

Opportunities in the United Kingdom Information and Communications Technology Market

The United Kingdom Information and Communications Technology (ICT) market is the second largest in Europe, after Germany, at about \$132 billion in 1999. The ICT market is growing at a real rate of about 10 per cent annually, according to the European Information Technology Observatory (EITO) (www.eito.com).

The key issues facing the sector include:

- year 2000 (Y2K) compliance and European Monetary Union;
- information technology skills shortages; and
- e-commerce regulatory environment.

According to an international ICT survey published in 1999, which now covers all the G-7 countries including Canada (www.isi.gov.uk/isi/bench/international99.htm):

- the U.K.'s leadership in Europe is being challenged, despite catching up with the United States in most ICT areas;
- medium-sized U.K. companies (100-250 employees) have almost reached the saturation point in the area of personal computers, yet under 40 per cent of micro-businesses (1-9 employees) own a PC;
- U.K. micro-businesses lag behind those in other countries, but small and medium-sized businesses are ahead of comparable G-7 companies.

The Internet is attracting 10,900 new adult users in Britain every day, according to the NOP Research Group. Its research also shows that some 10.6 million adults accessed the Internet at least once during 1998, a 48-per cent increase over 1997 (www.nopres.co.uk/). Other U.K. Internet reports are also published by Durlacher Research (www.durlacher.co.uk/).

Opportunities

The main areas of opportunity for Canadian businesses are primarily Internet-related, including e-commerce, security, Web-enabling legacy applications, and education and training.

There has been a growth explosion in Internet use since Dixons, the leading U.K. PC retailer, launched a "free" dial-up Internet service (Freeserve) in September 1998. By February 1999, Freeserve had become the largest Internet Service Provider in the U.K. with 1.3 million subscribers.

Cable TV companies are beginning to offer cable modems and Internet services over their networks (the U.K. launched digital satellite and terrestrial TV networks in 1998), driving the consumer Internet market towards e-commerce and other transaction services.

The other main area of growth is education and training across all ages, including adult retraining. Over \$2 billion has been identified by the government to connect schools and libraries to the Internet and to train teachers in the use of ICT (www.dfee.gov.uk/grid/index.htm). The University for Industry (www.ufild.co.uk/) will be providing course material for adult training and retraining.

The U.K. Action Plan, dated May 1999, which gives a detailed look at the U.K. market, is available at www.infoexport.gc.ca/docs/viewe.asp?filename=84218

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