The EIU compiled these data and economic impact assessments using publicly available government data, maintaining full editorial control of the process and using industry standard approaches. Any views or opinions expressed in this document are not necessarily those of The Economist Intelligence Unit.
The UK is the EU’s second largest economy by GDP in 2014. Its large banking, financial, and services sector make software a vital component of a successful UK economy. The software industry’s impact on the UK economy is one of the highest in the EU.

Several UK software companies have made a name for themselves on the global stage, including Sage, Misys, and Micro Focus.

The software industry in the UK directly contributed £50.9 billion to the economy — the highest of any country in the EU and almost 3 percent of UK GDP.

The software industry’s contribution to GDP is higher in the UK than in any of the four other “Big Five” EU markets — Germany, France, Spain, and Italy.

**METHODOLOGY**

To estimate the total contributions of the software industry to the EU economy, the EIU analyzed the direct contributions and estimated indirect and induced impacts using various economic multipliers:

1. **Direct contributions:** the levels of output, employment, or wages of the industry in question;
2. **Indirect impacts:** the inter-industry economic activity resulting from the direct contributions (e.g., purchases of inputs);
3. **Induced impacts:** the additional economic activity supported by spending on goods and services by households whose income was affected by the direct contributions and indirect impacts.

Data sources include the EIU itself, Eurostat, the European Central Bank, OECD, and the World Input-Output Database.