

Press release

Turnaround in the Spanish ICT market

- **High-tech market should remain stable in 2011**
- **IT market expected to rise by 2.7 percent**
- **20 percent more computers sold in 2010**
- **Smartphone sales increase by one third**

Madrid, 2 December 2010

The Spanish ICT market is displaying a turnaround. The overall turnover is expected to decrease slightly in 2011 by 0.2 percent to 55.6 billion euros. However, this is a significant improvement in comparison to the dramatic collapse in the crisis year 2009, when the market experienced a drop of 6.4 percent. What's more, if the consumer electronics market, which is expected to shrink by 6.8 percent to 4.5 billion euros, is removed from the equation, a slight increase of 0.5 percent will be achieved in 2011, according to the European Information Technology Observatory (EITO). "Spain's ICT sector is on the road to recovery. Investments in software and IT services, above all, will help to give the market new momentum next year", explained Dr. Axel Pols, Chairman of the EITO Task Force.

The IT market, which is expected to grow by 2.7 percent in 2011 to 19.5 billion euros, will benefit from the strong demand for PCs. Computer sales have increased by 8.4 percent in 2010, and are expected to increase by a further 3.3 percent in 2011, which equates to revenues of 2.9 billion euros. The growth rates regarding the number of devices sold are even more impressive: in 2010, 20 percent more PCs were sold than in the year before, and this figure is set to increase again in 2011 by 9.6 percent to 7.1 million units.

The telecommunications sector is expected to decline slightly by 0.9 percent to 31.6 billion euros in 2011. The main cause for this is the significant drop in demand for fixed network telephony (minus 5.7 percent), which cannot be offset by the strong increase in demand for smartphones (32.5 percent). The telecommunications sector accounts for 58 percent of the overall ICT market in Spain, which is significantly higher than the EU average (49 percent).

European Information
Technology Observatory -
a project of
Bitkom Research GmbH

Albrechtstraße 10 A
10117 Berlin-Mitte
Tel. +49.30.944002-60
Fax +49.30.944002-45
info@bitkom-research.de
www.bitkom-research.de
www.eito.com

Contact

Marcel Bertsch
EITO Press
Tel. +49.30.27576-125
Fax +49.30.27576-400
m.bertsch@bitkom.org

Dr. Axel Pols
Chairman EITO Task Force
Tel. +49.30.27576-120
Fax +49.30.27576-400
a.pols@eito.com

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The ICT market in the EU is expected to grow by 1.5 percent in 2011 to 715 billion euros (incl. consumer electronics). The IT sector is expanding significantly here as well with a 3.9 percent increase, while the telecommunications sector expects growth of just 0.8 percent.

Information and communications technologies are experiencing a surge in sales worldwide, thanks in no small part to the BRIC countries (Brazil, Russia, India and China). The ICT market expects growth of 5 percent globally for 2011 (CE not included), with a 7 percent increase in the Brazilian market, more than 8 percent in Russia, 12 percent in China and an incredible 26 percent in India. Growth rates that mature EU markets can only dream of.

The European Information Technology Observatory (www.eito.com) has been providing high-quality and up-to-date market data on European and international markets in information technology, telecommunications and consumer electronics since 1993. EITO is managed by Bitkom Research GmbH, a wholly owned subsidiary of BITKOM e.V. EITO is sponsored by CeBIT, Deutsche Telekom, KPMG, Messe München, Red.es, Simo and Telecom Italia. EITO collaborates with leading market research institutes such as PAC, IDATE, IDC and GfK. EITO Task Force research activities are supported by the European Commission and the OECD.