

Press release

Britain's ICT market set to take off again in 2010

- Recovery of general economy stimulates high-tech market
- Companies want more IT
- Boom in mobile data services for mobiles and notebooks

London, 8 December 2009

The latest forecast by the European Information Technology Observatory (EITO) suggests that revenues of products and services from the IT, telecommunication and consumer electronics sector will pick up again in 2010, rising by 0.5 per cent to 135.7 billion euros. As a result of the economic crisis, the UK ICT market contracted again by 2.4 percent in 2009 to 135 billion euros. "The upswing in the general economy in the coming year will also give a boost to high-tech markets," said EITO Task Force Chairman Axel Pols at the release of the data in London. Most consumers have not shown much restraint in light of the crisis. The coming year should also see stronger corporate demand, he added. "There is an investment backlog in IT projects that will be cleared in the next two years."

According to the EITO forecast, revenues in information technology (hardware, software and services) in the UK will rise by 0.3 percent to 65.5 billion euros. It contracted by 3.0 percent in 2009 to 65.3 billion euros. "Many companies are looking to step up their efficiency drives using new technologies," said Pols. Outsourcing service providers will benefit most, with a growth in revenues of 4.1 percent to 23 billion euros forecast for 2010.

Although the telecommunications sector is better cushioned against economic turbulence, lower prices will lead to only moderate growth. Sales in telecommunication equipment and services will rise by 0.5 percent to 58.3 billion euros, according to the EITO. This market shrank by 1.4 percent in 2009 as a result of a technological transformation that affected the whole of Europe. "While spending on fixed telephony has been shrinking for years, strongly rising demand in data services has rekindled the market," Pols said. Sales in mobile

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data services, for example, will rise in 2010 by 4.1 percent to stand at 5.3 billion euros.

The UK market in digital consumer electronics, according to EITO estimates, will shrink in 2009 by 3.9 percent to 11.6 billion euros. Despite the decline, the market is developing far better than was assumed at the beginning of the year. Sales in Blu-Ray players are especially gratifying. Sales figures for 2009 increased by almost 150 percent to 704,000 sold units worth (171 million euros). For 2010, EITO expects growth of 64 percent to 1.2 million players for 248 million euros. This will see the new high-resolution video players capture more than a third of the market. Sales are also up in set-top boxes for digital TV reception, gaming consoles and MP3 players. In 2009, sales in flatscreen TVs, digital camera and navigation systems, meanwhile, are receding. For 2010, EITO forecasts UK revenues in digital consumer electronics to rise by 2 percent.

ICT market in the EU recovers

Further afield in Europe, the ICT market will stabilise in the coming year. The latest EITO forecast suggests that revenues of products and services in IT, telecommunications and consumer electronics will rise in 2010 by 0.5 per cent to some 715 billion euros. In comparison, revenues in 2009 were down by 2.4 per cent to 713 billion euros. EITO says that the IT market 2010 in the EU will again grow by 0.5 percent to reach the 300-billion-euro mark. It contracted by 3.1 percent in the current year to around 298 billion euros. Telecommunications is also set to rally in the coming year. Sales there will rise by 0.9 percent to around 360 billion euros. The market in digital consumer electronics posted a minus. Due to plummeting prices for flatscreen TVs, digital cameras and navigation systems, EITO predicts that revenues in 2010 will fall by 5.9 per cent to 55.1 billion euros.

Since 1993 the European Information Technology Observatory (www.eito.com) has been offering high quality and up-to-date information on European and global markets for information technology, telecommunications and consumer electronics. The EITO is managed by Bitkom Research GmbH, a wholly owned subsidiary of BITKOM, the Federal Association for Information Technology, Telecommunications and New Media in Germany. EITO collaborates with leading market research institutes including PAC, IDATE, GfK, and research activities of the EITO Task Force are supported



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