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MARKET FACT SHEET

United Kingdom

INTRODUCTION

The **United Kingdom** (UK) of Great Britain and Northern Ireland offers a compelling market for Canadian cybersecurity companies to expand due to its robust economy which provides a stable and prosperous environment for business growth. The UK has a skilled talent pool with expertise in cybersecurity, offering valuable resources for Canadian companies looking to establish a presence. The UK government provides various funding programs and initiatives to support the cybersecurity sector, aiding Canadian companies in their expansion efforts.

It is crucial for Canadian companies to be aware of the strict regulations governing the cybersecurity market in the UK. Compliance with these regulations is essential for successful operations in the country.

MAIN DATA

GENERAL DATA	
Area	› Located in Northwestern Europe › 243,610 square kilometers
Capital	London
Time Zone and Time Difference with Ottawa	› Greenwich Mean Time (GMT) – 5 hours ahead of Ottawa › British Summer Time (BST) [during daylight saving time] – 4 hours ahead of Ottawa
Languages	English
Population	66.97 million (2022)
Religions	› Christianity (Majority) › Islam
Major Holidays	› New Year's Day (January 1) › Good Friday (Friday before Easter) › Easter (Sunday following Good Friday) › May Day (First Monday in May) › Spring Bank Holiday (Last Monday in May) › Summer Bank Holiday (Last Monday in August) › Christmas (December 25) › Boxing Day (December 26)
Typical Working Hours	› Standard working 40 hours › 5-day workweek, Monday to Friday

Entry Requirements	› **Passport Validity**: passport must be valid for at least the expected duration of your stay in the United Kingdom.
	› **Visa Requirements**:
	   Tourist visa not required for stays up to 6 months.
	   Business, Work, Student visas are required.

Tax Treaties	› Convention Between the Government of Canada and the Government of the United Kingdom of Great Britain and Northern Ireland: The treaty provides rules for determining the taxation rights of each country on various types of income, including business profits, dividends, interest, royalties, and capital gains.

POLITICAL DATA	
Type of Political System	Parliamentary democracy with a constitutional monarchy
Leaders	**Prime Minister**: Rishi Sunak (assumed office October 25th, 2022)
Regime Stability	Stable

ECONOMIC DATA (MAIN ECONOMIC INDICATORS)	
Economic Situation	**Entire economy:** › USD $2.8 trillion GDP (2023) › Cybersecurity market: £10.5 billion (Value) › GVA[1] for the sector has reached £6.2 billion (an increase of 17% from previous year) › In 2022, £302 million has been raised across 76 deals in dedicated cyber security firms indicating an active and attractive market
Financial Situation	› **Currency:** British pound sterling (£) › $1 CAD equals $0.58 British pound › **Inflation Rate**: 4.20%
Economic Policies Relating to IT Sector	National Cyber Strategy 2022 – strategy sets out the government's approach to protecting and promoting the UK's interests in cyberspace.
Digital Transformation › Internet penetration rate › Digital literacy ranking › Cybersecurity investments	› **Internet penetration Rate:** 98% › **Digital literacy ranking:** N/A › **Cybersecurity investments:** N/A › **Other relevant data:** N/A

POLITICAL AGREEMENTS AND RELATIONS WITH CANADA	
Political Agreements and Relations with Canada	› Canada and the UK share a sovereign, His Majesty King Charles III. › Members of NATO, the G7, the G20, Five Eyes, and the Commonwealth › Canada–United Kingdom Trade Continuity Agreement › Canada and the UK signed a Memorandum of Understanding (MoU) on Science, Technology, and Innovation in 2017

MAJOR PLAYERS

🏛 Government

Government Communications Headquarters (GCHQ)

GCHQ is the UK's intelligence and security organization, responsible for collecting and analyzing signals intelligence. It plays a vital role in protecting the country's cybersecurity interests.

National Cyber Security Centre (NCSC)

The NCSC is the UK's technical authority for cybersecurity and operates as part of the Government Communications Headquarters (GCHQ). It provides guidance, support, and incident response to both the public and private sectors.

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1. Gross Value Added (GVA) is a measure of the value of goods and services produced in an economy. It represents the net contribution a sector, industry, or enterprise makes to the overall economy.

Five Eyes Alliance

The Five Eyes alliance is an intelligence network established post-World War II between the United States, the United Kingdom, Canada, Australia and New Zealand. The Alliance focuses on exchanging signals intelligence and collaborating on matters such as cybersecurity, counterterrorism, and global threats.

Private Sector

Darktrace

Darktrace is a cloud-based cyber security platform that uses Self-Learning AI to detect and respond to threats in real time. The organization has over, 2,200 employees.

Sophos

Sophos provides a range of cybersecurity solutions, including endpoint protection, network security, and encryption. They offer products for both businesses and individuals, focusing on advanced threat prevention and data security. The organization has over 4,000 employees.

BAE Systems Applied Intelligence

BAE Systems Applied Intelligence offers a wide range of cybersecurity services, including threat intelligence, incident response, and managed security services. They work with organizations across various sectors, including government, finance, and telecommunications.

Academic

University of Oxford - Oxford Cyber Security Centre

The Oxford Cyber Security Centre at the University of Oxford conducts cutting-edge research in cybersecurity and collaborates with industry partners to address key challenges. They offer various cybersecurity programs and have a strong focus on interdisciplinary research.

University of Cambridge - Cambridge Cybercrime Centre

The Cambridge Cybercrime Centre at the University of Cambridge is a multidisciplinary initiative that focuses on understanding, investigating, and mitigating cybercrime. They conduct research, provide training, and collaborate with law enforcement agencies and industry partners.

Association

The National Cyber Security Centre (NCSC)

The National Cyber Security Centre provides guidance, support, and expertise to both public and private sector organizations. The NCSC offers various resources, including best practice guides, threat intelligence, and incident response assistance.

The Cyber Security Association (CSA)

This non-profit organization aims to raise awareness and educate individuals and businesses on cyber security. They provide training, networking opportunities, and events to help professionals stay updated on the latest trends and developments in the field.

The Institute of Information Security Professionals (IISP)

The IISP is a not-for-profit organization that focuses on promoting professionalism and excellence in information security. They offer certifications, training programs, and networking events to support the development of cyber security professionals.

UK Cyber Cluster Collaboration (UKC3)

The UK's Cyber Cluster Collaboration is a central hub connecting and empowering regional cyber clusters across the UK to share knowledge, best practices and identify emerging opportunities.

INTERNATIONAL COMPETITION

The following countries have a significant presence in the United Kingdom: United States and Sweden.

STRENGTHS AND WEAKNESS OF CYBER SECURITY ECOSYSTEM

STRENGTHS

› **Healthy market** – the number of firms increased by 8% between 2021 and 2022.

› **Business composition is diverse**– primarily comprised of small and medium-sized businesses except in Northern Ireland where the ecosystem has attracted several major players

› **Large talent pool** – over 58,000 employed in the industry.

› **Established ecosystem** – nearly 600 established cyber security product and service providers within London alone.

› **Access to finance** – £302 million ($521 million CAD) has been raised across 76 deals in dedicated cyber security firms in 2022.

› **UK capital investment** in cybersecurity

› **is the highest of any nation in Europe.**

› **The UK is the third largest exporter** of cyber security services globally.

WEAKNESS

› **Strict Regulations** – The UK has a number of regulations that companies need to adhere to, including the Data Protection Act, Privacy and Electronic Communication regulations, Freedom of Information Act, and Environmental Information regulations. Compliance with these regulations is essential for operating in the UK market.

MAIN NEEDS/END CUSTOMERS/MAJOR PROJECTS IN PROGRESS TO COME

The UK's cyber security market consists of several significant segments, including software infrastructure, identity and access management, data & application, and governance, risk, compliance. To penetrate the market more easily, Canadian companies should consider targeting subsectors that are less saturated. Alternatively, they can focus on offering innovative product solutions to stand out in the already established market segments.

Laws and Regulations in the United Kingdom, like the UK-GDPR, CyberEssentials or CyberEssentials Plus, contributed to the growth of the cybersecurity industry.

MARKET PENETRATION: OPTIMAL APPROACH AND OTHER CONSIDERATIONS

For companies looking to enter this market with existing products, it is crucial to showcase a clear value proposition and competitive advantage, such as competitive pricing, superior quality, or strong branding.

Cultural differences between Canada and the United Kingdom should not be overlooked, and marketing strategies should be tailored accordingly.

Given the current period of economic uncertainty, it is advisable to offer flexible business arrangements to demonstrate a long-term commitment to the market. This can help build trust and strengthen relationships with customers and partners alike.

EVENTS

›   **Infosecurity**   June 4 -6, 2024

BUSINESS ENVIRONMENT AND PRACTICAL ADVICE

The United Kingdom stands out as one of the most secure and user-friendly destinations for conducting business worldwide. This is further supported by its impressive ranking of eighth in the World Bank's Ease of Doing Business index. Additionally, the UK offers attractive tax incentives for businesses, with the lowest average corporate tax rate among G20 countries and the lowest combined statutory corporate tax rate among G7 nations. These factors contribute to the UK's reputation as a favorable and advantageous business environment. Also, cooperation between the public sector, businesses, investors and academia within the United Kingdom's cybersecurity poles is particularly dynamic and fluid, stimulating innovation and business effervescence.

Useful Contacts

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›   United Kingdom travel advice
›   UK cyber security sectoral analysis 2023

In-Sec-M's Mission Report 2024