

German high-tech sector flat in 2010: trade body

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Germany's high-tech industry is not expected to return to growth until 2011 after a devastating recession in 2009, its chief lobby group said Monday ahead of the giant CeBIT trade fair.

Turnover this year will be at around the same level as last year, but in 2011, the sector is poised to grow by 1.6 percent to 142 billion euros (193 billion dollars), the BITKOM industry organisation said.

"Demand is taking off significantly, especially in the IT sector," said BITKOM President August-Wilhelm Scheer.

"The barriers for firms to invest in IT solutions are slowly disappearing. We expect a dramatic push from the CeBIT," Scheer told reporters in the northern German city of Hanover.

In 2009, the sector suffered a slump of 4.3 percent, Scheer said, as [Germany](#), Europe's biggest economy, suffered its worst recession since World War II.

"As before, demand is coming from individual consumers," Scheer said, adding that smartphones, mobile computers and flat screen televisions were the most sought-after.

Investment in IT is also beginning to thaw as companies see a brighter future, he said, adding that investment is set to grow by 1.4 percent in 2010, before registering 3.8 percent growth next year, according to

BITKOM figures.

The mood among IT and [telecom](#) firms has improved as the effects of the crisis begin to fade and investment begins to flow again.

Nearly two-thirds of German high-tech firms (59 percent) expect turnover growth in 2010, a level not seen since mid-2008, before the crisis hammered the sector, BITKOM said.

The bullish prediction came one day before the CeBIT, the world's biggest high-tech fair, throws its doors open to the public with Spain, the current EU president, this year's guest of honour.

German Chancellor [Angela Merkel](#) and Spanish Prime Minister Jose Luis Rodriguez Zapatero were due to speak later Monday in an official opening ceremony before touring the exhibition early Tuesday.

A total of 4,157 firms from 68 countries are to unveil their latest gadgets, a decline of three percent on last year as many high-tech firms stay away amid strong competition from other events.

In a bid to arrest the slide, this year's [CeBIT](#) has refocused its efforts on fun gadgets for consumers, hoping visitor numbers will be revived.

The fair runs until March 6.

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