

Gartner Dataquest Says Latin America Server Revenue Increased While Shipments Declined in 2001

SAN JOSE, Calif., March 4, 2002 - While shipments of servers in Latin America declined 2.4 percent in 2001, Latin America server revenue in 2001 increased 5.1 percent from 2000, according to Dataquest Inc., a unit of Gartner, Inc. (NYSE: IT and ITB). Gartner Dataquest analysts attribute the increase in revenue to the sales of more high-end servers.

Compaq accounted for 22.9 percent of server shipments in Latin America in 2001, while IBM was the No. 1 vendor based on Latin America server revenue, as it accounted for 40.1 percent of revenue in the region (see Table 1 and Table 2). Dell's shipments grew 62 percent in 2001, but its revenue actually declined 0.4 percent.

"In overall server revenue, Compaq's performance was lower because of its shipment decline in RISC/Unix-based systems, which provides a significant portion of the industry revenue," said Lillian Alvarado, senior industry analyst covering servers for Gartner Dataquest's Computing Platforms Latin America group.

"Server unit shipment results clearly indicate that Dell's aggressive marketing slowed growth in lower-priced systems for some of the other top-tier vendors. Dell's tactics also affected local vendors such as Itautec and Alaska," said Luis Anavitarte, vice president and research director for Gartner Dataquest's Latin America group. "It looks like Dell's strategy in the region at this point is to increase shipment market share at the expense of overall revenue gains."

Table 1
Latin America Server Vendor Unit Shipment Estimates for 2001 (Units)

Company	2001 Shipments	2001 Market Share (%)	2000 Shipments	2000 Market Share (%)	Growth (%)
Compaq	40,365	22.9	35,907	19.9	12.4
IBM	27,993	15.9	26,113	14.5	7.2
Hewlett-Packard	15,997	9.1	15,648	8.7	2.2
Dell	15,626	8.9	9,672	5.4	61.6
Itautec	5,986	3.4	5,619	3.1	6.5
Others	70,039	39.8	87,364	48.4	-19.8
Total Market	176,006	100.0	180,323	100.0	-2.4

Source: Gartner Dataquest (March 2002)

Gartner Dataquest analysts said the double-digit growth in revenue for IBM, Hewlett-Packard and Sun Microsystems came from sales of mainframes and high-end RISC/Unix servers. IBM's server revenue market share increase was mainly concentrated in its Brazilian operations.

"As usual, demand for these servers were part of an investment plan made months in advance, but it was encouraging to see that changes in the economic business environment did not put on hold those plans," Alvarado said.

Table 2
Latin America Server Vendor Revenue Estimates for 2001 (Thousands of Dollars)

	2001	2001 Market	2000	2000 Market	Growth
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Company	Revenue	Share (%)	Revenue	Share (%)	(%)
IBM	723,934	40.1	653,935	38.1	10.7
Compaq	263,430	14.6	260,396	15.2	1.2
Hewlett-Packard	256,478	14.2	229,682	13.4	11.7
Sun Microsystems	232,200	12.9	199,356	11.6	16.5
Dell	56,307	3.1	56,509	3.3	-0.4
Others	271,300	15.0	316,360	18.4	-14.2
Total Market	1,803,649	100.0	1,716,238	100.0	5.1

Source: Gartner Dataquest (March 2002)

This information is produced by Gartner Dataquest's Computing Platforms Latin America group. The group provides research on key aspects of the dynamic PC, server and printer hardware markets in Latin America. The focus is on regional and country issues in the top eight Latin American markets and the Rest of Latin America (ROLA) category, where Central American and Caribbean countries are grouped. To subscribe to this program, please call 408-468-8000.

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