



SECURITY AND RESILIENCE: AN OUTSTANDING MARKET OPPORTUNITY FOR THE UK

Security and resilience is one of the few market sectors that has continued to grow strongly during the current recession. The threats of terrorism, organised crime, natural events and other potential disruptions to normal economic and social activity have created enormous pressure on Governments, businesses and almost every type of organisation to better protect themselves and their citizens, staff, customers from harm. This is a market with almost inexhaustible demand, from individuals to the largest Government organisations and multinational businesses. It is also a relatively immature and fragmented market, offering opportunities for innovative products and systems, and for new services. Goldman Sachs estimates the global market to be already worth \$140-180bn; it has been predicted to rise to £250bn by 2018.

Countering terrorism has been a key focus of this market since the emergence of global terrorist movements. The UK has a long track record in combating terrorism, developing skills and capabilities in both the public and the private sector which are world renowned. The British police and other emergency response and security services have a worldwide reputation for their effectiveness. These capabilities are constantly put to the test and have served us well, but they must be evolved continuously to meet new challenges in the broader security agenda such as society's growing dependence on the internet and telecommunications networks, and the increasing importance of space and cyber security. The UK has strong capabilities in many high technology areas and needs to consider how they can be developed, e.g. through a national information sharing strategy.

The security and resilience sector already provides considerable economic benefit to the UK. It is a major employer, estimated to have normally 600,000 people employed, in all regions of the UK. The additional capacity which the private sector can provide will undoubtedly swell these numbers around major events, notably the 2012 Olympics. The sector offers opportunities for all types and sizes of company including leading edge service businesses, high tech research establishments; training organisations; academia and its spin-offs; innovative SMEs and major systems integrators including existing defence suppliers who are diversifying.

Whilst the UK industry has a worldwide reputation for high quality systems and services in the defence and security markets, it is facing intense competition from countries that direct resources in a focussed way to develop their own markets and to expand their exports. Fragmentation of the UK market, both on the demand and supply side, is a key issue for supply of UK capability. Industry is also concerned that fragmentation could constrain its ability to win business globally. The development of a more coherent market needs to maintain diversity and innovation, especially from SMEs and academia, but also to strengthen the UK's systems integration capability and its supply chain relationships, to get businesses at all levels working together.

Key market issues, such as encouraging open standards, and the economic impact of UK and EU regulation and licensing need to be tackled as an immediate priority. Home Office has already started looking at some of these issues, and industry would like to help give this work more resource and momentum.

This is the right moment for the UK to expand its industrial base in security for both operational and economic reasons. The development of the Counter Terrorism Strategy (CONTEST) and more recently the National Security Strategy and the Cyber Security Strategy have highlighted UK Government's leadership in the global struggle to counter terrorism and deal with other major threats to our society. The formation of the Office for Security and Counter Terrorism (OSCT) in the Home Office and the National Security and Civil Contingencies Secretariats in the Cabinet Office has provided an organisational framework for this work. The UK industry has responded by setting up the Security and Resilience Industry Suppliers' Community (RISC), bringing together major trade associations, companies and think tanks to provide the Government with a cohesive and constructive body with which to engage on the Government's counter-terrorism and wider security policies. UK industry recognised the potential for joint action with the Government and the owners and managers of the Critical National Infrastructure (CNI) to support these policies and also to create additional economic advantage for the UK.

RISC is working with the bodies mentioned above and other agencies such as the Centre for Protection of National Infrastructure (CPNI) to develop new ways of bringing Government, industry and academia together to enhance key national security capabilities. UKTI are working with industry through their Security Sectoral Advisory Group to see how the fruits of this increasing co-operation can bring economic benefit to the UK through increased exports. RISC now proposes three co-operative approaches between Government and industry which it believes will add significant value for the UK in creating additional employment and enterprise in the UK but without significant additional cost to the taxpayer or industry:

- A joint study, to be commissioned immediately, to identify ways to accelerate the development of UK industrial capability in key growth sectors of the global security market and to tackle key market issues that could constrain growth.
- A coherent joint framework for security research, technology development and exploitation in the public and private sector, aimed at developing future capability and export potential.
- A joint plan to exploit opportunities to showcase UK capability at home and abroad.

RISC asks that the Government gives urgent consideration to all three measures, all of which industry stands ready to support.

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