

Press release

Emerging markets boost ICT spending

- **Strong increase in high-tech revenues in BRIC countries**
- **India leads growth rates in 2011 with a plus of 26 percent**
- **China becomes second largest telecom ICT market in the world**

Berlin, 6th January 2011

The newly industrialised countries in Asia and Latin America are driving the international high-tech markets. Spending on information and communication technology (ICT) is growing at a double digit rate in many of these countries. This is being reported by the European Information Technology Observatory (EITO) on the basis of a newly released study on ICT markets in Brazil, Russia, India and China (BRIC). On balance, the ICT markets in the BRIC countries should grow by almost 13 percent in 2011 to around 431 billion euros. Around two thirds of this revenue will be accounted for by telecom equipment and services, one third by information technology, including computers, software and IT services. "The potential of the ICT markets in the newly industrialised countries is tremendous and we should see further strong growth in the coming years", according to Bruno Lamborghini, Chairman of the EITO. "In the BRIC countries (with the exception of India), the significance of the information technology market is rising compared to the communication technology market, which, in turn, is demonstrating the market's increasing maturity."

The largest ICT market amongst the BRIC countries is China, with a volume of 204 billion euros in 2010. According to the EITO estimate, the Chinese ICT market grew by around 15 percent in 2010, and will continue to grow in 2011 by around 12 percent. China is therefore the third largest ICT market in the world, only being topped by the US and Japan. China is set to overtake Japan as early as 2012. Although Chinese IT spending increased by 21 percent to 69 billion euros in 2010, the telecommunications market "only" grew by 12 percent to around 135 billion euros.

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Among the other BRIC countries, the largest growth rates are currently being recorded in India. The Indian ICT market experienced an increase of 18 percent to 55 billion euros in 2010. In 2011, according to the EITO, growth will accelerate even further to 26 percent, thereby increasing the market volume to around 70 billion euros.

Helped by a solid macroeconomic performance, the Brazilian ICT market has shown impressive growth in recent years, being one of only a few markets worldwide to exhibit growth in 2009. In 2010, the ICT market in Brazil grew by 8 percent to 78 billion euros. In 2011, the ICT market is expected to grow by 7 percent to around 83 billion euros.

Russia has experienced a surprisingly quick rebound after being heavily affected by the economic crisis in 2009. After having grown by 9 percent in 2010, ICT spending is set to increase by 8 percent in 2011 to 49 billion euros according to the EITO. The Russian ICT market is being driven by information technology spending, which is expected to increase by 12 percent to 15 billion euros in 2011. The telecom market is expected to grow by 7 percent to 34 billion euros.

Since 1993, 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 Federal Association for Information Technology, Telecommunications and New Media in Germany. EITO collaborates with leading market research institutes including IDATE, IDC, PAC and 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, Messe München, Red.es and Telecom Italia.