

Press release

Software demand drives the European IT market

- **Pan-European software revenues increase to over 70 billion euros**
- **Overall IT market to grow by 2.7 per cent next year**
- **Debt crisis impacts IT investments**

Berlin, 12 December 2011 The demand for software drives the EU IT market. In 2012, revenues from system software and applications are expected to increase by 4.6 per cent to in excess of 70 billion euros. This was announced by the European Information Technology Observatory (EITO) in Berlin on the basis of the new EITO report. Overall, the European IT market is expected to grow again by 2.7 per cent in 2012 to 320 billion euros, after declining marginally this year by 0.6 per cent. "Expenditure for IT hardware in particular fell short of expectations in 2011, due to the noticeable economic decline in Europe as well as the radical changes on the PC market", says Dr Axel Pols, Chairman of the EITO Taskforce.

The weak economy and increased uncertainty are depressing IT demand especially in those countries most severely affected by the crisis. Thus the Greek IT market contracted by twelve per cent this year to 1.5 billion euros. In Italy, revenues fell by four per cent to around 25 billion euros, and in Spain by 5 per cent to just under 19 billion euros. "The public sector reduced its IT expenditure due to budgetary constraints and even companies have reduced their budgets", added Pols. However, the situation is expected to ease as early as 2012: IT spending is expected to increase to 2011 levels in the countries named above. However, owing to the persisting uncertainty regarding macroeconomic development in the coming year, these forecasts are also fraught with considerable uncertainty.

In booming countries like India and China, IT spending remains dynamic. China's high-tech market is expected to grow by a further 14 per cent in 2012 to 68 billion euros, thus amounting to around a fifth of the volume of the European market. The Indian IT market is also expected to post two-digit growth to 18 billion euros.

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