

# Press release: Brazil and South Africa tech hubs launched to drive international growth

New tech hubs to connect businesses in the UK with those in emerging digital markets will be launched in Brazil and South Africa, DCMS Secretary of State Matt Hancock announced during London Tech Week.

The Brazil and South African tech hubs will be formed of locally-engaged teams based in the respective British Embassy and High Commission. They will facilitate the sharing of UK expertise and best practice for digital tech with those countries, supporting local entrepreneurs, start-ups and established tech companies through training and mentoring. The hubs will help to develop digital skills in Brazil and South Africa as well as strengthening partnerships on research and innovation and trade. They will also act as a link for businesses looking to scale up in or export to the UK.

The hub model is based on a successful world first tech partnership between the UK and Israel which has already led to 175 business partnerships, with a potential impact of over £800 million for the UK economy since 2011. It has also supported jobs growth by building a better skilled digital workforce in Israel. The model will be taken to the each country and tailored to the local market.

The announcement comes a week after new statistics published by DCMS showed that UK tech and digital firms have seen their international trade grow by more than 20 per cent. The UK digital and tech sectors exported more than £39 billion in services in 2016, up from £32 billion in 2015.

Secretary of State for Digital, Culture, Media and Sport Matt Hancock said:

Britain is a nation of digital dynamos and we want the UK to be the best place in the world to start and grow a digital business, but we can go further. We are spearheading the global digital transformation and our network of tech hubs will connect us with some of the best emerging technology hotspots across the world.

International Tech Hubs will create positive change locally by supporting job creation, improving skills and boosting innovation partnerships, whilst strengthening our own booming digital economy even further.

Nigel Casey, British High Commissioner in South Africa said:

We're delighted to be launching a tech hub in South Africa. South Africa is cementing itself as one of the world's most exciting destinations for technology. The tech hub will help to position the UK as the go-to destination for South African tech startups looking to expand abroad. The skills training and other support that the hub will provide will also help to ensure that more people are able to benefit from South Africa's surging tech scene.

This will broaden our already strong economic partnership with Africa's most sophisticated and developed economy, and help South Africa ensure growth in the tech sector is more inclusive. The UK is invested in South Africa for the long term, and this new tech hub is one of the many ways that we are demonstrating that.

South Africa has one of the largest technology sectors in Africa and over a quarter of new startups in South Africa now list themselves as being in the technology sector. It has received the highest amount of investment in technology of any African country.

Brazil is the biggest economy in Latin America and accounts for over half of spend in the region on tech. The Department for International Trade has identified significant opportunities for UK companies in areas such as smart cities and Agritech. The Brazilian IT market is the 7th biggest in the world and the country has the 5th largest number of mobile phone and internet users in the world.

The two new tech hubs will join a global network which DCMS is rolling out. This includes the existing Israel tech hub and new UK-India tech hub announced earlier this year. They will work closely with DfID and FCO to realise the opportunities for Brazil and South Africa, and with DIT's network of Trade Commissioners, to ensure the full range of opportunities are realised for UK companies.

Over the next three years DCMS aims to expand the network of international tech hubs to more countries.

## **Notes to editors**

The initiative is funded by the Prosperity Fund, aimed at removing barriers to sustainable and inclusive growth in middle income countries, where 70% of the world's poor live. The Fund will also help to harness the potential of developing markets, boosting prosperity internationally, including for the UK through increased trade and investment.

The hubs will focus on three key areas; skills and capability development, digital ecosystem building, and facilitating links with UK businesses. This will help to build skilled, entrepreneurial and networked populations which will create jobs and address digital inequality.

The Hub model is based on the highly successful UK-Israel Tech Hub, which has

generated £85 million worth of deals over the past five years, with a potential impact of over £800 million for the UK economy. The Israel Tech Hub was not ODA-funded but its model will be taken to the each country and tailored to the local market in these developing countries. Originally part-funded by DIT, the UK-Israel Tech Hub is now part-funded by DCMS.

For more information please call Dan Palmer in the DCMS Press Office on 02072112210