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For More Information:

Bob Cohen

703-284-5301 or [bcohen@itaa.org](mailto:bcohen@itaa.org)

Tinabeth Burton

703-284-5305 or [tburton@itaa.org](mailto:tburton@itaa.org)

## **WITSA Global Research Shows World's Largest Consumer of Technology Increased Spending Less Than 1% Last Year**

*Internet Spending Up, Despite Worldwide Economic Conditions*

**Adelaide, Australia** – A major new study of the world's information and communication technology (ICT) spending reveals that the global high tech industry grew less than four percent between 2000 and 2001, from \$2.3 trillion to \$2.4 trillion. The new study shows that the United States, the largest ICT spending nation on earth, grew less than one percent last year, while China is the world's fastest growing ICT spending nation, growing more than 15% from 2000 to 2001. The World Information Technology and Services Alliance (WITSA) released findings today of *Digital Planet 2002: The Global Information Economy* at the World Congress on Information Technology in Adelaide, Australia.

*Digital Planet 2002* reveals that the Internet and e-commerce remain a notable bright spot in the global economy, despite flattened spending on IT products and services reflected in most of the developed world. Worldwide Internet buyers numbered 142 million in 2001, up forty percent from 2000. Global combined Business-to-Business (B2B) and Business-to-Consumer (B2C) e-commerce reached \$633 billion in 2001, an increase of 79 percent from the previous year. Businesses dominated this spending, buying more than four times as much as consumers.

The study found that the United States remains the leader in overall ICT spending with \$812.6 billion in 2001. Japan (\$413.7 billion) and Germany (\$154.6 billion) follow. The study also indicates that while the US continues to grow and be the largest ICT spending country, its overall percentage of global ICT spending continues to decline as the rest of the world joins the ICT bandwagon.

"Even an economic downturn cannot stifle the value and convenience of electronic commerce to businesses and consumers," said WITSA President Harris N. Miller at a press conference today. "Our digital planet is rapidly transforming as more people join the ranks of Internet users in homes and schools, and developing countries ignite their ICT engines," he said.

"Another positive story *Digital Planet 2002* tells is that as the benefits and efficiency of ICT spread across the globe, mature markets such as the U.S. will become less dominant. China, Poland and other developing countries are already playing an increasing role in the global ICT marketplace, showing the upside opportunities for global ICT spending are still enormous," Miller added.

#### Other key study findings:

- In the Asia Pacific region, 2000 ICT spending leader Australia was bumped to second by China in 2001;
- Regionally, Eastern Europe saw more ICT spending growth than North America, Latin America and Middle East / and Africa regions combined;
- Switzerland spent the most on ICT per capita with \$3,618 per person;
- New Zealand has the greatest ICT spending as a percentage of Gross Domestic Product at 14.4% followed by Colombia (12%) and Sweden (11.3%);
- India more than doubled the number of home users of the Internet between 2000 and 2001, growing from 1.27 million to 2.66 million users;
- Canada enjoys the most Internet commerce as a percentage of total commerce at 1.01% of total national spending;
- Hong Kong has the most telephone lines per household at 2.03.
- The global software technology sector grew by over 100 percent between 1995 and 2001, more than any other ICT sector

Produced by WITSA and based on research conducted by the International Data Corporation (IDC), *Digital Planet 2002: The Global Information Economy* provides the most recent, comprehensive data documenting the size and scope of the ICT marketplace around the globe. The study findings are based on data gathered in the 55 largest ICT buying countries and regions. In aggregate, this group represents 98 percent of worldwide ICT spending. *Digital Planet 2002* data encompasses spending on computer hardware, software, IT services, telecommunications hardware and services, office equipment and internal IT spending, which includes company expenditures on IT employees, capital depreciation and the internal portion of ICT spending budgets.

*Digital Planet 2002: The Global Information Economy* is available for purchase on the web at [www.witsa.org](http://www.witsa.org). An executive summary is also available at no cost. *Digital Planet 2002: The Global Information Economy* is made possible by sponsorship from Post Newsweek Tech Media.

#### **About WITSA**

The World Information Technology and Services Alliance is a consortium of 41 information technology (IT) industry associations from economies around the world. As the global voice of the IT industry, WITSA is dedicated to advocating policies that advance the industry's growth and development; facilitating international trade and investment in IT products and services; strengthening WITSA's national industry associations through the sharing of knowledge, experience, and critical information; providing members with a vast network of contacts in nearly every geographic region of the world; and hosting the World Congress on IT, the only industry sponsored global IT event. Founded in 1978 and originally known as the World Computing Services Industry Association, WITSA has increasingly assumed an active advocacy role in international public policy issues affecting the creation of a robust global information infrastructure. For additional information about WITSA and its activities, go to [www.witsa.org](http://www.witsa.org).

The WITSA Secretariat is currently hosted by the Information Technology Association of America (ITAA). For more information about ITAA, please visit [www.ita.org](http://www.ita.org).