



FOR IMMEDIATE RELEASE

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### **ICT Spending to Bounce Back by 2013**

**Fairfax, Virginia:** The Great Recession of 2009 saw a decline on global ICT spending of 3 percent, with computer hardware and communications equipment sectors being hit particularly hard, according to Digital Planet 2010, a study released by the World Information Technology and Services Alliance (WITSA) in partnership with IHS Global Insight, the recognized world-leader in accurate economic, financial and political forecasting spanning over 200 countries and more than 170 industries. However, with return to growth in all sectors during 2010, ICT spending that was deferred by the recession will be absorbed by 2013. Coming out of the recession, a built up demand will fuel a surge in ICT spending, reaching 8.7 percent globally by 2011 before flattening out at around 6 percent from 2013 onwards.

During the recession, the Americas, Middle East and North Africa were particularly hard hit, contracting by 4.4% and 5.6% respectively. By contrast, Asia Pacific grew by 2.4% in the same period. During the recovery phase, the Americas will expand at the slowest rate, at 5.9% per year through 2013, but will remain the largest market for ICT products and services at 34.6 percent of the global marketplace in 2013.

“This year’s Digital Planet report brings good news for all ICT sectors, and all major markets across the world”, expressed WITSA Chairman Dato’ Dan E. Khoo. “The return to pre-recession levels and the fact that emerging markets can expect the very fastest economic expansion over the next three years –with some regions approaching 10 percent- is a sure sign that ICT is increasingly seen as a critical enabler of economic growth in all regions, regardless of level of development”.

“The contraction of 3% in 2009 was also smaller than the projected 12% drop in total global trade as reported by the World Trade Organization, bringing ICT’s share of total to more than 20%,” Dato’ Khoo added.

"The world is undergoing a two-speed recovery during which emerging economies will expand at faster rates than advanced economies. This dynamic is clearly evident in the Digital Planet forecasts where emerging economies will account for an increasing proportion of overall ICT spending," noted Bob Flanagan, Director of Economic Impact Analysis at IHS Global Insight. "This is significant because ICT penetration rates are highly correlated with rising GDP per capita levels. Thus, ICT investment is a means by which many emerging economies will become increasingly more competitive on the global stage."

Among other key findings of this year's Digital Planet report:

- Asia Pacific will lead growth in the ICT sector with an annual rate of 9.5% through 2013
- Asia Pacific's share of the global market will rise from 28.8% in 2009 to 31.1% in 2013
- All four technology groups will grow through the 2013 forecast period, but the most rapid growth will be seen in services (at an average growth rate of 7.9% globally) while communications remains the largest sector, accounting for 58% of the ICT market.
- ICT spending as a percentage of GDP will bounce back in the covered period, growing to 6.4% of GDP by 2011 and stabilizing at 6.2% by 2013
- In the 2010-2013 recovery period, emerging markets in Africa, the Middle East and elsewhere will experience faster growth rates than the advanced economies of North America and in parts of Europe
- In the vertical sectors, industries that create value through data, knowledge and services (such as telecom and financial service) tend to have the highest ICT intensity

WITSA produces Digital Planet biennially, using data provided by IHS Global Insight. The report covers the world's 75 largest ICT buying nations in six regions. ICT spending is measured at the national level, by 14 industry segments plus consumer spending, and by four technology categories. "WITSA is proud of its long-term relationship with IHS Global Insight. The data provided by IHS Global Insight is invaluable to enhancing the position of WITSA as the recognized voice of the global ICT industry", said Dr. Jim Poissant, WITSA's Secretary General.

The report is now available for purchase on the WITSA web site at <http://www.witsa.org> at a regular price of \$100.00 (USD). A special discounted rate for students is also available.

### **About IHS Global Insight**

IHS Global Insight ([www.ihsglobalinsight.com](http://www.ihsglobalinsight.com)), an IHS company, provides the most comprehensive economic and financial information available on countries, regions and industries, using a unique combination of expertise, models, data and software within a common analytical framework to support planning and decision-making. Through the world's first same-day analysis and risk assessment service, IHS Global Insight provides immediate insightful analysis of market conditions and key events around the world, covering economic, political, and operational factors. IHS (NYSE: IHS) is a leading source of information and insight in pivotal areas that shape today's business landscape: energy, economics, geopolitical risk, sustainability and supply chain management. Businesses and governments around the globe rely on the comprehensive content, expert independent analysis and flexible delivery methods of IHS to make high-impact decisions and develop strategies with speed and confidence. IHS has been in business since 1959 and became a publicly traded company on the New York Stock Exchange in 2005. Headquartered in Englewood, Colorado, USA, IHS employs more than 4,400 people in more than 30 countries around the world.

### **About WITSA**

Founded in 1978, the World Information Technology and Services Alliance (WITSA) is a leading consortium of ICT industry association members from 74 economies around the world. WITSA's members represent more than 90 percent of the world ICT market.

As the leading recognized voice of the global ICT Industry, WITSA aims to drive transformation and grow the industry. WITSA believes ICT is the key driving force to enable governments, businesses and societies for global development and economic growth.

WITSA is dedicated to the following:

- Advocating international public policies that promotes the industry's growth and development;
- Facilitating international trade and investment of ICT products and services through our global network of contacts;
- Promoting industry cooperation and strengthening our national associations through the sharing of knowledge, experience, and critical information;
- Publishing global ICT research through the WITSA Digital Planet;
- Awarding signature events, World Congress on Information Technology (WCIT) and Global Public Policy Summit (GPPS) to different host countries around the world; and
- Organizing and hosting the Global ICT Excellence Awards to recognize the most outstanding ICT users.

For more information on WITSA, please visit [www.witsa.org](http://www.witsa.org)