

Gartner Says Latin American Server Market Declined 3 Percent in the First Quarter of 2003

STAMFORD, CONN., May 28, 2003 — Driven by slower sales in the IA32 segment, the Latin America server market suffered declines in shipments and revenue in the first quarter of 2003, according to Gartner, Inc. (NYSE: IT and ITB). Server shipments in Latin America declined 2.7 percent in the first quarter of 2003, while server revenue dropped 2.8 percent from the first quarter of 2002.

"Lower levels of investment in technology in Venezuela and most countries in the region affected the Intel server segment of the market which, in turn, affected the entire market. In contrast, Brazil and Mexico showed slight gains, and Argentina experienced a partial recovery," said Lillian Alvarado, senior industry analyst covering servers for Gartner's Computing Platforms Latin America group.

Hewlett-Packard maintained the No. 1 position in server shipments, despite an 8.8 percent decline (see Table 1). IBM held onto the No. 2 spot, while the No. 3 vendor, Dell, experienced the strongest growth rate in server shipments, as it grew 39.6 percent.

Table 1
Latin America Server Vendor Unit Shipment Estimates for 1Q03 (Units)

Company	1Q03 Shipments	1Q03 Market Share (%)	1Q02 Shipments	1Q02 Market Share (%)	Growth (%)
Hewlett-Packard	10,829	28.9	11,875	30.9	-8.8
IBM	6,824	18.2	6,018	15.6	13.4
Dell	6,270	16.7	4,493	11.7	39.6
Alaska	1,062	2.8	1,855	4.8	-42.7
Sun Microsystems	1,044	2.8	754	2.0	38.5
Others	11,436	30.5	13,497	35.1	-15.3
Total	37,465	100.0	38,492	100.0	-2.7

Source: Gartner Dataquest (May 2003)

IBM was the top vendor in server revenue with 37.4 percent of the market (see Table 2). Hewlett-Packard was the No. 2 vendor, followed by Sun Microsystems, Dell and Itautec, respectively. IBM and Dell were the only top-tier vendors to experience positive growth in revenue.

Table 2
Latin America Server Vendor Revenue Estimates for 1Q03 (Actual Dollars)

Company	1Q03 Revenue	1Q03 Market Share (%)	1Q02 Revenue	1Q02 Market Share (%)	Growth (%)
IBM	116,246	37.4	107,699	33.6	7.9
Hewlett-Packard	89,123	28.6	94,725	29.6	-5.9
Sun Microsystems	27,614	8.9	35,277	11.0	-21.7
Dell	26,931	8.7	20,516	6.4	31.3
Itautec	9,647	3.1	16,764	5.2	-42.5
Others	41,668	13.4	45,265	14.1	-7.9
Total	311,229	100.0	320,246	100.0	-2.8

Source: Gartner Dataquest (May 2003)

The RISC server segment experienced an increase in units shipped of 19.4 percent, mostly by IBM and Sun Microsystems. Servers in the lower-end drove the increase in shipments in this segment. Revenue in the RISC server segment increased by 15.6 percent.

"RISC servers have expanded their offerings, particularly in the lower end, and have become more competitive in terms of pricing," said Alvarado

