

Brazil Information Technology Q3 2010

Phone: +44 20 8123 2220

Fax: +44 207 900 3970

office@marketpublishers.com

<http://marketpublishers.com>

Brazil Information Technology Q3 2010

Business Monitor International

Date: Jul, 2010

Pages: 63

Price: US\$ 530.00

ID: B2815271DABEN

Brazilian IT spending is expected to bounce back in 2010, following strong growth in computer sales in the first half of the year. Government and retail demand drove most of the growth, as Brazil's economy made a robust recovery, while still-sluggish business demand is expected to pick up in H210. Demand for IT products and services is forecast to grow at a compound annual growth rate (CAGR) of 12% over the forecast period, making Brazil one of the best-performing global IT markets. A National Broadband Plan announced in May 2010 should help to drive future growth in demand for IT products and services.

After 2010, the fundamentals of low computer penetration and growing affordability should keep the market on an upward path. Despite current economic uncertainty, a PC penetration rate of less than 25% indicates plenty of room for market growth. Infrastructure investments following the award of the 2016 Olympic Games to Rio de Janeiro is expected to drive new spending on IT systems and solutions.

Industry Developments

In May 2010, the Brazil government formally launched a National Broadband Plan (PNBL), which aims to triple access to broadband services by 2014. The government will invest BRL11bn in the plan, which will be managed by former state-owned telecoms company Telebras. The government has set an ambitious target for Brazil to have 90mn broadband connections by 2014, reaching half of Brazilian homes. The plan could provide a boost to the Brazilian computer market, as most broadband infrastructure is currently concentrated in major cities and towns.

Vendors reported an upturn in government IT spending in Q110, boosted by computer procurements by the Ministry of Education and schools. Government information and communication technology (ICT) spending reached BRL1.89bn (US\$1bn) during January-July 2009. In terms of types of service, consulting accounted for about half of government ICT expenditures in the first seven months of 2009 with investment of BRL915mn.

In H110, the government continued to roll out its 'one computer per student' programme. The programme received a boost in 2009 when Brazil's central bank authorised BRL100mn in funding for national development bank BNDES to purchase PCs through the programme. The funds will be made available to public schools for the purchase of low-cost portable computers and will also cover networking infrastructure costs.

Competitive Landscape

The Brazilian PC market leader remains Positivo Informatica, ahead of leading multinational rivals like HP, Dell and Acer. Positivo has been the sales leader in Brazil for the last 22 quarters and reported a 31.8% year-on-year rise (y-o-y) in revenues in the first quarter of 2010. The company achieved sales of BRL617mn (US\$348) on the back of strong sales to the government sector. Positivo's quarterly PC shipments reached 427,741 units, with desktop and notebook shipments increasing 32.2% and 30.9% respectively.

The Brazilian IT services market is competitive with multinationals such as IBM, HP, Accenture and Indian vendors Infosys and Tata Consultancy Services (TCS) competing with local players like Politec, CPM Braxis and Stefanini. Brazil's government is determined to encourage the development of the domestic IT

sector, in line with ambitions for Brazil to become one of the world's top outsourcing destinations by 2010.

One growth area is expected to be demand by Brazilian organisations for services to facilitate use of cloud computing. In March 2010, business process outsourcing (BPO) player Tivit announced that it was launching cloud computing services, branded as Tivit virtual services, which will be targeted at corporations. Meanwhile, Brazilian IT services provider Avancera is the exclusive national distributor of Microsoft Dynamics AX in the software-as-a-service (SaaS) model, and claimed in March 2010 to be on its way towards closing six to eight Microsoft hosting contracts in the year.

Computer Sales

Brazilian sales of computer hardware are projected to grow around 17% in US dollar value terms in 2010, following a strong increase in shipments in the first quarter of the year. PC volume sales were up by around one-third in Q110, boosted by government tenders, a recovering economy and easier credit. There remains considerable growth potential as the current level of computerisation is low, with PC penetration estimated at below 25% and expected to increase to 36% by 2013. Greater affordability combined with more credit options, lower interest rates and tax concessions have driven sales. There is a sizeable grey market, although evidence suggests that this has been falling in recent quarters to below 40% of unit sales.

Software

Brazil's software market is projected to be worth US\$3.8bn in 2010, with more robust growth compared with 2009. Software CAGR for 2010-2014 is projected at around 13%. The current economic crisis led companies in some key Brazilian software spending verticals such as manufacturing and oil and gas to review IT budgets or look to defer systems updates.

The software sector's current growth is being driven partly by stronger demand for enterprise resource planning (ERP) solutions from small and medium-sized enterprises (SMEs), with an estimated addressable market of 400,000 small businesses. The majority of demand is currently, in functional terms, for ERP and supply chain management. Brazil is thought to be one of the most promising regional markets for the utility software model, with demand in sectors such as retail, finance and healthcare.

IT Services

Brazil's IT services market is expected to continue to grow strongly in 2010, with total spending of around US\$8.9bn as the economy continues to bounce back from recession. The award of the 2016 Olympic Games to Rio de Janeiro is expected to drive substantial investment in IT, not only directly associated with the games, but also related to transport and other infrastructure projects. IBM has already estimated that 54% of its country revenues come from IT services, slightly more than its global average. Brazil has an ambitious plan to become one of the world's top IT outsourcing destinations by 2010, but will have to overcome a number of challenges to achieve this.

E-Readiness

The World Economic Forum's latest IT report ranked Brazil 53rd in the world in the area of 'degree of preparation to participate in and benefit from information and communications technology', placing Brazil fourth in the region behind Chile, Barbados and Mexico. The government recently said that 37mn elementary school children in Brazil should have access to broadband by 2010.

Table of Content

Executive Summary
SWOT Analysis
Brazil IT Sector SWOT

Brazil Telecoms Industry SWOT
Brazil Political SWOT
Brazil Economic SWOT
Brazil Business Environment SWOT
Business Environment
Table: Regional IT Business Environment Ratings
Latin America Regional IT Markets Overview
Brazil Market Overview
Government Authority
Background
Hardware
Software
Services
Industry Developments
Industry Forecast Scenario
Table: Brazil's IT Industry (US\$m Unless Otherwise Stated)
Internet
Table: Telecoms Sector – Internet – Historical Data And Forecasts
Macroeconomic Forecast
Table: Brazil – Economic Activity
Competitive Landscape
Hardware
Software
IT Services
Internet Competitive Landscape
Table: Regional Internet Penetration Overview
Table: Regional Broadband Penetration Overview
Company Profiles
Positivo Informatica
Dell (Brazil)
Microsoft
Country Snapshot: Brazil Demographic Data
Section 1: Population
Table: Demographic Indicators, 2005-2030
Table: Rural/Urban Breakdown, 2005-2030
Section 2: Education And Healthcare
Table: Education, 2000-2003
Table: Vital Statistics, 2005-2030
Section 3: Labour Market And Spending Power
Table: Employment Indicators, 1999-2004
Table: Consumer Expenditure, 2000-2012 (US\$)
Table: Average Annual Wages, 1996-2002
BMI Methodology
How We Generate Our Industry Forecasts
IT Industry
IT Ratings – Methodology
Table: IT Business Environment Indicators
Weighting
Table: Weighting Of Components
Sources

I would like to order:

Product name: Brazil Information Technology Q3 2010
Product link: <http://marketpublishers.com/r/B2815271DABEN.html>
Product ID: B2815271DABEN
Price: US\$ 530.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service: office@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click 'BUY NOW' button on product page <http://marketpublishers.com/r/B2815271DABEN.html>

To pay by Wire Transfer, please, fill in your contact details in the form below:

First name:
Last name:
E-mail:
Company:
Address:
City:
Zip/Post Code:
Country:
Tel:
Fax:
Your message:

* All fields are required

Customer Signature _____

Please, note that by ordering from MarketPublisher.com you are agreeing to our Terms & Conditions at http://marketpublishers.com/docs/terms_conditions.html

To place an order via fax simply print this form, fill in the information below and fax the completed form to **+44 20 7900 3970**

