



PRESS RELEASE

ICT Industry shows optimism for 2010

For the second consecutive year the ICT industry in Scotland is bucking other economic indicators with optimism about the future. According to this year's annual Scottish Technology Industry Survey results, 72% of respondents are optimistic or very optimistic about the outlook for the year ahead, compared with 44% last year. A large majority (78%) expect sales to grow this year and less than 10% of firms expect sales to decline.

The annual Scottish Technology Industry Survey, commissioned by the ICT body, ScotlandIS and technology specialist, 9-20recruitment, provides an annual health check for the information and communication technology sectors.

The ICT industry currently employs more than 70,000, people in Scotland and the contribution that the sector makes to productivity growth is the fifth highest in the UK.

Polly Purvis, Executive Director of ScotlandIS said:

“These results suggest the industry is well positioned for the recovery. I don't think anyone is complacent, but many ICT businesses are working in areas that help their customers strip out cost and improve productivity. An increasing number are breaking into export markets, widening their customer base and supplying an increasingly diverse range of end markets.

ICT businesses tend to be lean and efficient, partly through their own use of technology. If other sectors in the Scottish economy took a similar approach, we could significantly increase productivity, competitiveness and profitability.”

The most promising sectors consistently identified for growth in the last two years amongst the ICT industry were Energy and Utilities, Professional Services, the Public Sector, IT and Telecommunications. This year Financial

Services is forecast to return to being in the top five sectors for growth, replacing media and entertainment.

Smaller businesses (200 employees or less) are the most optimistic about growth in 2010 – forecasting sales to grow on average by 15% on 2009 levels.

Wendy McDougall, Managing Director of 9-20 recruitment commented:

“We have now been seeing some optimism in the ICT market since late autumn 2009, with a number of companies now looking for those ‘new’ IT skills such as Social Media/Web 2.0 Marketing for example. My view is that the industry has cut its costs effectively, shown resilience and is coming out the other side with a strong eagerness to grow.”

John Innes, Chief Executive Officer of Amor Group said:

“The Amor Group’s optimism in the growth of the ICT industry this year echoes the findings of the survey. The industry is benefiting from the slow release of pent up demand from 2009.

“As we continue to focus on business technology, customers are demonstrating far greater confidence in investing in technology – where that investment results in a tangible business outcome. As a result the industry is well placed to see a dynamic surge in growth this year.”

ENDS

Notes:

The survey was carried out by ScotlandIS in January/February 2010. The survey analysis was undertaken by ScotlandIS, with statistical expertise provided by 9-20recruitment.

For further information please contact:

Julie Mouldale or Lesley Ferguson at Perceptive Partners Communications

Julie@perceptivepartners.co.uk or lesleyf@perceptivepartners.co.uk

07734 932 578

07762 769 659