A Cluster Approach to Competitiveness in the Digital Economy

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The Need for Competitiveness: FDI, Growth, Jobs

Unemployment

- Labor Force Participation Rate (% of Population)
- Unemployment Rate

Employment

Real GDP

- Real GDP
- Real GDP Growth

Foreign Direct Investment

- Foreign Direct Investment (JD million)
- Foreign Direct Investment (% of GDP)
Strategic Approach to Cluster Development

Jordan Competitiveness Program

Supply and Demand

- **E¹** Workforce Development (WFD)
  - Education and Employment

- **E²** Access to Finance (A2F)
  - Entrepreneurship and Enterprise

- **E³** Supportive Enabling Environment (SEE)
  - Enabling Environment and Economy

Increase Demand

Enhance Supply

Growth
Partners
Path to Economic Growth

- Economic Growth
- Enterprise
- Entrepreneurship
- Employability
- Education
- Engagement
Clusters are at Different Stages of Development

- **Foundation Building**
  - Investment
  - Export
  - Jobs

- **Engines of Growth**
  - Investment
  - Export
  - Jobs

- **Optimization**
  - Investment
  - Export
  - Jobs

- **Clean Tech**
  - ICT

- **HS/LS**
ICT Cluster in Jordan

Revenue

Export
THE NEXT STEP IN INTERNET EVOLUTION

Internet of Documents → Internet of Commerce → Internet of Applications → Internet of People → Internet of Things

Evolution:
1. H2H
2. WWW
3. WEB 2.0
4. SOCIAL WEB
5. M2M
EVERY THING is Connected to the INTERNET
BIG DATA

2020

4 BILLION
Connected People

$4 TRILLION
Revenue Opportunity

25+ MILLION
Apps

25+ BILLION
Embedded and Intelligent Systems

50 TRILLION
GBs of Data

Source: Mario Morales, IDC
Cloud Computing
The Rise of Analytics and Artificial Intelligence from Big Data
Internet of Everything Opportunity

By 2022, the Internet of Everything will help enable new profits and cost savings in the order of:

- $2.5 trillion in better asset utilization
- $2.5 trillion in employee productivity
- $2.7 trillion in supply chain logistics
- $3.7 trillion in better customer experience
- $3 trillion in new innovations

$14.4 trillion in value
Corporate profits increase up to 21%
Digital Economy

Disruption

Opportunities

Economic Growth
LEVERAGE THE POWER OF THE CLOUD TO START YOUR OWN BUSINESS
NATION 2016 IN NUMBERS

DIGITAL TECH ECONOMY

1.56m jobs\(^1\)
2.8x faster than the rest of the economy (2011-2014)

£50,000
Almost £50K average advertised salary\(^2\)
36% higher than the national advertised average\(^3\)

41%
Digital Tech Economy jobs exist within traditionally non-digital industries\(^4\)

£161bn turnover\(^3\)
Grew 32% faster than the rest of the economy (2010-2014)\(^5\)

32%

58,000
identified active digital tech businesses\(^6\)

80%
Over 80% of Tech Nation clusters have seen growth in digital turnover, digital jobs and advertised digital salaries
(See page 32 for definition of cluster)

58,000
digital tech businesses found across the UK

DIGITAL TECH INDUSTRIES

LONDON
£62.4bn
READING & BRACKNELL
£10bn
BRISTOL & BATH
£8.2bn
MANCHESTER
£2.2bn
BIRMINGHAM
£1.8bn

DIGITAL TURNOVER GROWTH (2010-2014)\(^5\)
SOUTHWARK
+180%
TRURO, REDRUTH & CAMBORNE
+153%
DUNDEE
+129%
LONDON
+101%
BRISTOL & BATH
+53%

TOP SECTORS\(^4\)

17% App & Software Development
12% Data Management & Analytics
11.5% Hardware, Devices & Open Source Hardware

DIGITAL JOBS\(^1\)

LONDON 328,223
MANCHESTER 51,901
READING & BRACKNELL 40,440
BIRMINGHAM 36,768
BRISTOL & BATH 36,547

PRODUCTIVITY\(^3\)

BRISTOL & BATH £296,340
LONDON £205,390
READING & BRACKNELL £196,800
SOUTHAMPTON £171,720
OXFORD £170,460
EDINBURGH £168,500
LEEDS £167,900
NEWCASTLE & DURHAM £168,300
SUNDERLAND £168,300

DIGITAL SALARY\(^2\)

LONDON £64,140
BRISTOL & BATH £46,930
LEEDS £45,860
NEWCASTLE & DURHAM £46,420
SUNDERLAND £45,780
EDINBURGH £46,200
OXFORD £44,900
SOUTHAMPTON £44,200

\(^1\) Annual Population Survey (ONS)
\(^2\) Running Gove (ONS) refers to advertised digital salary
\(^3\) Annual Business Survey/Business Structure Database (ONS)
\(^4\) GrowthHive (ONS)
\(^5\) Digital Economy Business Report 2015
\(^6\) Digital Jobs (ONS)
REACH 2025
Towards a Digital Jordan
REACH 2025 Framework

Vision
A digital economy that empowers people, sectors and businesses to raise productivity and ensure growth and prosperity, creating a highly attractive business destination for investments and international collaboration.

Mission
Driving creative and innovative technologies in key niche sectors and markets.

Vision
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Core elements
- Smart specialization & demand-driven innovation
- Tech start-ups & entrepreneurs
- Public sector innovation
- Enabling business environment
- ICT skills, capacity & talent
- Smart infrastructure

Strategic objectives
- Enable and support the transition of the Jordan economy towards becoming a digital economy through smart specialization servicing niche global markets
- Create an open innovation culture which supports the maker movement across the region and enable makers to become digital entrepreneurs
- Transform government to be a regional and globally recognized leader in public sector digitization and innovation
- Improve the enabling & investment environment for tech companies & digital innovation including emerging industries
- Provide world class talent and stimulate an environment conducive to attracting, retaining, and developing world class talent
- Ensure the availability of smart infrastructures

Action framework: actions, subactions, owners, budget considerations & KPIs

Put a strong, accountable and dynamic governance and leadership set-up into place
Main Pillars of REACH 2025

- Talent & a Skilled Workforce
- Sector Specialization
- Governance
- Jordan Digital Economy
- Smart Infrastructure
- Entrepreneurship and Startups
- Enabling Business Environment
Impact

Boost to GDP
(Additional GDP growth % on top of annual growth)

Revenue growth across digital economy sectors
(Additional revenue growth % on top of annual sectors revenue)
Official Launch of the Initiative

DIGITIZING THE ECONOMY

9-10 NOVEMBER, 2016
KING HUSSSEIN BUSINESS PARK
AMMAN, JORDAN

Hope to see there!