



# South American IT market displays promising growth

SAO PAULO, BRAZIL: The role of South America in the worldwide consumer durables market is growing. In 2009, the continent was responsible for 9% of all expenditures for Consumer Electronics, ranging from traditional Consumer Electronics, to Telecommunication and IT products. In 2010, this share grew to 10% and the expectation is that by the end of 2011, it will be 12%.



IT products, especially those linked to mobility, are one of the key drivers of the growth. Among the four countries covered by GfK in the region, the biggest increase in sales comes from Argentina, a growth of 76% for notebooks. This was followed by 61% in Peru, 44% in Chile and 26% in Brazil. Despite the small growth, Brazil accounts for 80% of all sales in the region.

## Netbooks popular

The demand for netbooks continues to grow in Peru (+7%), Argentina (+11%) and Chile (+30%). In Brazil, country where these devices have never reached the same importance as the other Spanish speaking nations, sales declined by 7%.

On the other hand, despite still being a niche, tablets are becoming more popular in South America. In Chile they are already responsible for 3% of all IT category sales, while in Argentina and Brazil their participation reached 2% in the first half of 2011. Especially in Argentina and Brazil, where taxation for imported goods particularly high, tablets are still among the most expensive in the world. Nevertheless, it is expected that these products will become more affordable in the future as the Brazilian government is planning to lower taxes for specific devices. According to the Brazilian government, five companies are already manufacturing tablets locally.

## PC sales still on the rise

Contrary to the worldwide trend, sales of desktop PCs are still on the rise in Brazil (+4%); this is driven by a growing middle class who are purchasing computers for the first time. While in Argentina and Chile the sales of desktop PCs are decreasing by 21% and 29% respectively, all-in-one (AIO) models are becoming increasingly popular. If compared to the first half of 2010, sales in Brazil increased by 46%.

In Chile and Peru, demand more than doubled and in Argentina, the growth was more than 400%, although this is a result of a relatively low level in 2010. In Argentina and Chile, AIO's already represent around a third of the sales of all desktop PCs, in Peru this figure is 20% and in the biggest market Brazil, it is 8%. Apart from being more design oriented and space saving, falling prices have been helping the demand for AIO's. Over the last year, prices fell by 5% in Brazil, 19% in Chile and 25% in Peru.

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