The Greek ICT Sector - Outlook

The ICT sector is one of the most dynamic sectors of the Greek Economy, creating new business opportunities and contributing to employment through more new jobs. The last decade, the Greek ICT sector has experienced a very strong two-digit growth up to 2000. Although the sector suffered a decline in the last two years (something that ICT sectors of other European countries experienced as well, as in Table 1), it is now back on course for steady rise.

The total ICT market in Greece is expected to grow by 4.2% this year and by another 5.3% in 2005 (Figure 1).
Growth is largely due to:

Western Europe	2001	2002	2003	2004	2005	2002/01 %	2003/02 %	2004/03 %	2005/04 %
Austria	13.574	13.526	13.762	14.261	14.926	-0.4	1.7	3.6	4.7
Belgium/Luxemburg	17.582	17.207	17.232	17.788	18.624	-2.1	0.1	3.2	4.8
Denmark	12.028	12.049	12.189	12.708	13.281	0.2	1.2	4.3	4.5
Finland	9.004	9.163	9.287	9.637	10.112	1.8	1.4	3.8	4.9
France	88.912	88.867	88.484	90.847	94.544	-0.1	-0.4	2.7	4.1
Germany	128.879	125.721	126.234	129.324	133.452	-2.5	0.4	2.4	3.2
Greece	7.249	7.377	7.525	7.844	8.259	1.8	2.0	4.2	5.3
Ireland	5.888	5.895	5.981	6.247	6.570	0.1	1.5	4.4	5.2
Italy	63.563	64.402	65.243	67.254	70.365	1.3	1.3	3.1	4.6
Netherlands	31.020	30.884	30.943	31.928	33.510	-0.4	0.2	3.2	5.0
Norway	9.998	9.813	9.920	10.230	10.642	-1.8	1.1	3.1	4.0
Portugal	8.214	8.200	8.433	8.837	9.338	-0.2	2.8	4.8	5.7
Spain	33.924	34.353	35.401	37.362	40.014	1.3	3.1	5.5	7.1
Sweden	20.705	20.674	20.551	21.169	22.138	-0.2	-0.6	3.0	4.6
Switzerland	20.688	20.263	20.184	20.697	21.479	-2.1	-0.4	2.5	3.8
UK	119.325	119.424	121.030	124.917	130.496	0.1	1.3	3.2	4.5
Western Europe	590.553	587.817	592.399	611.032	637.751	-0.5	0.8	3.1	4.4

Table 1 - ICT Market by Country in € billions (Source: EITO, 2004)

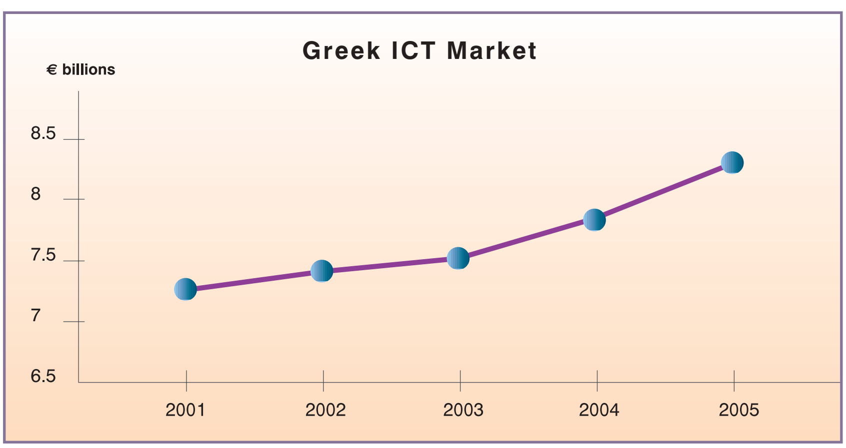


Figure 1 - The Greek ICT Market in € billions (Source: EITO, 2004)

✓ the Operational Programme for the Information Society (OPIS), an EU-funded programme, in the framework of the present Community Support Framework (2000 -2006), and

✓ the 2004 Olympic Games. The contribution that technology can make in the Olympic Games is particularly important.

for Growth

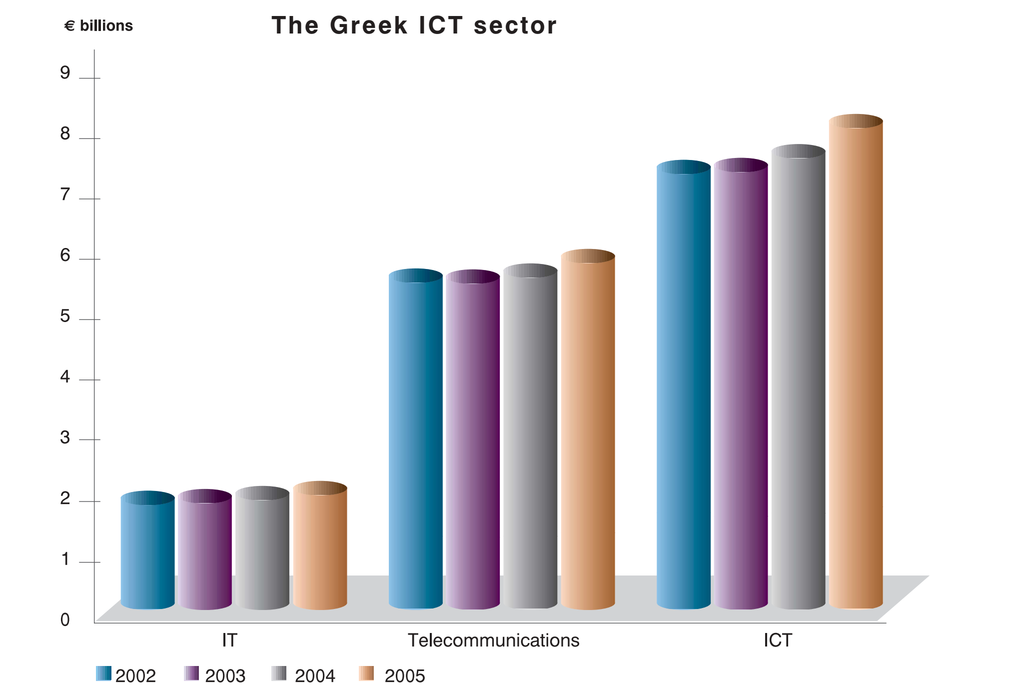
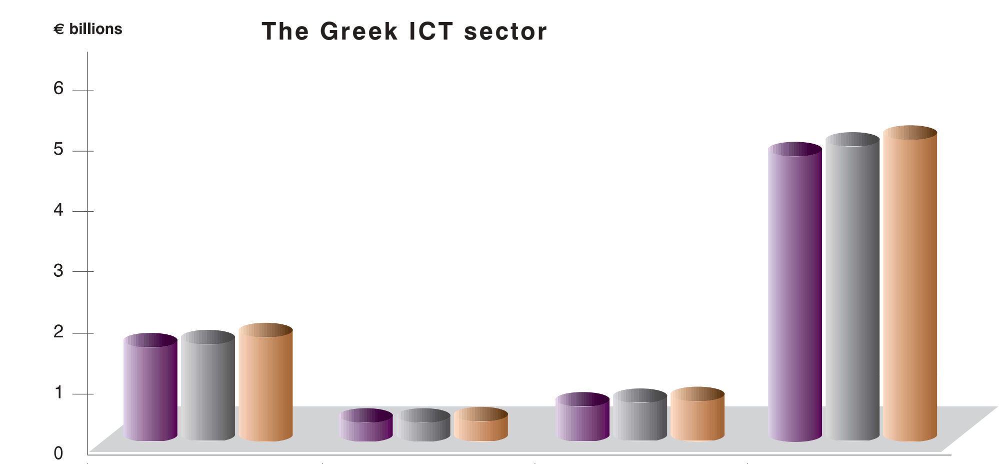


Figure 2 - The Greek ICT Market in € billions(Source: EITO, 2004)

The total ICT market in Greece is expected to grow by 4.2% this year and by another 5.3% in 2005



	ICT equipment	Software Products	Services	Carrier Services
2003	1.729	334	642	4.820
2004	1.797	352	710	4.985
2005	1.957	383	776	5.143

Figure 3 - The Greek ICT Market components in € billions (Source: EITO, 2004)

The Greek ICT Sector-Outlook for Growth

	2000	2001	2002	2003
Austria	6.6	6.7	6.5	6.4
Belgium/Luxemburg	6.7	6.9	6.6	6.5
Denmark	7.2	7.0	6.7	6.6
Finland	7.5	7.2	7.1	6.9
France	6.3	6.4	6.2	6.0
Germany	6.6	6.4	6.2	6.1
Greece	6.1	5.9	5.6	5.3
Ireland	7.2	6.6	5.9	5.3
Italy	5.5	5.6	5.4	5.3
Netherlands	8.5	8.1	7.6	7.3
Norway	6.4	6.3	5.9	6.0
Portugal	7.6	7.6	7.1	7.0
Spain	6.3	5.9	5.6	5.4
Sweden	9.6	9.5	9.2	8.8
Switzerland	8.2	8.3	7.9	7.9
UK	8.9	8.7	8.4	8.1
Western Europe	7.0	6.9	6.6	6.4
US	9.4	8.6	8.2	7.9
Japan	7.1	7.4	7.8	7.8

Table 2 - ICT Expenditure as a % of GDP (Source: EITO, 2004)

Technology will cater for the development of the necessary infrastructure for lighting, wiring, and coverage of all Games facilities.

Looking at our sector's component parts (Figure 2) we see a healthy rise in both the Information Technology sector (expected growth of 5.4% this year and 7.0% for 2005) and the Telecommunications sector (expected growth of 3.9% this year and 4.7%for 2005).
Drilling down further, we could see that growth comes from all segments of the ICT sector (Figure 3).

ICT equipment is expected to grow 4% this year and another 8.9% next year. End-user equipment (and especially mobile phone sets) is the driver for this growth, more than traditional PC and Server sales that are estimated to be almost flat for this period.

Software products will also grow 5.4% this year and another 8.6% in 2005. System software and application software are expected to grow equally strong.
Services are the subsegment where the biggest growth is expected, 10.5% this year and another 9.3% in 2005. Consulting, Implementation, Operations Management and Support services will all enjoy similar growth and this is a clear indication that our ICT enterprises are now gearing themselves up to offer services required for our maturing market.

Carrier services are expected to grow 3.4% this year and another 3.2% next year with Fixed Data Services to be leading this growth.

ICT expenditure now stands at 5.3% of GDP (Table 2) which demonstrates the significance of the ICT sector in our National Economy. As a growing industry, it attracts better and better human capital – 100,000 people are already employed in ICT, more will be employed as the industry grows. Universities and research institutes are increasingly involved in designing ICT courses and university graduates are equipped in the variety of ICT skills required to fuel this industry.

SEPE

We remain confident that given the opportunities outlined above, the ICT sector will continue to be a strong contributor to both our local economy and a strong partner to other ICT industries worldwide

Spyros Vyzantios,
President of the BoD of SEPE