

Recovery estimations for the Greek Information

The Information and Communication Technologies (ICT) sector in Greece shows signs of recovery in 2011, which can be verified given the country's need for digital economy. According to EITO, it is not just the Greek state that is under siege but also Greek banks and enterprises. Based on EITO's data, that was presented in September 2010, the Greek ICT market value is estimated at €9,756 million for 2010 and €9,569 million for 2011. In detail, the Information Technology (IT) market value in 2010 will stand at €2,765 million and the Telecommunications market value at €6,991 million. In 2011 the figures will respectively rise up to €2,841 million and €6,728 million (Figure 1). The declining course of the Telecom sector is evident in the last three years, despite the fact that this sector leads our country's performance race.

Looking back on the course of the ICT sector in Greece, during 2007-2008 a market growth of 2.5% is observed, a

decline of 6.2% for 2008-2009 and for 2009-2010 the decline is estimated to be at 6.2%, while for 2010-2011 the decline is expected to be reduced to 1.9%.

Recovery in 2011 for the Information Technology market

In detail, the IT market in 2007-2008 moved upward by 5.4%, in 2008-2009 fell by 6.2%, in 2009-2010 the reduction is estimated to be around 5.6% and in 2010-2011 is estimated to recover by 2.7%.

Ups and downs for the IT equipment market

For 2010, the total IT equipment market value will reach €1,257 million, decreased by 11.2% and in 2011 is estimated to reach €1,298 million, increased by 3.3%. The market of servers, storage and workstations is expected to turn positive in 2011, while the computers and printers market expected to decline in 2011, therefore reducing the losses of the previous financial year.

Increasing Software market in 2011

Although the Greek government needs urgent application of software applications in order to operate effectively and in accordance with the rest of the modern European countries, the Greek software market is expected to decline in 2010. The software market dependence by the public sector projects is affecting, according to EITO, the performance of the IT companies, since the Greek state has cut a significant amount of the public investment program and thus, the development of large technology projects. However, applications, such as ERP and CRM systems, are expected to turn positive in 2011, as they are important tools for business operation. The Greek software market in 2010 is expected to stand at €569 million, decreased by 0.3% and in 2011 is estimated to reach €582 million, an increase of 2.4%.

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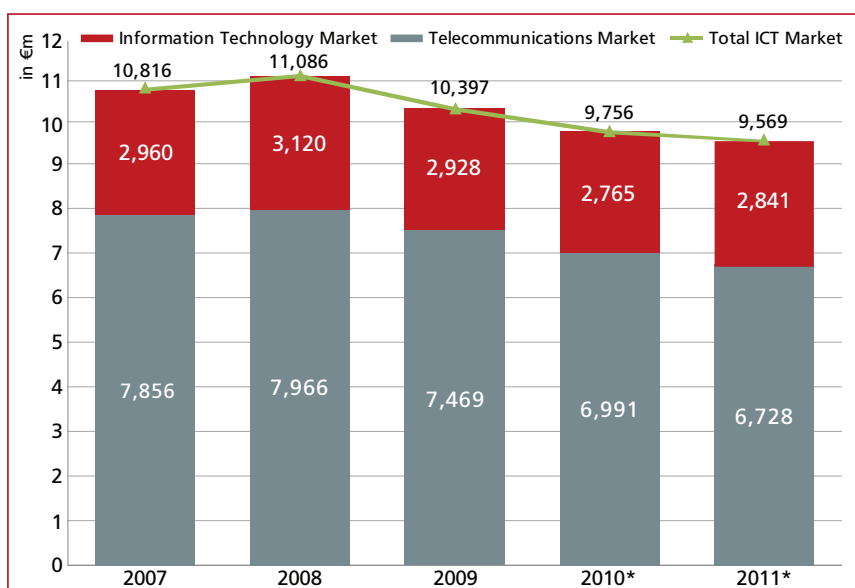


Figure 1: ICT market in Greece, value € billion. * Forecasts. Source: EITO in collaboration with Idate, IDC, PAC and GfK. Data and forecasts are based on information available as of September 2010. Analysis by SEPE.

Growth in IT Services market despite the overall decline

Significant differentiations are observed in the IT Services market due to the different strategies followed by small and larger business-customers of the industry. The need to reduce operating costs, the increase of productivity and the need

and Communication Technologies Market in 2011



for investment return, will boost the IT services. For 2010, the total IT services market value is expected to stand at €939 million, decreased by 0.3%. In 2011 is estimated to reach €961 million, an increase of 2.3%.

The Telecom market reduces losses

The Greek telecom market was strongly affected by the economic downturn. EITO's analysts support that given the current financial crisis of Greece, it is difficult to make any long-term estimations for the course of the telecom sector.

The fact that the sales of mobile telephony in Greece in 2009 decreased by at least 7%, is indicative. In details, the telecom market in 2007-2008 grew by 1.4%, in 2008-2009 fell by 6.2%, for 2009-2010 is estimated that the decrease will reach 6.4% and in 2010-2011 is estimated that the telecom market will be reduced by 3.8%. In 2010 the Greek telecom market

value is estimated to reach €6,991 million and in 2011 is estimated to stand at €6,728 million.

Europe - Consumer Electronics

The European market for consumer electronics (CE) is expected to grow by 3.1% in 2010 and attain a total market volume of €64.5 billion. This is the forecast of EITO based on current data from the market research institute GfK. The CE market is thus developing much better than expected. "The reason for the strong growth is the surprisingly strong increase in the sales of flat screen televisions before the Football World Cup", said EITO President Bruno Lamborghini. Half of consumer electronics sales Europe-wide can be traced back to LCD devices and plasma televisions. In the EU, more flat screen televisions are being sold than ever before, with around 61.5 million devices (an increase of 25%). Sales are also set to increase by 13% to €32 billion according to EITO forecasts.

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The market has also received an additional boost from the increasing digitalisation of film and television. "In order to receive broadcasts digitally and in high resolution, customers require a set-top box", said Lamborghini. In France, Italy and Great Britain, sales for these devices are seeing growth rates of up to 85%. Blu-ray players, digital cameras and hi-fi systems are also seeing an increase in turnover. However, sales for games consoles, MP3 players and navigation devices are on the decline.

According to EITO forecasts, the strongest growth in sales among the major EU countries is in Italy at a rate of 4.8% to €6.5 billion and Germany at a rate of around 3% to €13.4 billion. The consumer electronics markets in Spain and France are slightly negative with declines of 0.5% to €5 billion and 1.3% to €9.6 billion respectively in the year 2010. Europe's second-largest CE market is being severely hit. In Great Britain, sales drop by over 10% for the third time in a row in 2010, with a fall of 11% to around €10 billion. **S**