

Brighter future

The European Information Technology Observatory (EITO) forecasts a brighter future for the European Information and Communications Technologies (ICT) market. In 2005 the growth rate of the European ICT market is expected to reach 4% from 3.3% in 2004 and 0.9% in 2003. Information Technology will be promoted through innovations and new technologies that have already begun to dynamically penetrate the economy and society. RFID (Radio Frequency Identification), personal digital devices, mobility, digital music and imaging are some of the trends that will characterise the IT sector. Regarding telecommunications, the broadband networks take centre stage.

Growth rate and market value

The share of the European Union of the '25' in the global ICT market will reach 32.1% in 2005. More analytically, the activity of the European Union's member-states in the global IT market will correspond to 33.8% and in the global Telecommunications market it will reach 30.7%. The most dynamic countries are expected to be Ireland, with a growth rate of 6.1% in its ICT market and Great Britain with a growth

rate of around 4.6% (Table 1). As far as the new member-states are concerned, the pioneering countries will be Poland with a growth rate of around 10.1% in its ICT market and the Baltic States with a growth rate of 9.2% in their ICT markets (Table 2).

Greece

The European Observatory is optimistic regarding the course of the Greek technology market this year (Figure 1) It is expected that the growth rate of the IT market in our country will reach 5.5% compared to 3% in 2004. The value of the Greek IT market in 2005 is calculated at around €2.019bn (Figure 2). For 2006, EITO expects a growth rate of 5.4% in the Greek IT market and the market value is expected to reach €2.128bn. More analytically, the computer hardware sales are expected to reach €722m, recording a rise of 4.6% compared to 1.9% last year. The biggest rise appears on laptops (23.4%) and on high-end servers (22.5%). The software sector is expected to record sales of €364m this year compared to €345m last year, with a rise of 5.5%, while in 2006 the sales are expected to reach €385m, or a percentage of 5.8%. The IT services

in the Greek market are expected to top €716m this year from €673m last year, recording a rise of 6.3%, while in 2006 are expected to reach €773m, recording a rise of 8.1%. The total ICT equipment is expected to reach €1.879bn, recording a rise of 5.5%, while the sales for 2006 are expected to reach €1.968bn. In telecommunications, Greece maintains its high performance, and according to EITO in 2005 the growth rate of this particular market will reach 3.5% from 3.4% in 2004 with a value of €6.05bn. A corresponding rise is also expected during 2006, with a value of €6.262bn and a rise of 3.5% (Figure 2).

European Union

Compared to the United States, the E.U. is facing structural productivity problems, related to the delay in the transition to the 'Knowledge Economy'. The E.U. hopes that the broadband networks will penetrate with a percentage bigger than 75%, with the participation of the 500 million people that constitute the European market. This will open new ways for the development of content industry and Internet services in Europe. During 2004, in Western Europe the gains from the mobile data services were considerable. The profits

Western Europe ICT Market / Country, in € m.									
Country	2002	2003	2004	2005	2006	2003/02	2004/03	2005/04	2006/05
Austria	13,526	13,617	13,983	14,543	15,108	0.7%	2.7%	4.0%	3.9%
Belgium/Luxembourg	17,266	17,189	17,664	18,305	18,928	-0.4%	2.8%	3.6%	3.4%
Denmark	12,043	12,104	12,601	12,952	13,406	0.5%	4.1%	2.8%	3.5%
Finland	9,136	9,176	9,544	9,964	10,392	0.4%	4.0%	4.4%	4.3%
France	88,456	87,901	90,653	93,650	96,695	-0.6%	3.1%	3.3%	3.3%
Germany	124,805	125,084	128,345	132,753	136,828	0.2%	2.6%	3.4%	3.1%
Greece	7,385	7,519	7,763	8,069	8,390	1.8%	3.2%	3.9%	4.0%
Ireland	5,863	5,936	6,214	6,592	6,959	1.2%	4.7%	6.1%	5.6%
Italy	64,229	64,822	66,599	69,111	71,836	0.9%	2.7%	3.8%	3.9%
Netherlands	30,791	30,695	31,414	32,797	34,003	-0.3%	2.3%	4.4%	3.7%
Norway	9,209	9,216	9,585	9,921	10,252	0.1%	4.0%	3.5%	3.3%
Portugal	8,205	8,361	8,627	8,943	9,265	1.9%	3.2%	3.7%	3.6%
Spain	34,285	35,125	36,088	37,350	38,623	2.5%	2.7%	3.5%	3.4%
Sweden	20,832	20,671	21,146	21,882	22,784	-0.8%	2.3%	3.5%	4.1%
Switzerland	19,433	19,205	19,582	20,269	20,979	-1.2%	2.0%	3.5%	3.5%
United Kingdom	108,759	109,866	114,070	119,307	124,631	1.0%	3.8%	4.6%	4.5%
Western Europe Total	574,223	576,487	593,878	616,408	639,079	0.4%	3.0%	3.8%	3.7%

Table 1

Technologies in Greece

ICT Market in the 10 New Member States of the E.U./ Country, in € m.

Country	2004	%
Bulgaria	1,691	4.6%
Czech Republic	6,133	16.6%
Estonia	767	2.1%
Hungary	5,716	15.4%
Latvia	839	2.3%
Lithuania	1,053	2.8%
Poland	13,873	37.5%
Romania	3,637	9.8%
Slovakia	1,988	5.4%
Slovenia	1,343	3.6%
Total 10 New Member States E.U.	37,040	100%

Table 2

The digital-related industry in Europe enters a new, more creative and productive phase, by searching for ways of development, aiming at attracting consumers and increasing profits

of information services reached €376m, the profits of games €254m, the profits of image transferring €150m, and the profits of ring tones and music reached €1,8bn. The digital-related industry in Europe enters a new, more creative and productive phase, by searching for ways of development, aiming at attracting consumers and increasing profits.

Central & Eastern Europe

EITO's conclusions are also optimistic for the ICT markets of Central and Eastern Europe. E.U.'s new member-states have already shown very rapid growth rates in the new technologies sector and in the creation of the proper infrastructure. The growth rate of the ICT market in the countries of Central and Eastern Europe is expected to reach 11.4%.

During 2006 the growth rate is expected to slow down and reach 8.4%. More analytically, IT plays an important role in these countries, by showing a double figure growth rate of around 12.5% for 2006 compared to 7.4% for the telecommunications market. In those countries, a particular emphasis is placed on reinforcing demand and supplying broadband networks. □

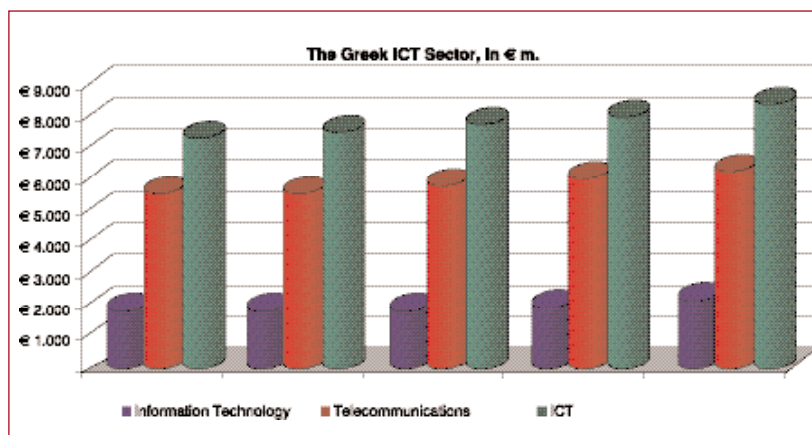


Figure 1

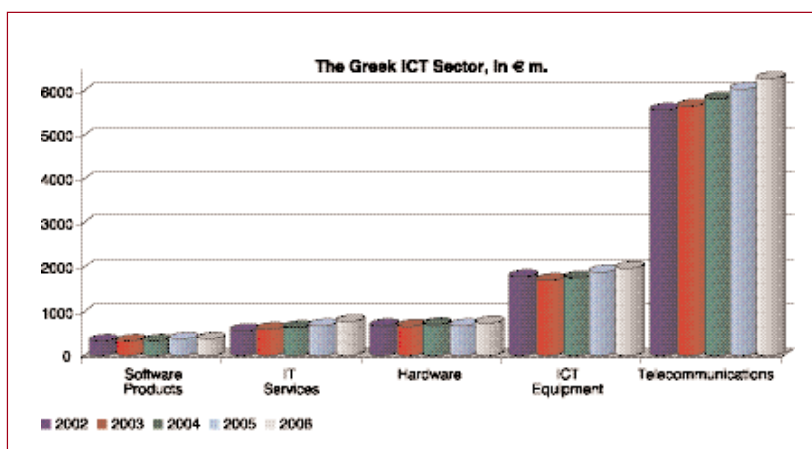


Figure 2