Cyber Security

Market Development Plan for Scotland's Cyber Security Industry

Executive Summary

Scotland's cyber security industry is poised for significant growth, leveraging its unique ecosystem of academic excellence, innovative startups, and strong government support.

This Market Development Plan outlines strategies to enhance Scotland's position as a global leader in cyber security, focusing on expanding market reach, fostering innovation, developing talent, and strengthening international partnerships.

By capitalizing on Scotland's strengths—such as Abertay University's pioneering ethical hacking degree, a collaborative tech ecosystem, and a growing cluster of nearly 400 cyber security firms—the plan aims to drive economic growth, increase global market share, and enhance cyber resilience.

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Key actions include targeted marketing campaigns, investment in skills development, international trade missions, and support for innovation through funding and partnerships.

Market Analysis

The global cyber security market, valued at $66 billion in 2013, is expected to grow to $144.67 billion by 2024, fueled by rising cyber threats and widespread digital transformation.

Scotland's cyber security sector has seen remarkable growth, with the number of firms increasing from 102 in 2018 to 401 in 2024, nearly half of which are startups established within the last seven years.

This growth is underpinned by Scotland's strengths, including its pioneering academic programs, such as Abertay University's ethical hacking degree, and a collaborative ecosystem involving industry, government, and academia, supported by initiatives like the Scottish Cyber Coordination Centre (SC3) and £2.2 million in government funding.

However, challenges remain, including a fragmented community, a shortage of specialist skills, reliance on legacy technology, and limited C-suite awareness of cyber risks. Scotland's target markets include its domestic public sector, SMEs, and critical

infrastructure, as well as international markets in Europe, North America, and Asia-Pacific, where demand for GDPR-compliant solutions, financial security, and IoT expertise is high.

Industry Action Plan

The plan aims to achieve five key objectives by 2030.

First, it seeks to increase Scotland's global market share in cyber security by 20%, leveraging its growing cluster of firms. Second, it positions Scotland as a leader in cyber security innovation, particularly in AI-driven and IoT solutions.

Third, it addresses the skills gap by increasing the number of cyber security professionals by 30%. Fourth, it enhances Scotland's reputation as a digitally secure nation, targeting 90% adoption of Cyber Essentials across key sectors by 2028.

Finally, it establishes Scotland as a preferred partner for global cyber security initiatives through at least five major international partnerships by 2028.

- **Market Expansion:** Increase the global market share of Scotland's cyber security industry by 20% by 2030.
- **Innovation Leadership:** Position Scotland as a global leader in cyber security innovation, particularly in AI-driven security and IoT solutions.
- **Talent Development:** Address the skills gap by increasing the number of cyber security professionals by 30% by 2030.
- **Cyber Resilience:** Enhance Scotland's reputation as a digitally secure nation, achieving 90% adoption of Cyber Essentials across key sectors by 2028.
- **International Collaboration:** Establish Scotland as a preferred partner for global cyber security initiatives, securing at least five major international partnerships by 2028.

Market Expansion

To expand market reach, Scotland will launch a global "Cyber Scotland" branding campaign to highlight its expertise in ethical hacking, IoT security, and financial tech security, partnering with Scottish Development International to promote the industry at international trade shows like RSA Conference and Infosecurity Europe.

Trade missions to key markets such as the USA, Singapore, and Germany will connect Scottish firms with global clients, supported by export grants and mentorship from Scottish Enterprise.

Domestically, adoption of cyber security solutions will be promoted among SMEs and public sector organizations through subsidies for Cyber Essentials certification and expansion of the IT Managed Service Providers Charter.

Innovation will be driven by allocating £5 million annually through Scottish Enterprise to fund research in AI, IoT, and quantum technologies, while a Cyber Innovation Hub in Edinburgh will foster collaboration between startups, universities, and large firms.

A Cyber Accelerator Program will support 20 new startups annually, building on ScotlandIS's Cyber Cluster. To address the skills gap, enrollment in cyber security programs will increase by 25% by 2030, with a national apprenticeship program targeting 1,000 apprentices annually by 2028. Inclusive training initiatives will aim for 40% representation from underrepresented groups, and 5,000 professionals will receive annual training through ScotlandIS.

Cyber resilience will be enhanced by investing £2 million annually in SC3 to improve threat intelligence and incident response, achieving 90% Cyber Essentials adoption in key sectors, and expanding public awareness through CyberScotland Week.

Internationally, Scotland will build partnerships with cyber security hubs in Israel, Singapore, and the USA, align with UK and EU strategies, and host an annual Cyber Scotland Summit to showcase its expertise.

Conclusion

This Market Development Plan positions Scotland's cyber security industry for global leadership by leveraging its academic strengths, innovative ecosystem, and government support.

By focusing on market expansion, innovation, talent development, cyber resilience, and international collaboration, Scotland can capitalize on the growing global demand for cyber security solutions, drive economic growth, and establish itself as a digitally secure and resilient nation.