

Small Steps Towards the Recovery

Sales of the European companies in the Information Communication Technology (ICT) sector are expected to be slightly higher in 2003 according to the recent estimates of the European Information Technology Observatory (EITO).

More specifically, and according to EITO figures released in early March, it is expected that the total GDP for the Western European countries will not exceed 1.9% in 2003 and 2.7% in 2004. Taking these figures into account, investments in the ICT sector will be rather conservative. The Hardware market is expected to be more directly influenced by this negative climate, while companies that operate in the Software and Services market are expected to experience a moderate growth, especially in the sectors of middleware, outsourcing, and application management.

The total value of the ICT sector in Western Europe was € 592 billion in 2002 which is equivalent to 6.7% of the respective GDP. The IT market, which consists of office equipment, data processing systems, software and services, was estimated at € 294 billion, while the Telecommunications market was approximately € 298 billion.

Growth in the Telecommunications market was counterbalanced by a decline in the IT market expenditure. 2002 was one of the worst years for the European IT market and the shrinkage of the market was mainly due to the significant decline of the hardware (particularly) server market.

ICT market in Western Europe in 2002 (bn euros)	2002 value	%ICT
Computer Hardware	82	13,8
End user telecommunications equipment	25	4,3
Office equipment	10	1,6
Network equipment	42	7
Total ICT equipment	158	26,7
Software	63	10,7
Services	122	20,7
Telecommunications Services	248	41,9
Total ICT	592	100

Global market ICT (bn euros)	2002 value	2001 %	2002 %	2003 %
Europe	632	29,5	29,4	28,9
USA	701	33,8	32,5	31,5
Japan	268	12,2	12,4	12,5
4 Tigers ¹	70	3,2	3,2	3,3
RoW ²	483	21,3	22,4	23,8
Total ICT	2.154	100	100	100

¹ 4 Tigers=Hong Kong, N. Korea, Singapore, Taiwan
² Row=Rest of the world

Source: EITO 2003

OUTLOOK

The outlook for the new year in the Western European ICT market is expected to be positive with an estimated growth of 2.5%. Software spending is expected to be at lower levels than in the recent years, while intense competition will put pressure to the hardware market as well.

Contrary to those trends, and in a time when the international market is experiencing a period of decline, Europe (including eastern-european

countries) managed to maintain its share in the international ICT market at 29,4%.

UPS AND DOWNS IN EUROPE

Companies that operate in the Software and Services market are expected to experience a moderate growth

The ICT market in Western Europe was, as a whole, stable. The IT sector declined by 1.5% and the Telecommunications sector grew by just 2%. In this general climate of decline, Portugal was the country that suf-

of the European ICT Market

ferred the greatest fall while Finland was the only country in Europe that enjoyed positive growth rates in its ICT market.

The Portuguese IT market shrunk by 4.8% in 2002, and with the exception of portable PCs, all other sectors of the hardware market experienced a fall in sales.

The IT sector declined by 1.5% and the Telecommunications sector grew by just 2%

THE GREEK ICT SECTOR

The situation in the Greek ICT market is beginning to improve in 2003 after a quite difficult 2002. According to EITO, sales in portable PCs are expected to rise by 12.1% (to reach 1.2 million units) while sales in printers are expected to rise by 2.1% (to reach 3.2 million units). Sales are expected to rise even higher in 2004 at 15.2% growth for portable PCs and 4.9% for printers respectively. Sales of personal computers are expected to reach 4.2 million units this year presenting a decline of 4.1% compared to 2002 and are expected to rise by 1.9% (at 4.29 million units) in 2004.

The Services sector in Greece is expected to reach € 594 million this year, compared to € 572 million last year, presenting a growth of 3.9%; this sector is expected to reach € 628 million in 2004 with a 5.7% growth.

The Software sector is expected to reach € 335 million in sales compared to € 324 million last year, presenting a growth of 3.3%; this sector is expect-



The situation in the Greek ICT market is beginning to improve in 2003 after a quite difficult 2002

ed to reach € 351 million in 2004.

Regarding Telecommunications, the total value of the sector reached € 4.6 billion in 2002 compared to € 4.3 billion in 2001. It is expected that this sector will grow by 4.8% this year to reach € 4.8 bil-

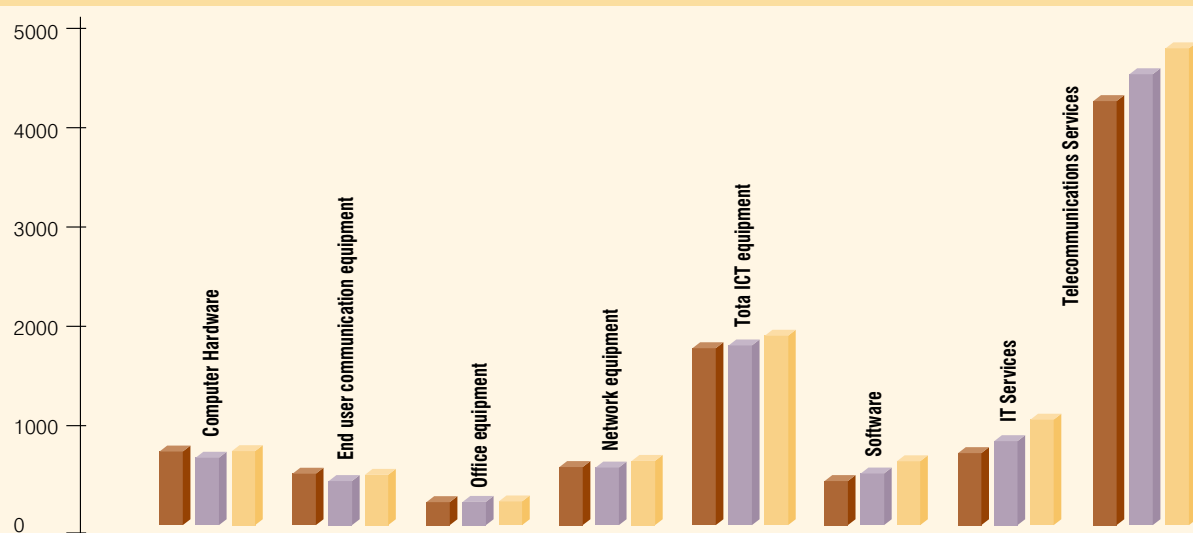
lion and by another 4.2% in 2004 to exceed € 5 billion.

The total ICT market in Greece will grow by 3.5% this year to reach € 7 billion and growth another 4.6% in 2004 to reach € 7.9 billion. 

Small Steps Towards the Recovery of the European ICT Market

Greek IT market (in million euros)	2000	2001	2002	2003	2004	2001/00%	2002/01 %	2003/02 %	2004/03 %
Austria	6.486	6.495	6.305	6.368	6.539	0,1	-2,9	1,0	2,7
Belgium/Lux	8.121	8.288	7.973	7.994	8.326	2,1	-3,8	0,3	4,2
Denmark	6.826	6.579	6.405	6.472	6.749	-3,6	-2,7	1,1	4,3
Finland	4.842	4.806	4.834	4.93	5.115	-0,8	0,6	2,0	3,8
France	48.449	50.119	50.039	51.308	53.454	3,4	-0,2	2,5	4,2
Germany	68.088	68.618	66.11	64.855	66.068	0,8	-3,7	-1,9	1,9
Greece	1.891	1.903	1.837	1.852	1.935	0,6	-3,4	0,8	4,4
Ireland	2.533	2.432	2.352	2.361	2.496	-4,0	-3,3	0,3	5,7
Italia	23.775	24.792	24.651	25.296	26.574	4,3	-0,6	2,6	5,1
Netherlands	16.769	16.613	16.529	16.778	17.476	-0,9	-0,5	1,5	4,2
Norway	6.014	6.001	5.833	6.007	6.274	-0,2	-2,8	3,0	4,5
Portugal	2.474	2.624	2.498	2.557	2.675	6,1	-4,8	2,3	4,6
Spain	11.157	11.529	11.483	11.808	12.447	3,3	-0,4	2,8	5,4
Sweden	11.491	11.632	11.539	11.571	11.985	1,2	-0,8	0,3	3,6
Switzerland	11.715	11.684	11.322	11.511	11.986	-0,3	-3,1	1,7	4,1
UK	63.877	64.242	64.063	65.78	68.324	0,6	-0,3	2,7	3,9
USA	294.507	298.357	293.773	297.448	308.423	1,3	-1,5	1,3	3,7

Greek ICT market (in million euros)



2002 2003 2004

Source: EITO 2003

Greek ICT market (in million euros)

