

DIGITAL REALTY

UNITED KINGDOM

UK missing out on £52 billion per year in value from data

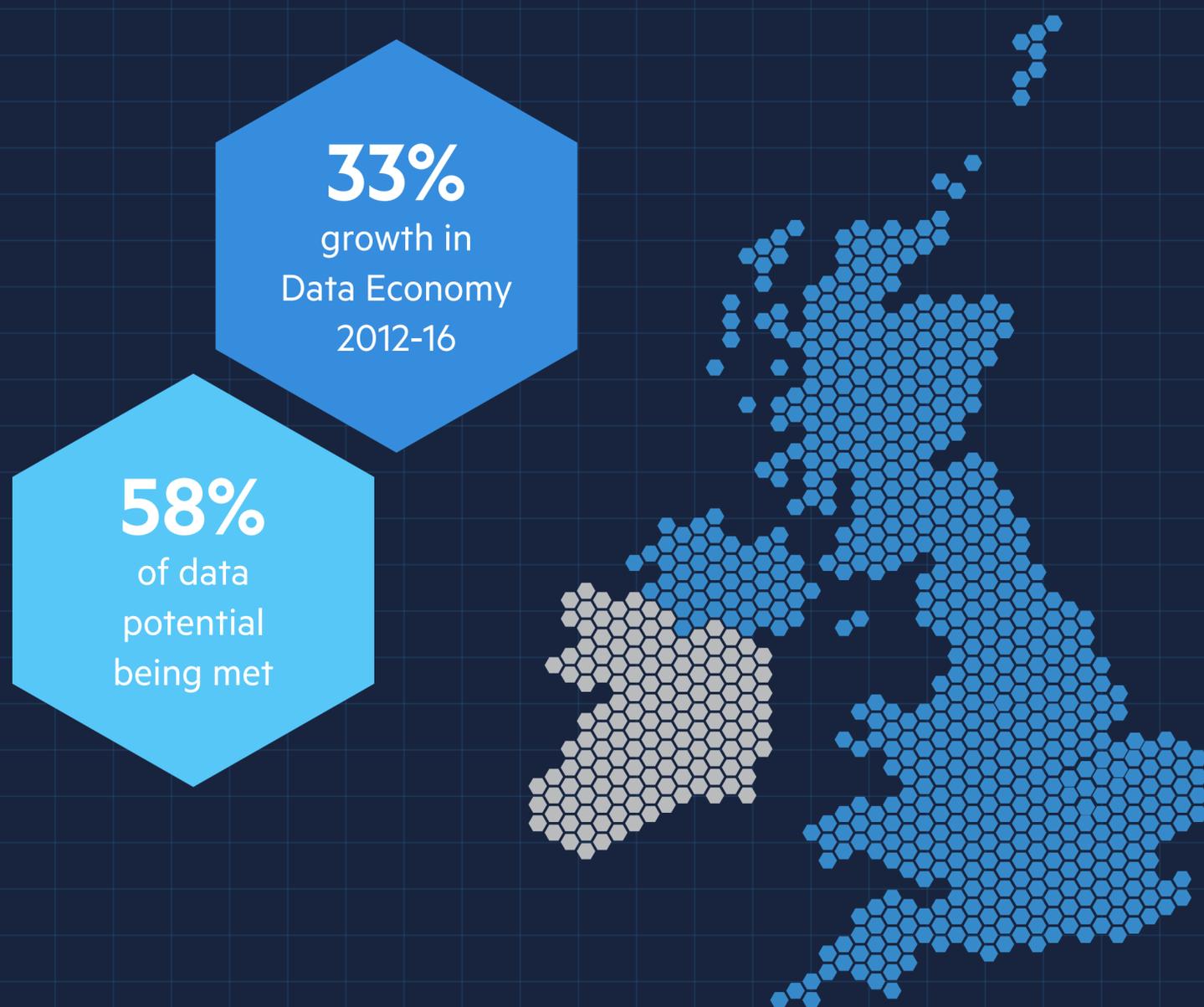
Despite being the best-performing country in this research, the UK is still tapping less than two-thirds of the potential value of its Data Economy. Although the Data Economy is worth £73.3 billion annually to the UK currently, this is only 58% of its full potential.

As a result, the opportunities for business growth are immense. Through continued investment in new technologies and big data management from businesses, along with national infrastructure and training investments from Government, the UK could add a further £28.3 billion to the UK economy and create a further 570,100 jobs by 2025. That would be in addition to the 1.7 million already supported by the Data Economy.

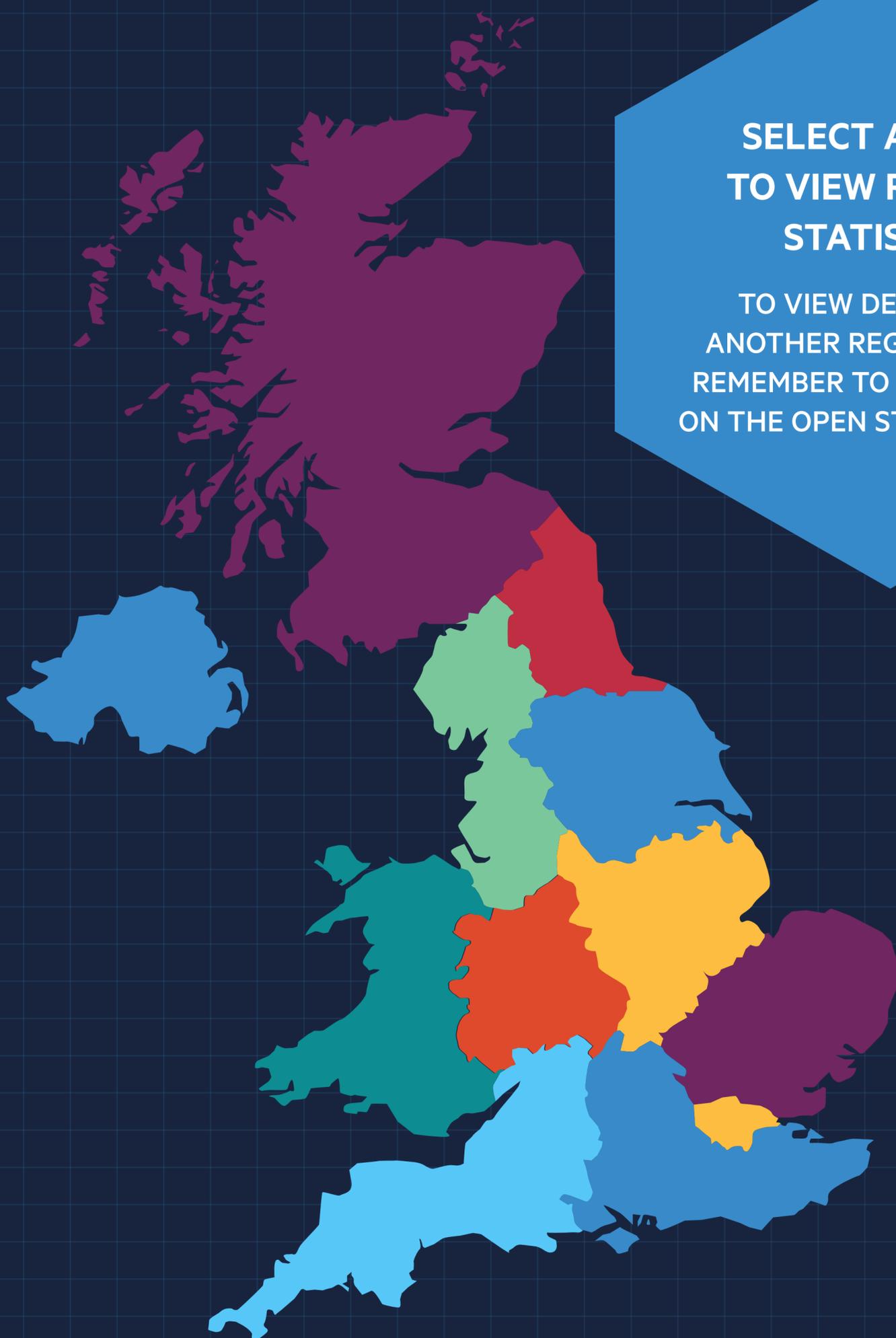
Showing its key role for the UK's economic prosperity, the Data Economy is growing at a faster rate (7.3%) than the UK economy as a whole (1.8%). Each new data centre alone adds £397-£436 million a year in extra value to the economy.

The largest contributors to the Data Economy are the ICT (Information and communications technology), Financial services and Professional services sectors, accounting for 64% of that total. Estimated by region, the largest contributors are London (32.3%) and the South East of England (17.2%), reflecting in part the greater importance of ICT, financial and professional services in those areas.

A worrying sign for the UK's future is that although the UK is doing the best of the four countries studied in tapping the potential of its Data Economy, overall its Data Economy has been growing at the slowest rate over the last four years. Unless action is taken by business and Government to maximise the potential benefits from data, the UK could start slipping behind.

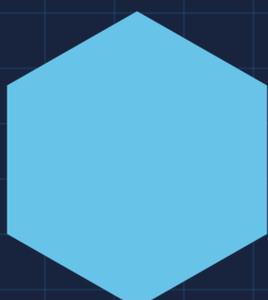
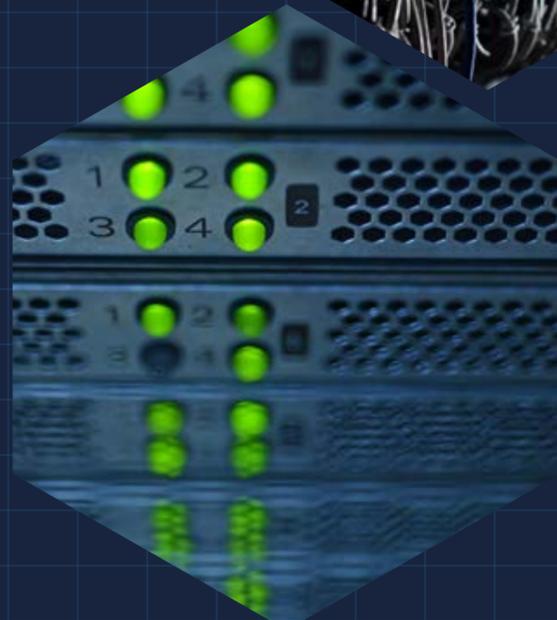
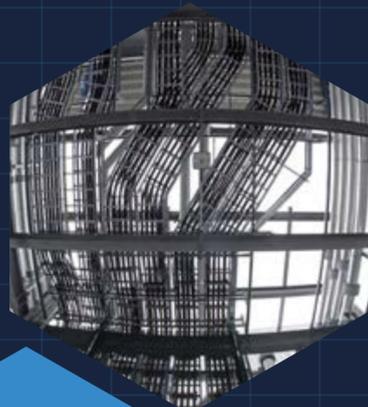


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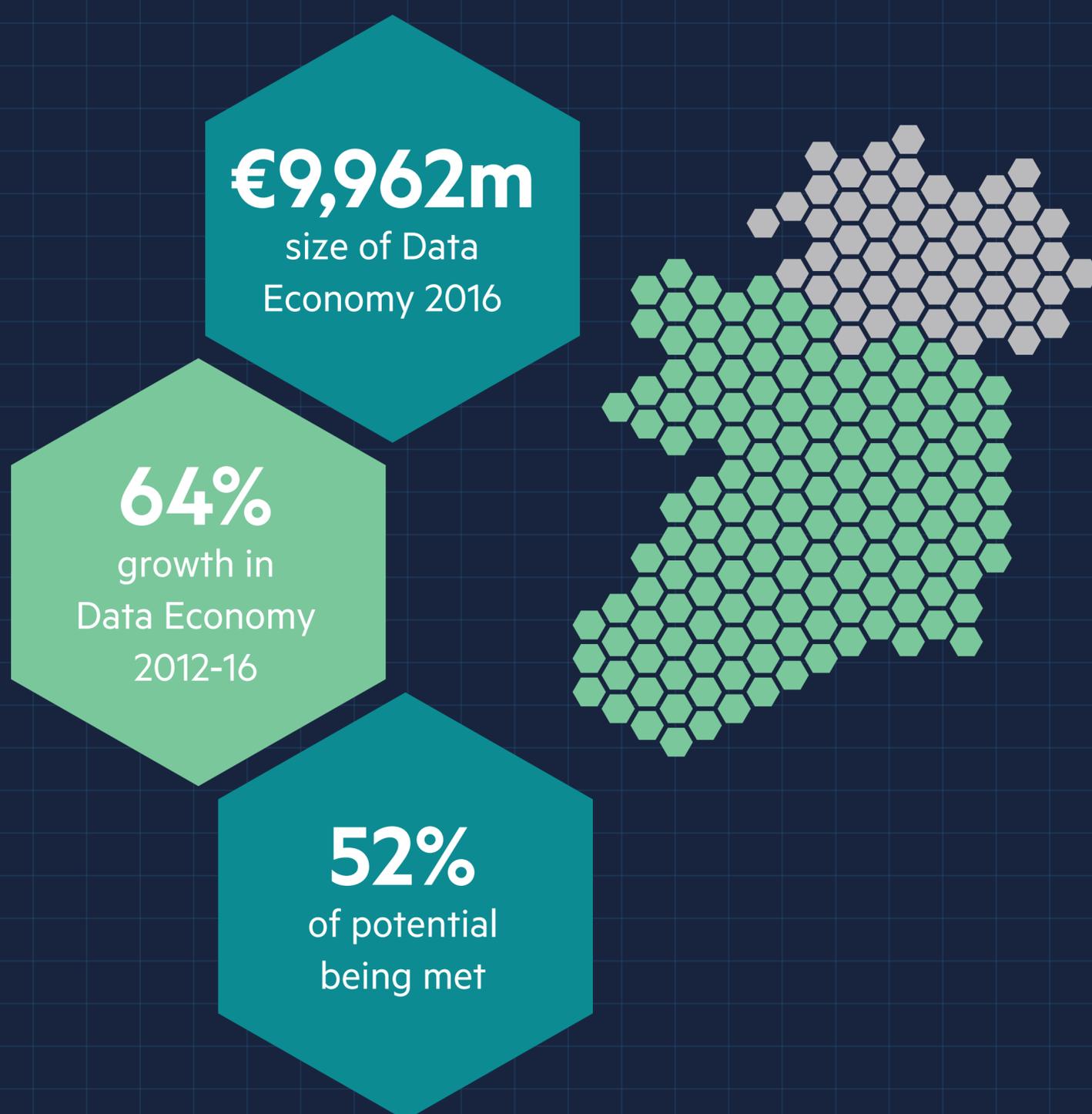
Ireland missing out on €9 billion per year in value from data

Despite the Irish Data Economy currently reaching only half its potential size, it is growing swiftly at 13.2% a year, well above the growth rate for the economy as a whole and double the UK Data Economy's growth rate.

The Data Economy is now worth €10 billion in its own right, and with its knock-on benefits it adds over €22 billion a year to the Irish economy. It supports directly or indirectly just over 84,000 jobs.

Nearly half of the Irish Data Economy comes from just one sector – Information and communications technology (ICT). Its share of the total is the highest of the countries studied and has been holding steady, although the second largest sector for the Data Economy – manufacturing – is seeing its contribution to the Data Economy growing at double the rate of the ICT sector.

There is still plenty more potential for the Irish Data Economy as it is currently worth just 52% of its potential value. In fact, if the Irish Government and businesses are able to reduce the supply and demand side constraints on the Data Economy, such as by raising business investment and making full use of the opportunities of Open Data, the Data Economy could add 14,800 new jobs to the Irish economy by 2025.



GERMANY

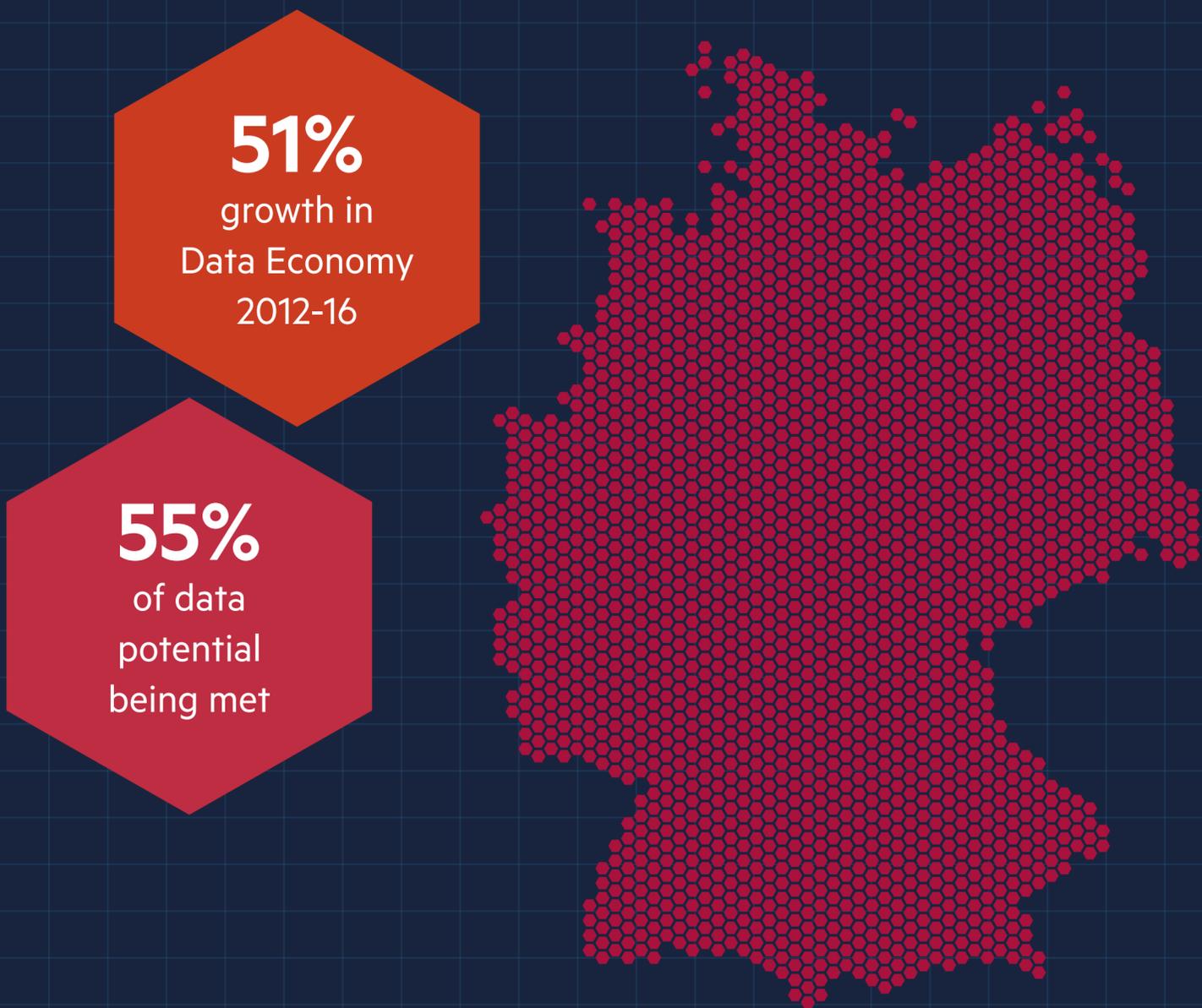
Germany's Data Economy leads the way

Germany's Data Economy adds €108 billion to the country's economy, supporting 1.95 million jobs every year.

With Germany's Data Economy the largest in Europe and third largest in the G7, it spreads much wider than just the areas traditionally associated with data, such as financial services. The agriculture, mining, construction and water supply sectors, for example, have all at least doubled in size in the last four years, with mining growing 164%.

Baden-Württemberg and Bayern are home to many of Germany's most important traditional industries with companies such as Mercedes, BMW and Bosch. However, it is the city regions of Berlin, Bremen and Hamburg which have seen their Data Economy grow faster in the last four years, suggesting that newer start-up firms are doing better at exploiting the value of data.

Moreover, with Germany only hitting 55% of the potential of its Data Economy there is significant scope for the country to benefit from remedying this.

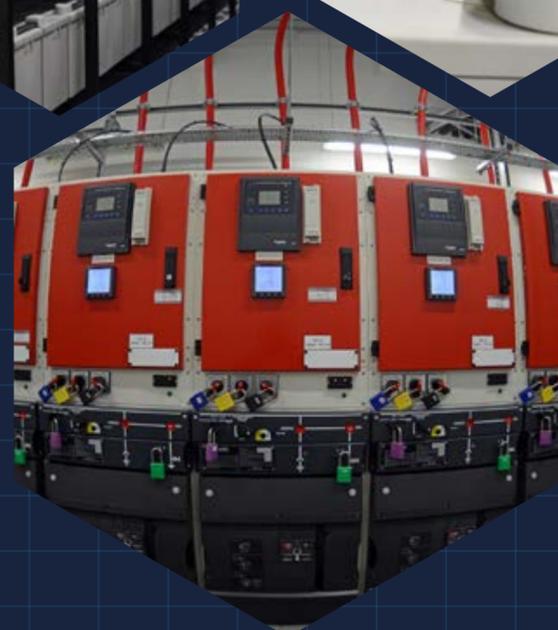


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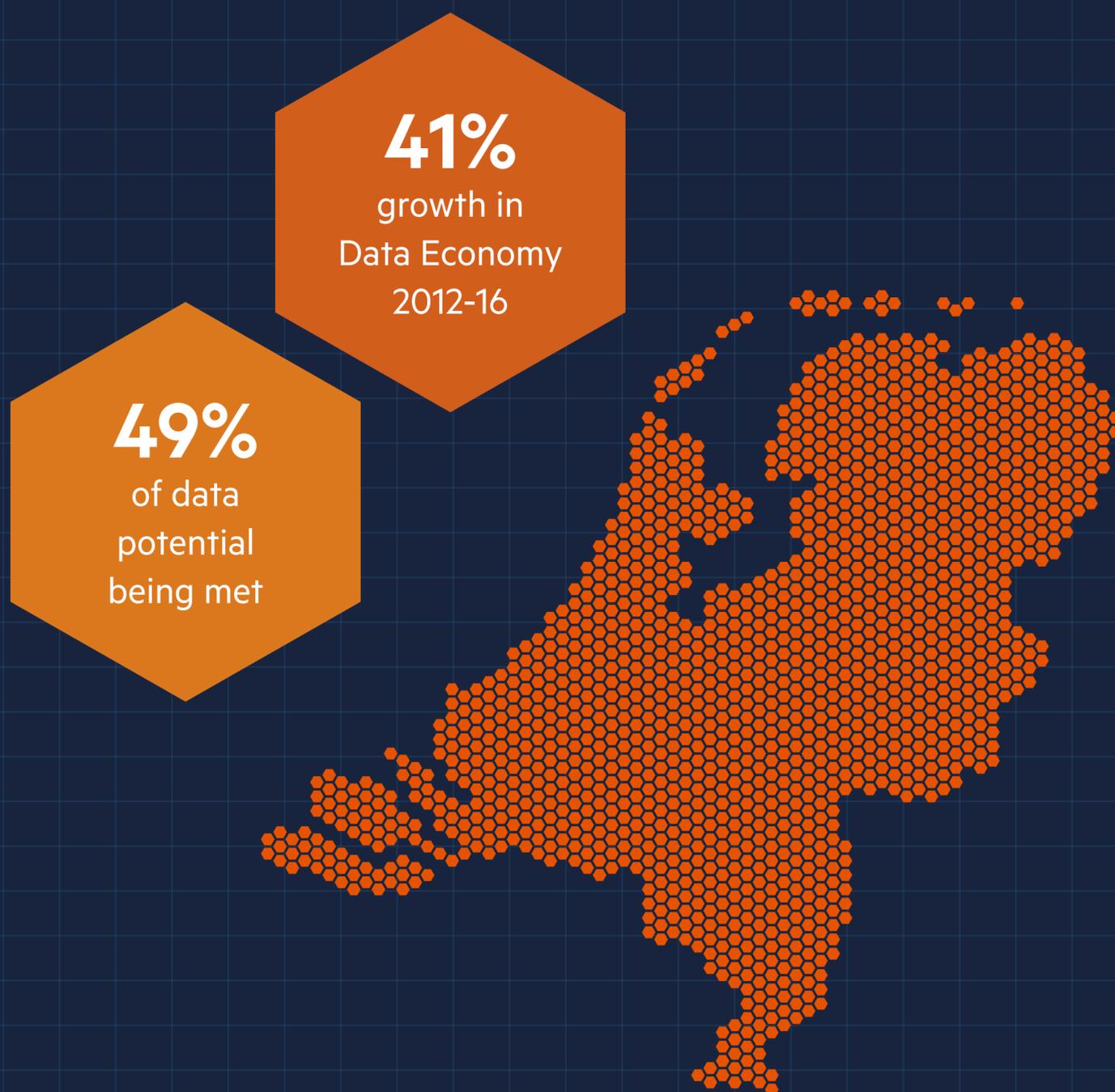
Dutch miss out on €25 billion every year

The Data Economy of the Netherlands is the biggest underperformer of the countries studied, costing the Dutch €25 billion every year in untapped potential. Its Data Economy is only realising just under half (49%) of its full potential.

Tackling that is particularly important given the job creation potential. Just under a quarter of a million jobs are already directly associated with the Data Economy, and that has grown by 18% in just four years, with a further 101,000 jobs indirectly supported by the Data Economy.

The Netherlands does, though, benefit from the most diversified Data Economy studied, with the share generated by its top two sectors lower than for others. The two largest sectors, financial services and information and communications technology (ICT) are also some of the slowest growing.

The growth is led by the agricultural sector, which has achieved 154% growth across the past four years. However, it is still bottom of the league table of sectors of the economy when it comes to tapping the full potential of the Data Economy. With only 37% of the potential full value being realised, there is still a long way to go for the Dutch agricultural sector to really reap the economic benefits data can generate.



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DATA CENTRES: POWERING THE DATA ECONOMY

The Economist has described data as being “to this century what oil was to the last one: a driver of growth and change”.

As the varying fortunes of oil-rich countries have shown, in order to prosper business and government need to take full benefits of the opportunities it offers. Central to that is having a digital infrastructure fit for the opportunities ahead.

As this report shows, the growth and job creation of the Data Economy in the last few years is still leaving much potential untapped. This is not a small technical issue because data is so central to the modern economy. It reaches right across all sectors of the economy. Although data is concentrated in the information and communications technology sectors, in all the countries studied over half – and even up to two-thirds – of the value generated by data comes from other economic sectors.

Business leaders and governments face the challenge of staying relevant and competitive in a time of major digital change. For most businesses, digital is now a critical part of their infrastructure – a key channel to market and a source of competitive advantage.

For governments, the Data Economy brings the sort of high value jobs which can support growing living standards. This sector is highly productive. In the UK, for example, it accounts for just 3.3% of the workforce but delivers 4.2% of the country’s economic output.

The data centre industry is at the heart of making the most of this. It can provide the secure, reliable and high-speed data services which enable business to prosper and economies to grow. These critical digital foundations are now as important a part of each country’s infrastructure as roads or power stations.

We see this here at Digital Realty with our data centres in the UK, Ireland, Germany and The Netherlands. We can provide the critical digital foundations which allow our customers to concentrate on what they do best – growing their businesses and serving their customers.

