

HEARING

JULY 23, 2015



**SMALL
BUSINESS
COMMITTEE**

Opening Statement

Chairman Amata Radewagen

Subcommittee on Health and Technology

“Modern Tools in a Modern World: How App Technology is Benefitting Small Businesses”

July 23, 2015

Good Morning. I want to welcome all of you to this hearing of the Small Business Subcommittee on Health & Technology. It is an honor to chair this subcommittee and I look forward to continuing the work we are doing to improve opportunities and growth for the nation’s small businesses.

Today we will be examining Apps, which are applications of technology accessed on smart phones and other portable, hand-held devices.

U.S. demand for mobile data grew by 63 percent in 2014 and is expected to increase sevenfold by 2019. Since 2007 the United States has seen more than 750,000 app economy jobs created. An astounding 77 percent of the apps are made by startups or small companies and nearly 80 percent of these companies are located outside of Silicon Valley. And this industry is steadily growing; findings predict that the app economy will reach \$151 billion by 2017.

App technology provides businesses and consumers with fast, viable solutions to everyday problems. And research shows it is the entrepreneur, due to an ability to remain flexible in a quickly changing market environment, who is leading the development of these innovative apps.

Developers are producing apps that integrate home automation systems, track and monitor health statistics, offer budget and financial transactions tools, and allow consumers to have their groceries purchased and delivered.

The continued impact that the app industry will have on the United States economy are significant, and we must help foster that growth. In fact, more than 20 percent of all apps sold in China were developed by American businesses. This is a perfect illustration of the potential growth for the industry.

I also want to touch on the implications app technology provides for underserved regions, like my district, American Samoa. Entrepreneurs in the farthest corners of America can tap into the app industry and our residents are among the innovators. For instance, a Pago Pago native from my district developed a photo app that allows users to add Polynesian cultural filters and designs to their photos before sharing them.

I want to thank the witnesses for being here today to help us examine and further understand the implications app technology can have on the economy. I now yield to the Ranking Member for his opening statement.