Information and Communications Technologies

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The growth rate of the entire Information and Communications Technologies (ICT) market in Europe, according to the European Information Technology Observatory (EITO) for 2006, is estimated to reach 3.2% from 3.7% in 2005, while in 2007, it is expected to reach 3%. In 2005, the total value of the global Information Technology and Communications market reached €1.95 trillion. A percentage of 33.8% came from Europe, 28% from the USA and 14.7% from Japan (Figure 1). In 2006, the value of the global ICT market will climb to €2.027 trillion. An amount of €919 billion will derive from the Information Technology market and Europe will contribute by €325.6 billion, which equals a share of 35.5% in the global Information Technology market. The rate of the global Communications market for 2006 is estimated to be €1.1 trillion, with an amount of €355 billion deriving from the European market and its share will reach 32.1%.

European Union

EITO's executives are optimistic for the ICT sector during 2006. More specifically, the Peer-to-Peer (P2P) model is considered to be a catalyst in the creation of new generation technological services, such as security, outsourcing services, development of international standards, mobile services, e-government, e-business for small enterprises, wireless networks, WIFI and WIMAX services, digital television, transmission of image, sound, video and data through mobile phones, e-commerce markets. Analysts expect larger benefits for technology companies, as these sectors are now mature, despite the fact that in 2006, the total growth rate of the European ICT market will fluctuate from 3.2% to 3.7% in 2005. For 2007, predictions are more conservative and there is a possibility for a 3% growth rate. The new European digital strategy (i2010) forecasts investments in broadband networks, development of digital content and expansion of relevant services, focus in research and innovation, creation of common European channels for the exchange of digital content, development of digital television without local restrictions.

In 2006, the rate of the European Information and Communication market is expected to reach €680 billion. In detail, the EU member-states' activity in the global information market in 2006 will reach 35.4% and in the global communication market 32.1%. 60% of the European citizens use Internet from home or their work place. It is expected that in 2009, 40% of European households with broadband connection will be paying for certain digital content service (movie, games, music etc.). This can also be achieved through wireless mobile networks. Wireless networks (3G, WIFI, WIMAX) are also expected to alter the customers' habits. Simultaneously, Voice over IP is an appealing advantage in the new technologies area. It is estimated that at the end of 2005, there were 5 million telecommunication connections through broadband networks in Europe. This number is expected to rise, as increasingly more telecommunication companies launch similar services. Furthermore, a significant opportunity

in Greece

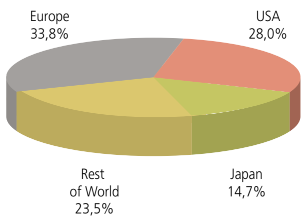

Figure 1. The Global ICT market, 2006

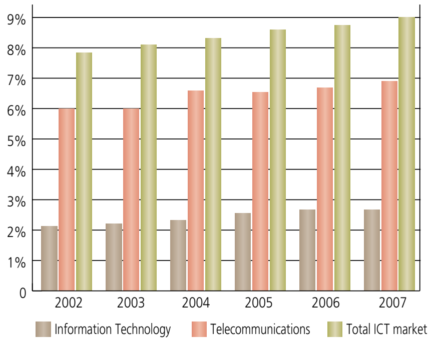

Figure 2. The Greek ICT market, in € b.

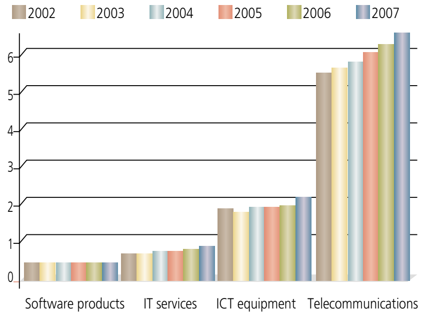

Figure 3. Analysis of the Greek ICT market, in € b.

for development in Voice over IP is the spread of its use in enterprises, particularly small and medium-sized.

UK is expected to have the greater growth rate of the ICT market in Europe of the "15" with 4.2%, while Austria follows with 4.1%, Spain and Ireland with 4% and Greece with 3.7%. The most dynamic countries among the 10 members of the EU, according to EITO, are Lithuania, Poland, Slovakia, the Czech Republic and Estonia (Table 1).

Europe	2003	2004	2005	2006	2007	2004/03%	2005/04%	2006/05%	2007/06%
Austria	13,699	14,101	14,553	15,149	15,709	2.9	3.2	4.1	3.7
Belgium/Luxembourg	17,248	17,714	18,159	18,546	19,091	2.7	2.5	2.1	2.9
Denmark	12,126	12,556	13,026	13,378	13,702	3.5	3.7	2.7	2.4
Finland	9,243	9,521	9,813	10,073	10,340	3.0	3.1	2.6	2.7
France	88,282	90,918	94,020	96,817	99,905	3,0	3.4	3,0	3.2
Germany	125,430	128,862	131,784	134,526	137,156	2.7	2.3	2.1	2,0
Greece	7,543	7,806	8,087	8,390	8,752	3.5	3.6	3.7	4.3
Ireland	5,936	6,183	6,407	6,664	6,903	4.2	3.6	4,0	3.6
Italy	65,158	67,297	69,164	70,849	72,514	3.3	2.8	2.4	2.4
Netherlands	30,638	31,391	32,517	33,572	34,471	2.5	3.6	3.2	2.7
Portugal	8,401	8,727	9,107	9,345	9,622	3.9	4.4	2.6	3.0
Spain	35,976	38,730	41,286	42,920	44,361	7.7	6.6	4,0	3.4
Sweden	20,741	21,255	21,908	22,564	23,168	2.5	3.1	3,0	2.7
UK	111,565	115,823	119,929	124,932	129,255	3.8	3.5	4.2	3.5
Czech Republic	4,927	5,459	5,770	6,067	6,360	10.8	5.7	5.2	4.8
Estonia	0,656	0,750	0,803	0,843	0,877	14.3	7.0	5.0	4.1
Hungary	5,458	5,949	6,394	6,674	6,917	9.0	7.5	4.4	3.6
Latvia	0,788	0,917	1,000	1,069	1,112	16.5	9.1	6.8	4.0
Lithuania	0,963	1,224	1,441	1,463	1,489	27.0	17.8	1.5	1.7
Poland	11,599	13,012	14,456	15,540	16,418	12.2	11.1	7.5	5.6
Slovakia	1,869	2,126	2,290	2,465	2,602	13.7	7.7	7.6	5.6
Slovenia	1,226	1,360	1,437	1,493	1,573	10.9	5.6	4.0	5.3
EU	579,472	601,681	623,351	643,339	662,297	3.8	3.6	3.2	2.9
EU 15	551,986	570,884	589,760	607,725	624,949	3.4	3.3	3.0	2.8
Norway	8,910	9,311	9,631	9,910	10,175	4.5	3.4	2.9	2.7
Switzerland	19,106	19,515	20,061	20,625	21,215	2.1	2.8	2.8	2.9
EU 15 + Norway and Switzerland	580,002	599,710	619,452	638,260	656	3.4	3.3	3,0	2.8
Bulgaria	1,375	1,757	2,046	2,164	2,327	27.7	16.5	5.7	7.5
Romania	2,964	3,807	4,368	4,822	5,140	28.4	14.7	10.4	6.6
Europe	611,827	636,071	659,457	680,860	701,154	4.0	3.7	3.2	3.0

Table 1. The European ICT market/ country, in € m.

Greece

The Greek Information Technology and Communications market's value in 2006 is estimated to reach €8.39 billion, with an amount of €2.15 billion deriving from Information Technology and €6.23 billion from Telecommunications. The Information Technology market in 2006 tends to increase by 6.3%. The course in the Communications market is also ascending, where an increase of 2.9% is expected. EITO estimates that the growth rate of Information Technology and Communication market in Greece in 2006 will grow to 3.7% from 3.6% in 2005 (Figure 2). It is probably one of the few years that EITO estimates the growth rate of the Information Technology market in 2006 to exceed the respective rate of Communications development.

In detail (Figure 3), the computer systems sales are expected to reach €768 million, with an increase of 5.3% from 1.7% in 2005. The greater increase is expected in servers and laptops. The software sector is expected to perform sales ranging from €394 to €367, marking in 2006 an increase of 7.3% from 6.5% in 2005. The total Information Technology and Communications equipment is expected to reach €1.945 billion in 2006, from 1.9 billion in 2005. S