

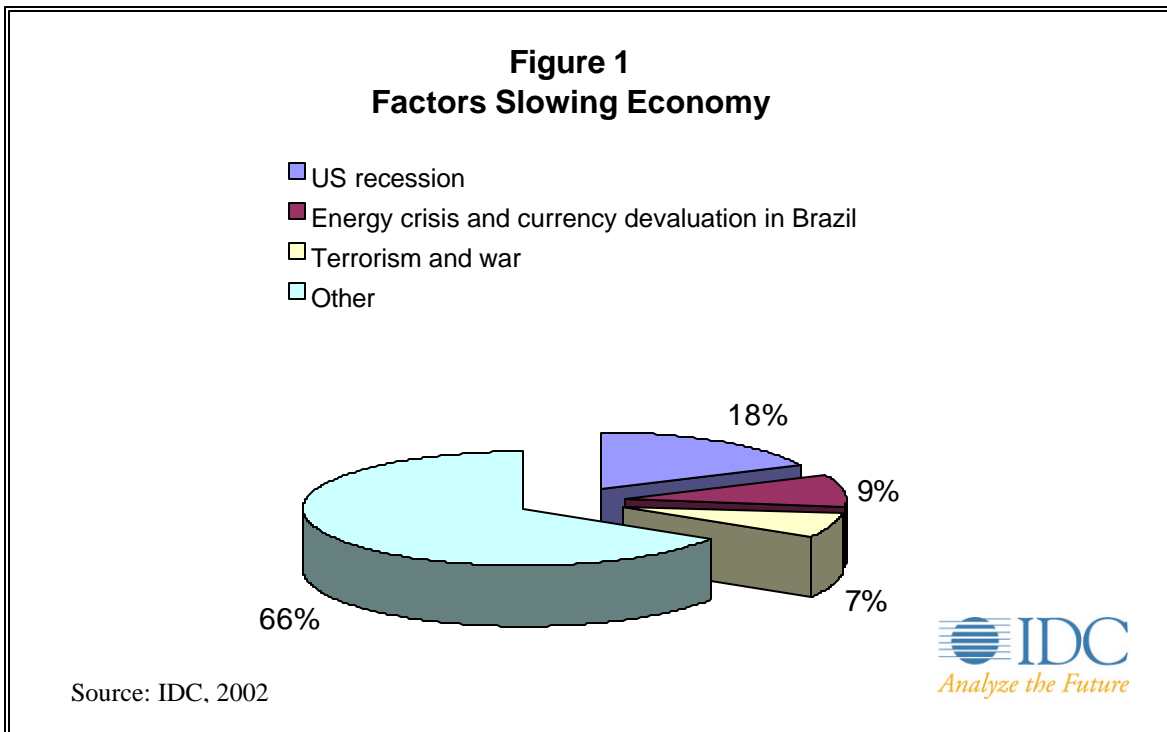
Optimism Breaking Through the IT Clouds in Latin America in 2002

Confidence and caution are the watchwords in information technology in Latin America in 2002, according to preliminary results from a recent survey of over 1000 IT decision makers in the region.

In an effort to learn more about the IT outlook for 2002, IDC Latin America contacted leading IT players in Argentina, Brazil, Chile, Colombia, Mexico, and Venezuela during the first two months of the year. The full results will appear elsewhere, but preliminary data indicate that nearly 65% of respondents believe the outlook for their businesses is sunnier in 2002 than it was in 2001.

New Priorities

Respondents named a number of key factors dragging down their businesses. The recession in the United States and the political and economic crisis in Argentina were each tapped as the top problem by 18% of the decision makers surveyed. 9% named energy crisis and currency devaluation in Brazil, and 7% the onset of terrorism and the war in Afghanistan. Many respondents cited local crises in their own countries.



In order to see how companies in the region are responding to these challenges, IDC Latin America asked respondents to name their top corporate priorities in 2001 and 2002. The results show a clear shift away from investing in IT infrastructure and toward establishing new distribution and sales channels. In other words, while the respondents are optimistic about 2002, they are also cautious—reticent to commit significant new funds to IT hardware and software.

Trouble in Argentina

Despite these inhibitors, respondents as a group were optimistic about 2002. The notable exception was Argentina, where pessimism reigned. There more than three out of four of the decision makers consulted said business performance would be the same or worse in 2002.

Given this negative outlook, Argentine respondents indicated they planned to cut back on IT investments in 2002. While nearly half of the overall respondents said they would spend more on IT in 2002 than they had in 2001, less than 20% of the decision makers in Argentina indicated they would be ramping up IT spending.

--Barbie Cordero

For more information regarding *Forging Ahead: Preliminary Results Suggest Many Latin American IT Decision Makers are Optimistic about 2002* (#LA1226J) or to obtain the complete study, please contact Barbie Cordero of IDC Latin America at bcordero@idc.com or (305) 351-3131.

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8200 NW 41 Street, Suite 300
Miami, FL 33166
Phone: 305-267-2616
Fax: 305-267-2617

