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BSA | The Software Alliance Releases First-Ever Report Showing Software Industry contributes £125 billion to UK Economy

Software supports £125 billion of UK's GDP, millions of software industry-related jobs, and billions in R&D investment

LONDON — November 22, 2016 — Software is making a profound impact on the UK economy, contributing £124.8 billion to its GDP (including indirect and induced effects), supporting almost 2.6 million high-quality, well-paying jobs and investing £1.76 billion in R&D. These are the key findings of the report "**Software: A €910 billion Catalyst for the EU Economy**" published today by BSA | The Software Alliance, incorporating data and economic impact assessment conducted by The Economist Intelligence Unit.

The report captures the breadth of the software industry and the economic impact it is making in the EU and its five largest Member States. The report also explores the broader benefits of software and how it can be used as a tool by governments, businesses and citizens.

Noteworthy findings include:

- **Software contributes £124.8 billion a year to the UK economy.** The software industry directly added £50.9 billion to the UK economy in 2014, which is equivalent to 2.9% of its GDP. When factoring in its full effect (including indirect and induced effects), software's contribution hovered around 7.1% of UK GDP, contributing £124.8 billion to the country's economy.

- **Software supports nearly 2.6 million jobs in the UK.** The software industry in the UK supports the employment of 2,585,792 people – more than twice the size of the entire population of Birmingham. This is equivalent to 8.4 percent of all jobs in the UK. The software industry directly employs 651,096 people, and research shows the industry supports a further 1,934,696 jobs when including indirect and induced effects.

- **The software industry contributes 9.7 percent of private domestic R&D**. Software companies invest strongly in R&D – £1.76 billion in 2013. This is equivalent to 9.7 percent of total private sector research expenditure in the UK.

- **Software is driving economic gains in Member States**. Member States' economies and workforces are benefitting from new jobs that fit our modern digital economy, and opportunities driven by software advances.

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- **In Germany**: The software industry contributes a total of €152.6 billion (£119 billion) (including indirect and induced effects) to the German economy, or 5.2 percent of German GDP. It also supports a total of 1,915,787 jobs (including indirect and induced effects), or 4.5 percent of all jobs in Germany.

- **In France:** The software industry contributes a total of €113.1 billion (£88.1 billion) (including indirect and induced effects) to the French economy, or 5.3 percent of French GDP. It also supports a total of 1,198,304 jobs (including indirect and induced effects), or 4.4 percent of all jobs in France;

"Unlike traditional industry sectors, software doesn't need an external catalyst for change – it is the catalyst," said Victoria Espinel, President and CEO of BSA | The Software Alliance. "Software will continue to revolutionise how we work, communicate, plan, and create, in ways that we can only now begin to fathom. Software-driven data innovation and data analytics are leading to benefits throughout broad sectors of the EU economy. Every aspect of every business and every government department depends on software to become more inventive, more creative, more competitive, and more efficient."

"We urge regulators to seize the opportunity to craft a regulatory framework that will allow such promising technology to thrive," continued Espinel. "Championing the free flow of data across borders, opposing mandates on data localisation, fostering IoT technology applications, and pushing for the development of the next generation of digital standards in international fora would send a strong signal that the UK is ready to fully embrace the benefits of software."

To view BSA's full report, methodology and source material, and specific examples of software-driven data tools which are improving our lives each day, visit www.bsa.org/EUSoftwareImpact.

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BSA | The Software Alliance (www.bsa.org) is the leading advocate for the global software industry before governments and in the international marketplace. Its members are among the world's most innovative companies, creating software solutions that spark the economy and improve modern life. With headquarters in Washington, DC, and operations in more than 60 countries, BSA pioneers compliance programs that promote legal software use and advocates for public policies that foster technology innovation and drive growth in the digital economy.