

Press release

International IT market is resisting the downturn

- **Turnover in information technology in Western Europe to increase by 2 percent in 2009**
- **Strongest growth in demand is for software and IT services**
- **IT systems helping businesses to manage the crisis**

Berlin, 17 December 2008

Despite the weakness in the international economy, demand for information technology (IT) will continue to increase in the coming year. According to the new forecast of the international market research institute EITO, turnover of computers, software and IT services in Western Europe will increase by 2 percent in 2009, to a round 315 billion Euro. "IT expenditure of businesses will continue to grow even in an economic recession", said EITO chairman Bruno Lamborghini. "Information technology is of strategic importance for companies in a crisis situation because it makes operations more efficient and more economic." Increasing demand for IT was also to be expected from contractors working in the public sector, where investment has limited dependence on economic fluctuations. According to the latest forecast, providers of software and IT services in Western Europe will achieve a substantial increase in turnover of 3.2 percent in the coming year, to 228 billion. In comparison, manufacturers of IT hardware are facing a loss of 1.3 percent, to 87 billion Euro.

The EITO market researchers are expecting development of the IT market in Western Europe, which includes the 15 core countries of the EU with the addition of Switzerland and Norway, to be more robust than in the USA. IT turnover in the United States is forecast to grow by 0.8 percent to 347 billion Euro. Before the global financial crisis became more acute, EITO was assuming growth of the IT market at a level of 4.4 percent in the USA.

The global IT market for the year 2009 will grow, according to the EITO forecast, by 2.7 percent to 983 billion Euro. As in Europe, suppliers of software and IT services around the world are growing particularly strongly. Their turnover world-wide is forecast to grow by 3.4 percent to 677 billion Euro in the coming year. The

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hardware market is increasing by 1.3 percent to 305 billion Euro. The driving forces are emerging markets like China, India and Russia, which still have some ground to make up in developing their IT infrastructure. "So far, the IT industry has navigated the economic storms with relative stability", said Lamborghini. This showed the increasing importance of information technology for business. "Modern IT systems", said Lamborghini, "lead to lower costs, promote innovations in products and processes, and are therefore an important instrument in managing the crisis."

The European Information Technology Observatory (www.eito.com) offers 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 German Association for Information Technology, Telecommunications and New Media. EITO collaborates with leading market research institutes including PAC, IDATE, GfK, and research activities of the EITO Task Force are supported by the European Commission and the OECD. EITO is sponsored by CeBIT, Deutsche Telekom, KPMG, Red.es, Simo, Systems and Telecom Italia.