

LONDON – EUROPE'S ICT HUB

London is a global centre for new, emerging and converging technologies. With its tech-savvy businesses and a culture of early adoption, London leads the way in the growth areas of mobile, broadband and wireless technologies.

- At \$27 billion, London represents over 20% of the UK technology market and is the largest in Europe.
- London's IT services market is growing at 6% per annum.
- IT software and services in London have experienced particularly rapid growth in recent years. With the largest concentration of companies anywhere in Europe, this cluster contributes \$12.4 billion to London's economy.
- Software is the fastest growing market segment with annual growth of 9% forecast to 2010.
- The London IT services market is Europe's largest growing at over 7% a year, with growth particularly strong in application integration and new implementation.
- The UK is Europe's second largest national telecoms market, worth \$90 billion; 5% of the global total.
- With world class financial and business

services, an advanced fixed and mobile telecoms market, creative industries, life sciences, design and environmental sectors; London has all the partners, suppliers and clients to support a thriving technology sector.

- The UK's public sector is forecast to spend 40% more than France or Germany on IT. Most of these projects are coordinated by government departments based in London.
- London's reputation as the leading European location for IT is confirmed by the latest edition of the European Cities Monitor which lists London as the top location in terms of IT infrastructure.
- London is Europe's most e-enabled location with more than 63% of Londoners and 100% of companies having access to broadband, making London Europe's largest on-line market.
- London is at the forefront in developing Europe's third generation wireless networks. All the major networks, hardware and application providers are present in London, attracted by the city's culture of early adoption, illustrated by the rapid roll-out of wi-fi networks.
- London has 7,130 wireless access points

- more than New York or Paris with 6,371 and 825 respectively.
- The growth of wireless networks in London has been driven by businesses building wireless networks which grew by 18% in 2006.

Top business location

- 19 of the top 25 software and services suppliers have their HQs in London and all 25 are represented - including Accenture, Cap Gemini, CSC, EDS, Ernst & Young, Compaq (HP), IBM, Fujitsu, KPMG, Logica CMG, Microsoft, Oracle and Atos Origin.
- Together these contribute to a UK software and IT services market valued at around \$55 billion in 2007 and set to grow to \$65 billion by 2010.
- Other world leading e-business software vendors and developers based in London include SAP and Siebel plus Symbian and Orchestream.
- London is the preferred European location for the growing Indian software and services sector: TCS, Polaris, Infosys, Wipro, HCL, PentaFour, Sonata and Tata Infotech are all based here.
- It is also Europe's centre for games - development, studios and publishers e.g. Eidos, Gameplay, Infogrames, Kuuju, M4, PlayerX, Sci, Ubisoft and Sony, Acclaim, Sega, Konami.

- London attracts the world's leading telco players e.g. BT, Orange, O2, Cable & Wireless, Colt, Deutsche Telekom's T-Systems, Teliasonera International and Telstra
- Alcatel-Lucent, Cisco, Motorola, Nokia, Nortel and Sony Ericsson also have a London presence.

- Internet portals, service providers and exchanges all cluster London; AOL, MSN, Google, Yahoo!, BT, Talk Talk, Tiscali, Virgin Media, Band-X and London Satellite Exchange.
- Leading computer equipment manufacturers with headquarters in London include: Fujitsu, NCR, Psion and Samsung.
- Global radio, television and broadcasting equipment companies in London include: Raytheon Systems, Samsung Electronics and Thales.
- Major companies operating in the semiconductor market with offices in London include: NEC, Premier Farnell, Sumco and Toshiba.

More Opportunities

- With London hosting the Olympic and Paralympic Games in 2012, the capital's economy is set to grow by over \$80 billion.
- It is estimated that \$14 billion will be spent on IT systems in London in the lead up to 2012, including over \$388 million on information systems, \$158 million on

telecommunications and \$24 million on internet applications.

- London-based venture capital firms in the technology sector include: 3i, Advent Venture Partners, Amadeus Capital Partners, Apax Partners, DN Capital, Kennet Capital, Top Technology Ventures and Unilever Ventures Limited.

- London companies received \$830 million of VC funding in 2005; 18% of the European total.

- London is Europe's largest data centre with thousands of businesses putting their storage and data needs into the hands of firms such as Global Switch, Telehouse and TeleCityRedbus

- The fact that London has the greatest concentration of call centres in the UK and is Europe's leading design and media centre also stimulates demand.

- The London Internet Exchange (LINX), based in London's Docklands, has significant links with the US, Netherlands and Japan. About half of the world's internet routes can be accessed through LINX, the largest and most significant internet exchange point outside the US.

London for talent and innovation

- London-based companies have access to a pool of 540,000 experienced IT professionals and technology graduates.
- 27% of all UK telecoms staff is based in London

- London also has the greatest concentration of specialist IT recruitment consultants in Europe.

- An important R&D sector, London's universities carry out world-class IT-related research e.g. Imperial College, Kings College, University College London (UCL), City University, Queen Mary University of London (QMUL) and South Bank University.

- Research specialisms include: intelligent systems, distributed systems, geographical information systems (GIS), computer vision & image processing, virtual reality & computer graphics, information systems and software engineering.

- There are over 30 telecoms research groups across areas such as wireless, optical, network management protocols and RF design radar / sonar.

- Effective technology transfer is one of London's core IT strengths, backed by mentoring, incubation and science parks.

- The London Technology Network promotes innovative collaborations and assistance to stimulate technology-intensive innovation between universities and business

www.ltnetwork.org

- London has a strong network of established incubators, early stage venture capitalists and business angel networks, providing access to finance and bridging the key funding gap between investment and revenue streams.

- Across London there are incubators and science parks offering expertise to local businesses e.g.:

- Brunel Science Park
www.brunelsciencepark.co.uk
- South Bank Technopark www.lkic.com
- Knowledge Dock
www.uel.ac.uk/tgtc
- Digital Incubator for London
www.londondigitalincubator.com
- Brainspark
www.brainspark.com
- Gorilla Park Ventures
www.gorillapark.com

Regulatory environment

- There are fewer restrictions concerning international ownership and doing business in the UK than in any other major European country.

- Transparent corporate governance regulations contribute to a low-risk regulatory environment

- The highest rate of corporate tax is 30% - due to be cut to 28% in 2008. The highest rate of income tax is 40%. VAT is 17.5%.

- There is a sensible balance between regulation and business needs. London is particularly attractive where intellectual property content is high.

- London is home to the UK trade association for the high-technology sector, Intellect www.intellectuk.org and the telecoms and broadcasting regulator Ofcom

<http://www.ofcom.org.uk/>

Connectivity and access to markets

- London is the gateway to the European Union's 27 member states, the biggest single market in the world, with a population of nearly 500 million. • London enjoys some of the best international transport links in the world. There are direct flights to 530 destinations worldwide from London's five international airports and high-speed rail services to Paris and Brussels.

- London was voted the top city for the 17th year running in 2006, ranking first for easy access to markets, qualified staff, external and internal transport links, telecommunications, availability of office space and languages spoken.

- For businesses where global connectivity is of paramount importance, London has a unique advantage.

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