



FOR IMMEDIATE RELEASE

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Contact: Anders Halvorsen ahalvorsen@witsa.org
+1 703 728-4547 Amsterdam (During WCIT 2010)
USA: +1 571 265 5964

ICT Spending to Bounce Back; Reach Pre-Recession Levels by 2013

Amsterdam, The Netherlands: The Great Recession of 2009 saw a decline in 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) on the third day of WITSA's 17th World Congress for Information Technology. However, with return to growth in all sectors in 2010, ICT spending will reach pre-recession levels 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.

WITSA's semi-annual World Congress opened Tuesday in Amsterdam, The Netherlands, bringing together several thousand industry and government leaders in the premier global gathering for ICT.

"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.

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

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