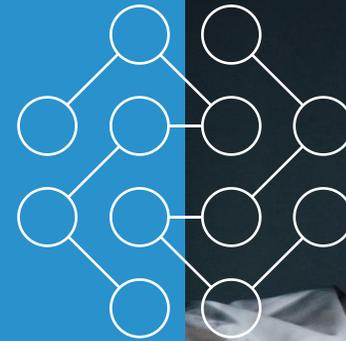


Covid-19



Market Watch: Digital Technologies Industry Bulletin

17th April 2020



Introduction



David Byrne

Department Manager

ICT Division

Digital Technology is playing a critical and vital role across the globe as we address the Covid19 pandemic. The increasing need for a range of digital technologies to protect us from the threat of infection, transmission in our communities, contact tracing etc. whilst also supporting the new world of work and learning in which we now find ourselves opens up opportunities for innovative Irish Digital Technology companies both domestically and in global markets.

Demand for these products and solutions is increasing and we in Enterprise Ireland both at home and through our overseas team are supporting our client companies to sustain their businesses and to identify and engage with the opportunities through the delivery of new innovation and collaborations.

Opportunities in areas such as Cyber security, Content Creation, Animation, Workplace solutions, Network Infrastructure and Edtech/eLearning occur across a number of markets and I encourage client companies to continue to engage with Market Advisers in target markets to harness these.

In these challenging times, Enterprise Ireland is here to support you, to navigate the challenges and address concerns. We have a range of funding supports and these along with other Government supports can be found here: www.enterpriseireland.com/businessresponse

Introduction



Padraic Geraghty

Lead Market Adviser

London

Digital Technologies

In the context of the ever evolving COVID-19 situation in which we find ourselves, our Digital Technology companies are experiencing unprecedented changes in the market, facing extreme challenges but also some unique opportunities as we are forced to move into a more virtual and digital reality.

'This crisis has made it clear in the business world, more so than ever, that investing in emerging digital technologies can potentially do a world of good. The growing dependency on business conferencing tools, e-commerce, digital learning, VR-based training, and business apps supporting remote workers cannot be dismissed as a blip and is likely to remain the new norm among businesses worldwide'

– Source: Hiten Shah, Kiran Kumar-Frost & Sullivan.

Across the 5 regions in this report there were a number of common themes for the Digital Tech sector. While areas such as Travel Tech are facing huge challenges, the opportunity has strengthened for Irish companies in Cybersecurity, Wellness and Modern Workplace solutions, Network Infrastructure and eLearning. Furthermore, in the West Coast of North America there has been an increase in demand for content creation.

Our Market Watch for the Digital Technology sector provides insights from Enterprise Ireland's Market Advisers on specific market developments, challenges and opportunities as well as some market specific Government supports and Industry trends.



Digital Technology – UK, Northern & Central Europe

Bartosz Siepracki (Warsaw) & Padraic Geraghty (UK)

DEVELOPMENTS

- Banks, telecoms, call and share service centres are operating in a business as usual mode, working remotely from home with some operational functions in the office. However, organisations like Barclays in the UK have paused on certain buying decisions until the summer.
- There has been a significant spike in both online learning and remote work solutions across all sectors. This has been particularly evident in the UK and Eastern Europe.
- Telecoms have been focused on ramping up their network infrastructure to service the increase in traffic so budgets are being deployed to this area.

SUPPORTS

- A full list of UK Covid-19 supports are listed [here](#) including the [Job Retention Scheme](#) - you can furlough employees and apply for a grant that covers 80% of their usual monthly wage costs, up to £2,500 a month. Contact the UK office for recorded webinar with more details.

- The association of Polish Banks have introduced a support plan for entrepreneurs and SMEs including three month deferrals of loans and lease repayments.
- Further supports across the region can be found through contacting the local Enterprise Ireland office.

OPPORTUNITIES/ CHALLENGES

- Companies with cyber and smart working solutions are seeing an uptake in their products from various sectors across the UK and the rest of the region.
- There is a desire for innovative communication technology to help aid and track social distancing. For clients with IoT solutions this will be a particular area of interest.
- The Polish Ministry of Digital Technology is working to fast-track legislation to enable video-verification as part of a wider digital signature implementation.
- [PWC Scale](#) are running a retail program focusing on companies with eCommerce solutions for the UK market. This program includes a number of introductions to key stakeholders. Please contact the UK office for more information on this.



Digital Technology – Eurozone

Jane Greene (Düsseldorf)

DEVELOPMENTS

- The German Minister who is responsible for digital infrastructure within Germany, commented that the Digital transformation disruption that is currently being experienced would have been unimaginable just a few weeks ago.
- The COVID-19 emergency has forced Italians to be more digital in their shopping, in school and work. Both businesses and public institutions have been hugely reliant on technology and digital solutions during this emergency and this shift to digitise will most likely remain after the emergency.
- Digital transformation is at the forefront of the efforts to detect, track and source a treatment, but also in mitigating the effect on the wider economy within the Benelux.
- Digital tech in France seem to be less impacted than other more traditional sectors for the most part, for example the telecoms operators, cybersecurity, and digital transformation solutions.

SUPPORTS

- The Spanish Government has presented its economic measures plan to alleviate the consequences of the crisis caused by COVID-19, with special support for SMEs and the self-employed, with an injection of €14.4 billion.
- Financial supports are available across the three countries - Belgium, Netherlands - and Luxembourg for Enterprise Ireland client companies with employees or establishments in the region in relation to compensation due to required closure (NL: €4k, BE: €4k, LU: €5k, subject to certain criteria), tax and credit extensions.

- The French government has put in place different measures for employees who will be forced to be on partial or full unemployment, this will be important for EI companies with a presence in France, however the majority of them should be able to continue working remotely.
- The German government wants to introduce immediate emergency aid for small businesses. Emergency financial aid for micro-enterprises from all economic sectors up to €9,000 as a one-off payment for 3 months for up to 5 employees and up to €15,000 as a one-off payment for 3 months for up to 10 employees.
- Irish companies that have entities in these markets are eligible to apply.

OPPORTUNITIES/CHALLENGES

- **E-commerce** – increase in online purchases across the region (particularly southern Europe) will result in a demand for content creation and ecommerce solutions. More info [here](#).
- **Cybersecurity** – increased priority within businesses as cybercriminals take advantage of people's concern during the COVID-19 pandemic.
- **E-learning** –
 - The Italian government has allocated 85 million to support distance learning/online learning platforms and Internet connected devices (tablets) for needy families.
 - Universities in the German speaking region are beginning to source digital solutions in the area of digital exams, assessments and onboarding
 - Dutch and Belgium universities have announced they are looking for digital solutions for assessments and continuity purposes.



Digital Technology – North America

Paul Burfield (San Francisco)

DEVELOPMENTS

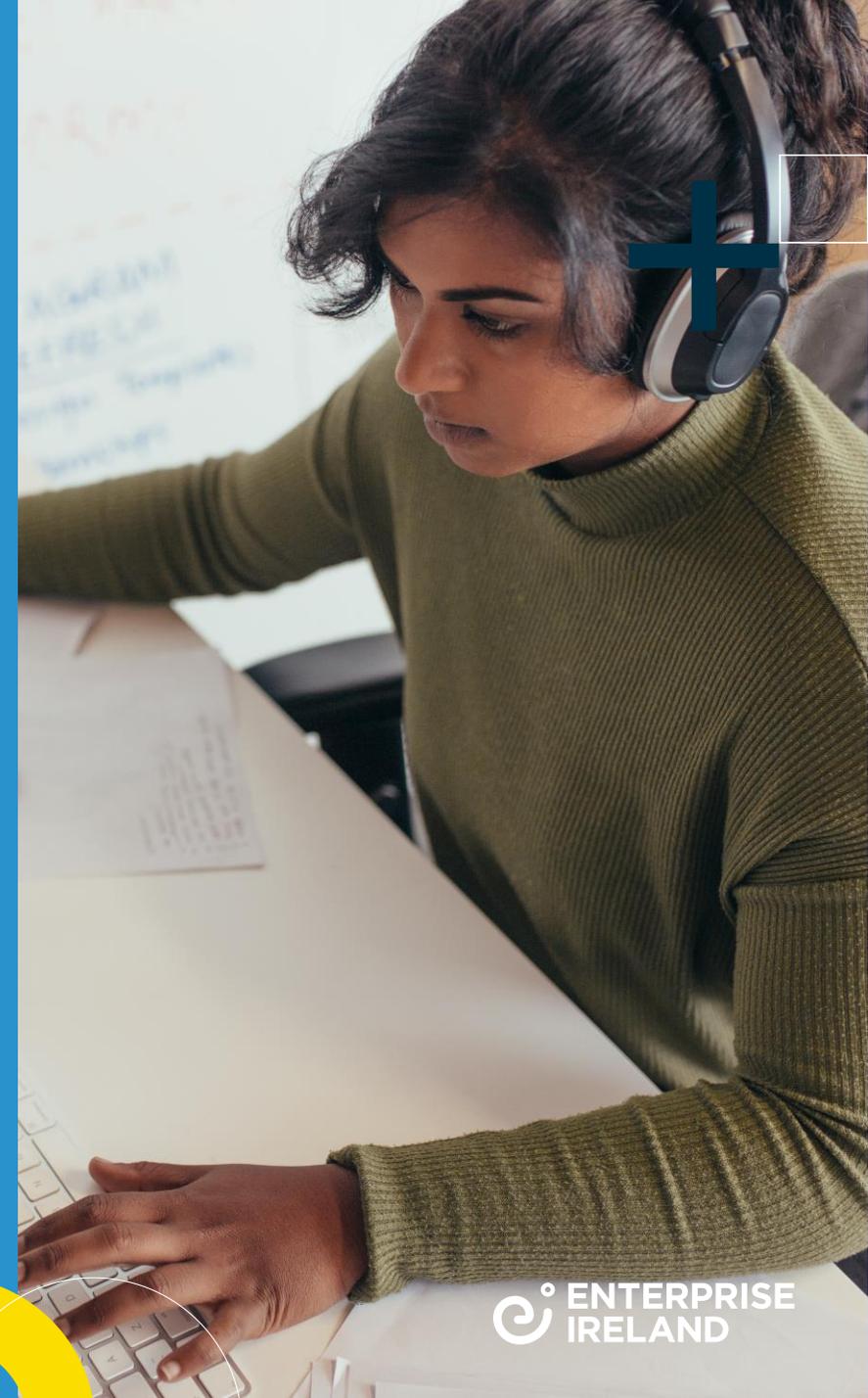
- A surge in remote working is placing intense pressure on security, servers, storage and networks of all organisations.
- Responses from key targets, prospects and partners have significantly slowed right across North America as organisations adjust to remote working and changes in business priorities.
- Overt sales and marketing campaigns are being tempered to be more messaging and tone sensitive, meanwhile value propositions are being adjusted for relevance to the current situation.

SUPPORTS

- In March 2020, [a \\$2 trillion federal coronavirus relief](#) package was announced, officially known as the CARES Act, which includes nearly \$350 billion for a small businesses. These programs are administered by the US Small Business Administration and will offer assistance loans for small businesses affected by the coronavirus. Irish companies with UK subsidiaries can be eligible to apply for supports. Further info on eligibility [here](#).

OPPORTUNITIES/ CHALLENGES

- Rapid migration toward digital transformation of businesses in remote locations is creating opportunities across cyber and security applications.
- Remote working and increased employee isolation is driving demand for Wellness applications.
- Demand is increasing on the West Coast for content creation and consumption platforms across learning, media and entertainment - both traditional and immersive.
- Telco infrastructure and investment in the new 5G network roll-out is currently expected to remain unaffected.



Digital Technology – Middle East, India, Africa

Nicola Kelly (Johannesburg)

DEVELOPMENTS

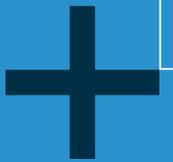
- Remote working was not common practice across MEAI leading to increased strain on the network infrastructure. Governments in the region have made more spectrum available to support in the increase in network capacity.
- As people adjust to remote working, there has been a slower response from buyers but maintaining contact with existing clients in a virtual setting is recommended.
- Any non-essential business is being postponed across the region but there are a number of Irish businesses involved in 'essential services' such as telco infrastructure who are continuing sales and business development.

SUPPORTS

- Measures vary across MEAI but for example, the South African Government has launched various measures to support businesses during the lockdown, including a Temporary Employer Relief Scheme (TERS), SMME Debt Relief Fund, Tourism Business Relief Fund (Irish companies must be an SA entity, tax- and regulatory-compliant to be eligible for these). Meanwhile the Kenyan Government has proposed tax reductions, waivers, and deadline delays for certain tax payments and compliance obligations.

OPPORTUNITIES/CHALLENGES

- Increased engagement for Irish businesses involved in cyber and security applications.
- Telco infrastructure investment and maintenance is critical across the region so businesses involved in this should see opportunities for growth.
- With schools across the region closed, EdTech is a key area for opportunities. Certain Irish companies have already had interest in this region so there is a clear opportunity here.
- Across MEAI the public sector is calling for private sector support, they are looking for companies (Irish companies are eligible) who can assist with telecom services, retail services, customer care, delivery/distribution, security, cloud computing and other easily deployed solutions.



Digital Technology – APAC

Ray Fleming (Sydney)

DEVELOPMENTS

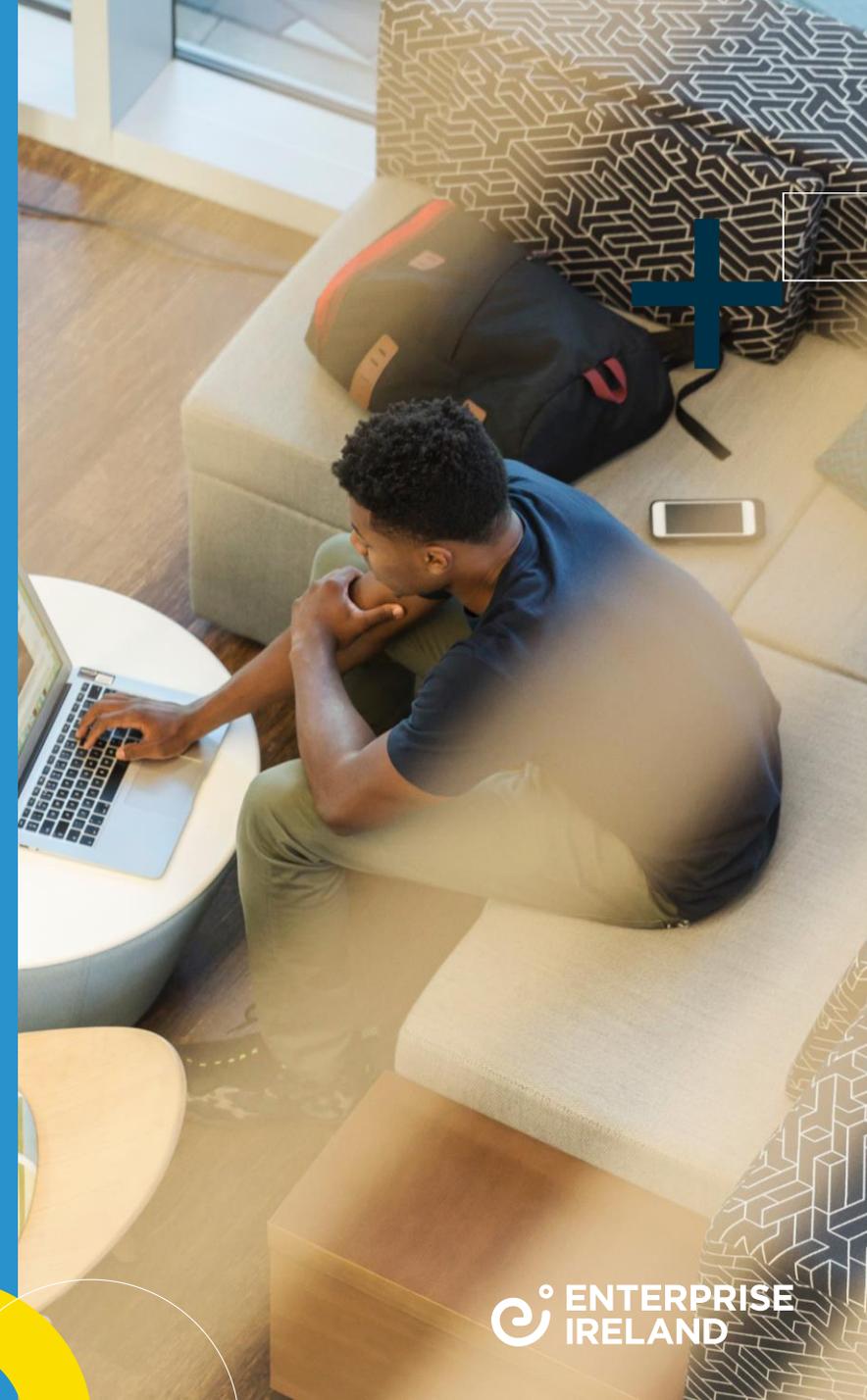
- Buyers across several sectors in APAC expressed a need to return to ‘business as usual’. This is particularly true in Australia/New Zealand and Singapore. Therefore, there is more open attitude for introductions to new digital products.
- Throughout the region, there has been a reasonably fast adoption of distributed working practices and we have organised a significant number of virtual client/buyer introductions.
- The most active sectors throughout APAC are telecommunications, e-commerce, primary industry, healthcare and supply chain. These industries are all relying on Digital Tech solutions to be able to continue.

SUPPORTS

- Supports vary throughout the region so please contact Ray for more specific detail. Those most applicable to Irish companies here include:
 - The [Australian Jobkeeper package](#), which enables employers to retain individuals.
 - Singapore Government subsidising 25% of workers wages.

OPPORTUNITIES/ CHALLENGES

- The rapid emergence of remote working has created need for easy to deploy and scalable enabling platforms and security solutions with particular opportunities in Australia and Singapore.
- Employee engagement and wellness applications are of particular interest across the region.
- Telco operators are looking to boost capacity on core networks and systems.
- Governments & owners of public spaces are seeking solutions to assist them in meeting the changing requirements around social distancing providing some unique opportunities for Irish clients within IoT & smart city solutions.
- Digital Health providers are also in demand, particularly in the domain of telehealth.



Industry Insights

Clients have access to a range of excellent industry insights and reports at the Market Research Centre, some examples are listed here. For more specific requests, please contact; market.research@enterprise-ireland.com

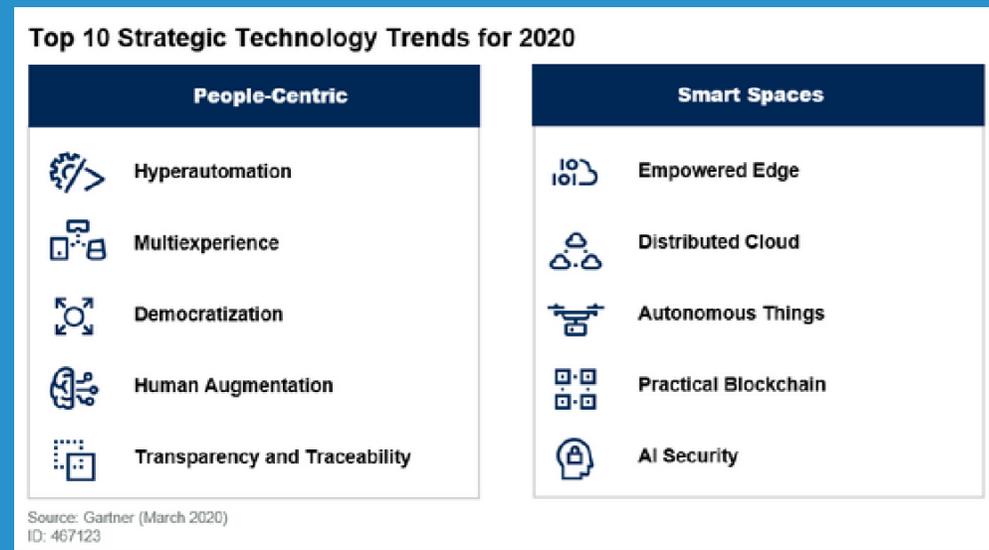
Ten Digital Technologies Helping Humans in the Fight Against COVID-19 – Frost & Sullivan
ww2.frost.com/frost-perspectives/ten-digital-technologies-helping-humans-in-the-fight-against-covid-19/

Staying Focused on Your Customers in Today's World – Gartner
<https://www.gartner.com/en/webinars/3982714/pa-nel-discussion-staying-focused-on-your-customers-in-a-covid-19>

A number of our regional offices are also running webinars specific to their local market – please contact the regional leads listed for more details.

Getting ahead of the next stage of the coronavirus crisis - McKinsey
<https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/getting-ahead-of-the-next-stage-of-the-coronavirus-crisis>

Gartner Webinar - Top 10 Strategic Technology Trends
<http://www.gartner.com/webinar>



Source of Image: Gartner





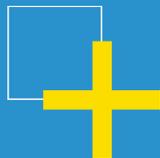
Enterprise Ireland

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Enterprise Ireland is the government organisation responsible for the development and growth of Irish enterprises in world markets. During this unprecedented period Enterprise Ireland is on hand to support you in overseas markets, to help you secure and sustain existing business relationships and to research opportunities that may emerge during the crisis. Please connect with our experienced Market Advisors by email to discuss further.

Learn more at www.enterprise-ireland.com/businessresponse



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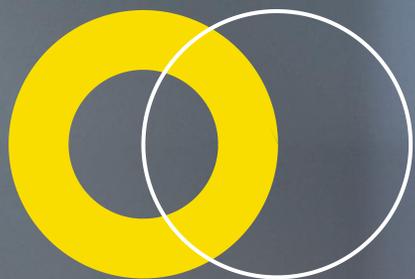
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