

Tablets, smartphones drive German IT market higher

March 4 2013, by Richard Carter



A man works on a Galaxy note II tablet at the Samsung booth during the 52nd edition of the IFA trade fair in Berlin on August 30, 2012. A booming market for smartphones and tablet computers was expected to drive the German IT sector higher in 2013, although growth was slowing slightly, said industry lobby BITKOM on the eve of the world's top high-tech fair.

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BITKOM said it expected sales growth of 1.4 percent in the sector for 2013 to 153.3 billion euros (\$199 billion), a marginal drop on the 2.2-percent gain seen last year.

"With these figures, the IT market will again grow considerably faster than the wider economy," said BITKOM president Dieter Kempf. "This is also good news for the jobs market."

The publication of the BITKOM forecasts is the traditional first event of the <u>CeBIT</u> high-tech fair, which will be inaugurated by Chancellor <u>Angela Merkel</u> and Polish <u>Prime Minister</u> Donald Tusk later Monday.

The fair, which runs until March 9, throws open its doors on Tuesday.

Sales of <u>tablet computers</u> in Germany were expected to rise by 11 percent to 2.3 billion euros, the lobby forecast. "Sales of tablets should for the first time show the same sales levels as desktop PCs," predicted Kempf.

Cloud computing—the storing of data remotely—continues to be a major driver for the German IT sector, although the stellar growth was also expected to slow slightly.

In 2013, firms expect some 4.6 billion euros in sales from cloud <u>computing products</u>, a gain of 53 percent, compared to a rise of 58 percent last year.

By 2016, cloud computing should bring in some 13.7 billion euros, BITKOM forecast.

The past four years have seen a near-complete <u>transformation</u> from



standard mobile phones to smartphones, the BITKOM figures showed.

In 2009, smartphones accounted for just 17 percent of phones sold and 34 percent of the turnover.

By 2013, they account for 81 percent of units sold and 96 percent of the sales in the 8.8-billion euro market.

Global IT spending was expected to rise by 5.1 percent to 2.7 trillion euros, forecast BITKOM, with India (+13.9 percent), <u>Brazil</u> (+9.6 percent) and China (+8.9 percent) the biggest growth markets.

"There is a shift in the 2013 country ranking: China has overtaken Japan and is for the first time the second biggest national market," said Kempf.

China holds 9.5 percent of the global IT market, now ahead of Japan with 8.3 percent. Both Asian giants are still comfortably behind the United States, which enjoys a 26.8-percent share of the world's technology market.

When the 27 countries of the European Union are lumped together, they represent 21.8 percent of the global market share but will grow at a mere 0.9 percent in 2013, according to the BITKOM survey.

Around 4,100 exhibitors from some 70 countries are expected in the northern German city of Hanover for the CeBIT fair, including tech giants Microsoft, SAP, IBM and Google.

This year's theme is "shareconomy", the increasing trend of users sharing data and things, with examples being "carsharing" and of course social media sites like Facebook, Twitter and Instagram.

But as ever with the CeBIT, it is not all work and no play as there will be



the usual display of head-spinning gadgets and pointless but fun applications to entertain the punters.

This year's hits include a "3D printer" that creates objects from a computer read-out, a chair for couch potatoes that turns into a rowing machine if you get too fat and a "smart" shopping trolley that does the supermarket run for you.

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