: “Birmingham’s digital tech sector has been growing quickly but we anticipate even more growth is to come as investment is attracted to the region by new infrastructure including the trial of 5G networks. One of the most impressive stats about Birmingham is also that its talent pool is the second most diverse in the country (after London). This bodes well for companies that move or base themselves here, particularly when recruiting skilled staff is a challenge.”

Melissa Snover, CEO at Magic Candy Factory, chose to base her 3D printing business because of a 3D printing degree at Birmingham University. “We started our business here because it has excellent transport links to London and the rest of the UK and is surrounded by prestigious universities who specialise in 3D printing, as well as having many other creative and innovative startup businesses. It’s a helpful, thriving startup community and initiatives like the Midlands Engine Investment fund are really creating a buzz around the region.”

One of the region’s best known digital tech companies is video games maker Codemasters, which listed on the UK AIM market in June, raising £185 million. Headquartered in Leamington Spa, 28 miles from Birmingham, Codemasters is the company that creates official Formula One games and has helped to stimulate a network of gaming companies in the area.

Ross Spencer, head of marketing at Click Travel, a Birmingham next-generation travel management company which has recently attracted multi-million pound investment, said: “There’s a real confidence about the city now which is great to see. For Click Travel Birmingham is a great place to base a business that is outward looking and has ambitions to revolutionise business travel through embracing new technology.”

Rising Stars

Tech Nation will also be launching Rising Stars, a new national competition for early-stage tech companies at the Birmingham event. Rising Stars builds on the success of Northern Stars which has successfully supported over 30 companies in the last three years. The competition aims to find the UK’s best tech startups from all across the UK, and provide them with a great package of prizes to raise their profile and help them take their startup to the next level. Applications are open now at <https://technation.io/rising-stars/>.

According to EY research, Birmingham is one of the fastest growing cities in the UK, with a growth forecast Gross Value Added (GVA) of 1.9% until 2020 – outpacing the West Midlands (1.8%) and UK average (1.5%). The city ranks in fourth position in the top 20 inward investment locations in the UK, with 21 projects locating in Birmingham last year.

A key part of Birmingham’s success in attracting tech talent and businesses is the city’s strong relationships between universities and businesses. Businesses frequently cite the availability of talented graduates as a key reason for choosing to base themselves in the city. There are 18 high quality universities within an hour of Birmingham centre, helping to supply a steady flow of talent and attract people from out of the region as well.

Three other Midlands startups that have attracted investment recently are Voxpopme, which provides video analytics for the likes of Tesco and Microsoft; Swoopos, a mobile payment company; and Clarilis, which provides drafting automation solutions to the legal industry.

Birmingham's first ever coding bootcamp, School of Code, launched in September 2017 and is seeing great success in getting its alumni into tech jobs. Meanwhile the Government's £250m Midlands Engine Investment Fund launched in March this year, with the aim of driving economic growth across the Midlands through financial support for SMEs.

Another boost to the region's confidence and economy is that Birmingham will host the 2022 Commonwealth Games. Birmingham's optimum position within the country will also be enhanced when HS2, a high speed railway connecting London and Birmingham in just 49 minutes, opens in 2026.