

IT set to become the second largest sector on the ASX by 2024

Sydney, Australia – 16 December 2019 -- The Australian Information Industry Association (AIIA), the peak member body for the ICT industry, welcomes the launch of the new S&P All Technology Index (S&P AllTech) that will officially launch on 21 February 2020. The current S&P/ASX 200 Information Technology Index covers companies that provide software & services, technology hardware & equipment, and semiconductors & semiconductor equipment manufacturers. Rather than list just those companies that are part of the ASX top 200 companies, the AllTech will incorporate all listed tech stocks. "The AllTech will typically attract initial public offerings (IPOs) in the tens of millions to hundreds of millions valuation range. A listing on the ASX has many advantages for technology companies that include access to capital for growth, higher public and investor profile, and improved valuation. Ron Gauci, CEO of AIIA, said: "The introduction of an All Technology Index is recognition of the importance and significance of the technology sector to Australia's economy. The sector is growing rapidly and it's time to have a standalone Tech Index as part of the ASX that includes relatively small-cap stocks. "The AllTech will provide a good benchmark that will allow investors to see how each individual company is performing compared to their tech peers, and will also promote our vibrant and growing tech start-ups and lead to more local listings," said Gauci. "The tech sector contributes 6.6 per cent to Australia's GDP, creates \$122 billion in value, and is vital to every industry sector. Australia now has a digital economy with a tech spine running down its centre. "Tech services exports are worth \$3.78 billion with a tech trade surplus growth of over 200 per cent from \$170 million in 2017 to \$515 million in 2018. Over 700,000 Australians are employed in the tech sector, accounting for 5.7 per cent of the workforce, and there was an average trend growth of 2.5 per cent between 2011 and 2018, outpacing the overall labour market growth rate of 1.7 per cent. By 2024 the tech workforce is expected to grow by another 100,000[1] IT is currently the third largest sector listed on the ASX with 204 companies, behind materials (686) and financials (212) – IT stocks are eighth in value and fourth in volume. "In particular, Artificial Intelligence (AI) represents an enormous opportunity for Australian tech companies which are both using and developing powerful AI technology. According to the Government's AI technology roadmap, AI will improve productivity, create thousands of new jobs every year, help us live longer and improve our quality of life. Digital technologies, including AI, could be worth \$315 billion to the economy by 2028." The graph above shows how the IT sector has broken away from the rest of the share market in the past few years and is already boosting growth in the Australian economy. "My hope is to see IT become the second largest sector on the ASX by 2024," concluded Gauci. # # # About AIIA The Australian Information Industry Association (AIIA) is Australia's peak representative body and advocacy group for those in the digital ecosystem. Since 1978 AIIA has pursued activities to stimulate and grow the digital ecosystem, to create a favorable business environment for members and to contribute to Australia's economic prosperity. We do this by delivering outstanding member value by providing a strong voice of influence; building a sense of community through events and education; enabling a network for collaboration and inspiration; and developing compelling content and relevant and interesting information. For more information on AIIA Policy and Advocacy key areas please visit <https://www.aiia.com.au/influence-And-leadership/policy-priorities> Media Contact For more information please contact: Jeffrey Coote Tel: (02) 8355 3130 jeffrey@filteredmedia.com.au [1] Deloitte Access Economics, Digital Pulse, ACS, 2019

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