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Global IT Spending to Rocket from Current \$2 Trillion to \$3 Trillion, New Study Finds

Vienna, VA – A major new study of the world's information and communication technology (ICT) spending reveals that the global high tech industry surged to over \$2.1 trillion in 1999, and is expected to surpass \$3 trillion in 2003. As this expansion occurs, the industry will find itself almost doubling in size between 1992 and 2002, from \$1.3 trillion to over \$2.4 trillion.

Digital Planet 2000: The Global Information Economy, produced by the World Information Technology and Services Alliance (WITSA) in cooperation with IDC, provides the most recent, comprehensive data documenting the size and shape of the global ICT marketplace. The study also found that ICT spending now represents 6.6% of world Gross Domestic Product (GDP), including almost 9% of US GDP.

"The Digital Planet has arrived," said WITSA President Harris N. Miller. "With countries such as China and Brazil jumping into the top ten ICT countries, the New Economy has truly gone global. A compound annual growth rate of over seven percent - faster than the growth rate of global GDP - indicates ICT continues to outpace most economic sectors. And the potential for future growth is still extraordinary."

"A company's ability to attain leadership in its industry is closely linked to how well it understands the use of information and communication technology in the marketplace," said Alfred R. Berkeley, III, Vice Chairman of The Nasdaq Stock Market, Inc. "That is why the New Economy cuts across industry sectors. Nasdaq is proud to be a sponsor of The Digital Planet 2000 study, which demonstrates the evermore influential role that information and communication technology will play in the 21st century."

"As a leading pure-play global services company, EDS is pleased to be a sponsor of the Digital Planet 2000 study produced by the World Information Technology and Services Alliance (WITSA)," said George Newstrom, EDS corporate senior vice president and president, Asia Pacific. "In order for EDS to bring together the world's best technologies for our clients managing the complexities of the digital economy, we must have access to key market information -- such as that provided in the Digital Planet 2000."

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 2000* data encompasses spending on computer hardware, software and 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.

According to Gary Greenfield, President and CEO of global software company MERANT, a sponsor of this research, "Digital Planet 2000 provides tremendous support for the notion that a rapid evolution of business has been created by the ubiquitous access to the network. Our e-business software solutions give customers the flexibility and agility to respond to a constantly changing business environment. Digital Planet is an excellent resource for technology company executives or anyone who's interested in better understanding the forces that are driving the global economy."

Greenfield pointed to study findings that ICT spending in Latin America now nearly matches the Asia Pacific region, with a compound average growth rate of between 1992 and 1999 of 13 percent. Latin American ICT growth in spending was almost twice that of North America and Western Europe between 1998 and 1999 (12.7 percent versus 7.3 percent and 5.7 percent, respectively). The Middle East/Africa and Asia Pacific regions set a blazing pace of 15.9 and 19.5 percent, respectively.

Other study findings:

- The top ten information economies represent 80 percent of the global ICT market;
- The total number of Internet devices worldwide grew to 260 million in 1999, adding 90 million in that year alone;
- Today the Internet attracts 300 million users and this number will double by 2003,
- PCs installed in schools, homes and businesses reached nearly 400 million by 1999, with the number of PCs installed in classrooms tripling between 1992 and 1999;
- North America as a region continues to lead the globe in overall ICT spending, which reached \$817 billion in 1999; Eastern Europe was the region spending the least with \$30 billion the same year;
- New Zealand led the world in ICT spending as a percentage of GDP, at 10.5 percent;
- Switzerland spent \$3,335 per person on ICT in 1999 - the highest nation per capita, while Japan was second at \$2,854 and the United States came in third at \$2,792 per person in 1999.

Published by WITSA, the full report, *Digital Planet 2000: The Global Information Economy* can be purchased online at <https://www.itaa.org/news/pubs/form.htm>. An executive summary is available free on the web at <http://www.witsa.org>. *Digital Planet 2000: The Global Information Economy* is made possible by sponsorship from NASDAQ AMEX, EDS, MERANT and Satyam Computer Services Ltd.

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 premier 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.

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