

## Press release

### BITKOM industry confident ahead of CeBIT

- Eight out of ten companies anticipate rising sales
- BITKOM index remains steady at a level of 72
- Partner country China is the fastest-growing ICT market

**Hanover, 28 January 2015**

The mood among enterprises in the digital economy is decidedly good a few weeks ahead of CeBIT, with eight out of ten firms (79%) anticipating rising sales over the next six months and only 7% forecasting losses in sales. Compared to the summer, the BITKOM index remains unchanged at a level of 72, as opposed to 67 one year ago. These results from the latest BITKOM economic survey were announced today in Hanover. "With six weeks to go until CeBIT, the mood at most firms is still somewhat better than one year ago," commented BITKOM President Prof. Dieter Kempf at the "CeBIT Preview" press conference in Hanover. "However, we are seeing very significant differences in the industry from segment to segment." IT service providers and software vendors are especially positive looking forward, with 86% of providers and 84% of vendors anticipating an increase in sales, and only 4% of providers and 5% of vendors expecting a decline. Hardware manufacturers are more reserved, 70% of whom expect higher sales, while 13% anticipate declining sales. Communications technology providers are the most sceptical, with 61% forecasting higher sales and 18% expecting losses.

The good business prospects for the industry overall are a clear continuation of the favourable trend seen in the second half of 2014. Roughly three-quarters of businesses (74%) reported sales increases between July and December, versus 12% reporting declines. For the same period IT service providers and software firms reported above-average sales growth, while 61% of communications technology providers recorded higher and 24% lower sales. For the full year 2015, 85% of ICT firms expect sales to come in higher versus 4% anticipating a decline.

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The percentage of firms which foresee creating additional jobs this year has increased again as well, with 68% planning to hire extra personnel (2014: 63%) and only 5% planning workforce reductions (2014: 7%).

The central trade fair theme of "d!conomy" reflects what in BITKOM's view is both the biggest economic and societal challenge and opportunity faced today. "It's about actively shaping the entire digital transformation over to a d!conomy," explained Kempf. According to a BITKOM survey, two thirds of Germans believe that on balance digitalisation offers greater opportunities than it does risks.

Several internet firms from China – this year's CeBIT partner country – such as Alibaba and Baidu are driving this digital transformation.

Furthermore, China is the world's fastest growing ICT market. According to EITO projections, sales of IT and telecommunications products and services in the People's Republic rose by 14.7% in 2014 to 315 billion euros. By comparison, the US ICT market grew by 3.3% and the EU market only by 0.4%. At the same time, China has been Germany's most important delivery country for ICT products by far for many years.

Germany has been importing 14.4 billion euros in goods in the first nine months of 2014 alone. "CeBIT is an excellent place especially for SMEs from both countries to exchange ideas and enter into new international markets," said Kempf.

Methodology: Data is derived from the semi-annual business survey among ICT enterprises conducted by Bitkom Research. The market forecasts are based on studies by the European Information Technology Observatory (EITO). EITO provides current data on the global information technology, telecommunications, and consumer electronics markets. EITO ([www.eito.com](http://www.eito.com)) is a project of Bitkom Research GmbH in cooperation with the market research institutes IDC and GfK.

BITKOM represents more than 2,200 companies in the digital sector, including 1,400 direct members. With more than 700,000 employees, our members generate a domestic turnover of 140 billion Euros a year, exporting high-tech goods and services worth another 50 billion Euros. Comprising 1,000 small and medium-sized businesses as well as more than 200 start-ups and nearly all global players, BITKOM' members offer a wide range of software technologies, IT-services, and telecommunications or internet services. They produce hardware and consumer electronics or operate in the sectors of digital media and the network industry. 76 percent of the companies' headquarters are located in Germany with an additional amount of 10 percent in other countries of the EU and 9 percent in the USA as well as 5 percent in other regions. BITKOM supports an innovative economic policy by focussing the modernization of the education sector and a future-oriented network policy.