

Where are the EU and UK giants of the technology revolution?

One of the many things that should give us on this side of the Atlantic pause for thought is the way Europe has failed to produce the large global players of the digital transformation.

The UK and the EU have many talented and well educated people but none of the exciting corporate giants of the internet revolution.

Most of our software comes from Microsoft, our social media from Facebook and Google, our phones and pads from Apple or a far eastern source, much of our on line shopping goes to Amazon, a lot of internet entertainment comes from Netflix and Disney. We zoom to our friends and relatives and Teams for our businesses and professions.

The main challenge to US dominance worldwide has come from the separate and differently policed Chinese system, spawning mighty Baidu, Tencent and Alibaba.

The EU response to the attractive offers and great service the US giants offer us is to look for ways to tax them more and regulate them more to penalise them for their success. The question we should be asking is how can we do it better? How can the UK if not the EU create the right climate and policy background so we can encourage giants of the new age to emerge here as well?

As we pass from the EU's single market to our own we need to learn from the EU's mistakes. There is the hostility to enterprise and small business, with legislative solutions favouring costly and intrusive regulation suited to incumbent large companies trying to keep out challengers. There is very prescriptive regulation which makes innovation more difficult.

We need to tackle three main areas of concern

1. Encouraging a large population of start ups, self employed consultants and small businesses, to try out ideas and innovations. No more IR 35.
2. Encouraging growth of the most successful into larger companies, with ready access to the large UK capital markets to fund future ideas and expansion.
3. A tax and regulatory framework for the largest success stories which is sensitive to their needs as global players requiring good access to the wider world , whilst also paying their dues and being good corporate citizens for the wider UK.