

Global tech spending sputters amid economic woes

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The outlook for global technology spending is uncertain after nearly flat growth in the past year, with turbulent economic conditions making a forecast difficult, an industry gathering was told.

At the media preview for the massive International Consumer

Electronics Show in Las Vegas, data presented showed just one percent growth in 2014 to bring spending on technology to \$1.024 trillion.

But analyst Steve Koenig of the Consumer Electronics Association, which organizes the event, said [economic conditions](#) around the world forced the group to defer its forecast for 2015.

"We have a very mixed spending picture," Koenig said.

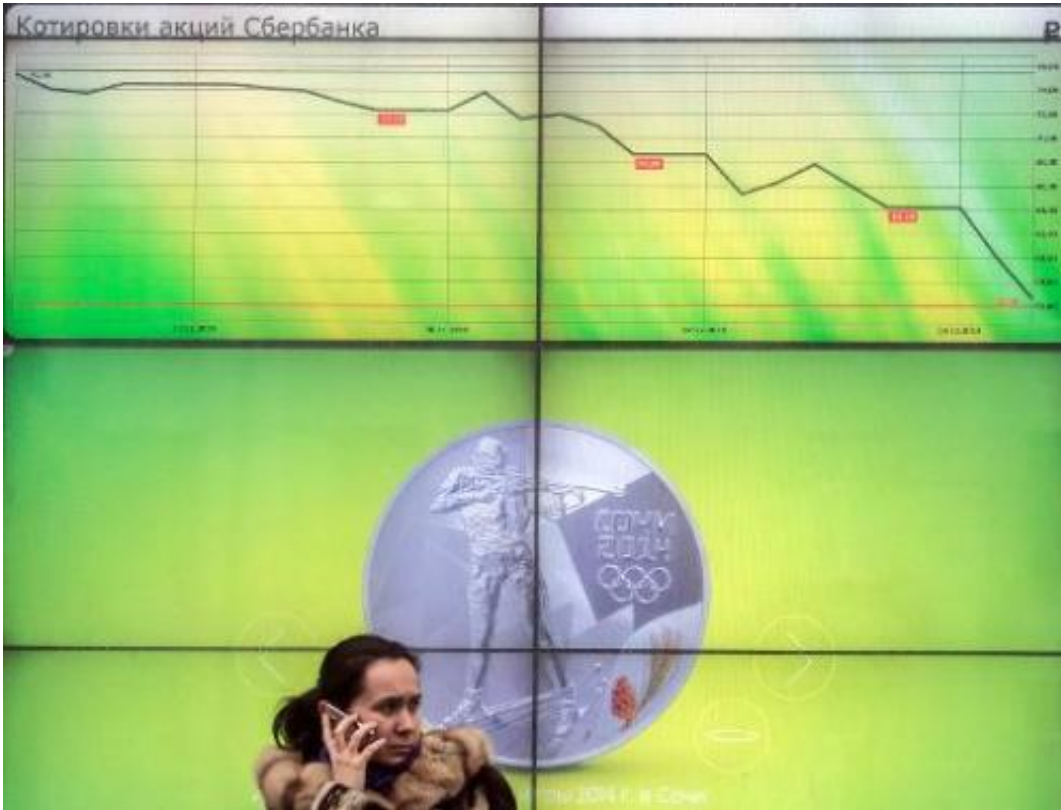
The market is being driven by strong demand for new products like tablets and smartphones in [emerging economies](#) in Asia, and by modest economic growth in North America.

The picture is clouded by economic stagnation in the eurozone and Japan and "weak expectations" in big emerging economies such as Brazil, Koenig explained.

Russia, another large emerging economy, is being hit by economic sanctions that could dent [tech spending](#).

The association predicted a drop in tech spending of five percent in Europe and Latin America, and it remains unclear whether the rest of the world will pick up the slack.

Koenig said smartphone and tablet sales are growing at a healthy pace in China and other developing economies, and demand for new televisions is being driven by a "robust upgrade cycle" to the "ultra" high-definition displays.



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At the same time, spending is being capped by the decreasing price for new mobile devices.

"A flood of low-cost devices is coming into the marketplace," he said, noting the prominence of phone makers in China such as Xiaomi, which has pushed into the top ranks of manufacturers.

CEA forecast smartphone unit sales growing 19 percent this year to 1.5 billion units, but revenue is expected to grow just nine percent to \$406.7 billion as prices fall.

In tablets, unit growth is expected at 20 percent in 2015, but revenues will decline some eight percent to \$61.9 billion, Koenig said as he

unveiled the forecast.

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