

Industries Served:

Computer Equipment, Software Services, E-Commerce, IT Services, Microelectronics, Telecommunications Equipment & Services Audio Visual/Film, Consumer Electronics

IT Hardware: one of Brazil's growth sectors

According to the Brazilian Electrical and Electronic Association (ABINEE), the industry's 2006 total revenue reached US\$48 billion, a 15% increase... ([click here and it will drop you to second page with complete information](#)) [...more...](#)

PC sales increase rapidly

The first forecast of market research companies this year states that personal computer sales in 2007 will again increase over the same period last year. This year, 64% of the units that will be bought represent the first computer in the house, increasing the base of the middle class. [...more...](#)

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Given the forecast for steady economic growth over the coming years, Brazilian IT spending should increase at a healthy pace...[more...](#)

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With roughly 35% of the region's revenues, Brazil remains Latin America's largest telecom market...[more...](#)

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Once again mobile products and technologies were the market driving force, growing 32.8% in 2006. Brazil's import market for telecom equipment and components reached...[more...](#)

Good opportunities in the broadcasting sector – Broadcast & Cable Trade Show

On April 15-19, Commercial Specialists Ebe Raso (SP) and Patrick Levy (RJ) escorted over 150 Brazilian entrepreneurs to the National Association of Broadcasters (NAB) show in Las Vegas. As the Brazilian market for broadcasting & cable equipment and services will continue to grow, U.S. manufacturers should take advantage of the Broadcast & Cable trade show to take place August 22 – 24, 2007 at the Imigrantes Exhibition Center in São Paulo, Brazil. [...more...](#)

For more information on the ICT market in Brazil please visit the following links to:

Our industry webpage: <https://www2.focusbrazil.org.br/siteusa/index.htm>
Our market research database: http://www.export.gov/mrktresearch/exp_download_mr.asp
Our Country Commercial Guide: <http://www.focusbrazil.org.br/ccg/>

The Commercial Service recognizes that exporting is a critical part of a company's growth. We assist US firms in realizing their export potential by providing counseling, overseas market information, international contacts, and trade promotion vehicles. Our goal is to champion the interests of the US business, particularly small and medium-sized enterprises, around the world.

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IT Hardware: one of Brazil's growth sectors

Computer Hardware Market

US\$ millions	2005	2006	2007 est*
Market Size	\$32,420	\$37,000	\$48,000
Local Production	\$17,920	\$22,000	\$29,260
Exports	\$5,500	\$6,000	\$9,200
Imports (Global)	\$14,500	\$15,000	\$18,743
Imports from US	\$2,400	\$2,800	\$2,698

(*)Source Abinee, US\$ 1.00 = R\$ 2.15 (December 2006)

According to the Brazilian Electrical and Electronic Association (ABINEE), the industry's 2006 total revenue reached US\$48 billion, a 15% increase... over the previous year's US\$37 billion. U.S. exports to Brazil of IT hardware increased 8% from US\$2.4 billion in 2005 to US\$2.7 billion in 2006. Brazilian IT hardware imports totaled US\$18.7 billion in 2006, 24% more than 2005, an increase that can be attributed to a 42% increase in telecommunication component imports. [Back to top](#)

PC sales increase rapidly

The first forecast of market research companies this year states that personal computer sales in 2007 will again increase over the same period last year. This year, 64% of the units that will be bought represent the first computer of the household, increasing the consumer base of the middle class. It is expected that in two years the purchase of a second computer, probably a notebook or a more powerful machine, will be predominant. Brazil's corporate market holds also excellent potential for the corporate market computer expansion. The majority of corporations are aware that one of the most efficient ways to decrease costs and increase profits is through the automation of their industrial and commercial processes. The Brazilian market of small and medium-sized companies will be a key focus for most of the PC manufacturers, in 2007. [Back to top](#)

Perspectives and Opportunities

Forecasts show revenues in the IT hardware sector increasing 20% in 2006, from US\$30 billion in 2005 to approximately US\$36 billion. Brazilian imports in this sector are projected to grow about 44%.

Laser printer sales grew 42% in Brazil from 2004 through 2005, according to IDC Brazil. Although it has made no definite forecasts for 2007, IDC is betting on even greater expansion. From June 2005-June 2006, some printer manufacturers sold 200% more than in the previous 12-month period.

Sales of corporate network servers in Brazil should increase about 20% this year, reaching approximately 80,000 units. Falling prices of the machines, the renewal of the established base and the computerization of small and medium-sized companies are among the factors contributing to the expansion. [Back to top](#)

Computer Software - Brazil Leads Latin American Software Revenues

Computer Software

US\$ millions	2004	2006	2007 est*
Market Size	\$9,400	\$12,100	\$13,730
Local Production	\$5,200	\$6,800	\$7,500
Exports	\$200	\$300	\$330
Imports (Global)	\$4,200	\$5,300	\$5,900
Imports from US	\$3,450	\$3,800	\$3,900

(*)Source Abinee, US\$ 1.00 = R\$ 2.15 (December 2006)



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Given the forecast for steady economic growth over the coming years, Brazilian IT spending should increase at a healthy pace. Industry experts predict US\$13.7 billion in software sales in Brazil during 2007. Of this amount, US\$5.9 billion (almost 70%) will be imported from the United States.

The data storage market has considerable business volume and technological development, and it will continue to expand. This year, Brazilian companies will increase spending on data storage by 10% to US\$475 million.

Several Brazilian companies are already using Linux. According to the research held by IDC in February 2006, Linux has reported more than 20% growth in server sales, while Windows grew less than 5%. Unix loses more than 6% per year. According to Novell, corporate clients are discussing options to increase the use of Linux, versus three years ago, when they discussed not using the system. Nevertheless, a study disclosed that most consumers participating in the government's digital inclusion program choose to substitute free software that comes with those computers for other, often pirated, programs. [Back to top](#)

Telecommunications Equipment & Services – Brazil, the Telecom Giant in Latin America

Telecommunications Equipment

US\$ millions	2005	2006	2007*
Market Size	7,186	7,976	8,854
Local Production	5,442	6,041	6,705
Exports	2,832	3,144	3,489
Imports (Global)	1,744	1,936	2,149
Imports from U.S.	520	577	641

Source: trade industry resources. US\$1 = R\$ 2.15

(*) Estimated

With roughly 35% of the region's revenues, Brazil remains Latin America's largest telecom market.

2006 net revenue from telecom equipment and services was near US\$46 billion, 32.8% higher than previous year. Sector revenues are split among fixed carriers (39.6%), mobile carriers (25.8%), manufactured products (19.3%) and services (15.3%). Motorola, Nokia, Nortel and Cisco have manufacturing facilities in Brazil, giving the country one of the region's best telecom infrastructures.

The number of cellular telephones (100 million) is more than triple the number of fixed telephones. From this total, 81% are prepaid and 19% are billed. Among services, Internet access companies had the highest percentage of growth with total revenues of US\$ 633 million (123% increase as compared to 2005). By the end of 2006, Anatel (the National Agency for Telecommunications) estimated that total telecom investment reached US\$45 billion, 47% for fixed services and 19% for mass communication services. [Back to top](#)

Trends – Wireless Mobility is Driving Growth

Once again mobile products and technologies were the driving forces in the market, growing 32.8% in 2006. Brazil's import market for telecom equipment and components reached US\$1.7 billion in 2005, and surpassed US\$1.8 billion in 2006. US market participation decreased from 20% in 2005 to 17% in 2006, while Southeast Asian (mostly South Korean, Chinese) grew from 34 to 42%.

Vivo (CDMA/TDMA), is the largest mobile operator (29.4% market share, followed by TIM (TDMA/GSM) (25.4%, Claro (TDMA/GSM) (23.5%), Oi (GSM) (13.2% and other companies such as Telemig/Amazonia and Brasil Telecom (TDMA/GSM) and CTBC (TDMA/GSM) have 8.5% of the market.



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Brazil's GSM client base is growing significantly with (60.4% market share), CDMA (26.0%) while TDMA still has 11.0 million access. Brazil's GSM and CDMA client bases are growing monthly by 9.8% and 2.4% respectively.

In order to remain competitive in the market, in December 2006 Vivo invested US\$514 million in the rollout of its GSM network. According to the President of Vivo Roberto Lima, the expansion of the CDMA network is still programmed and will not be stopped.

Though broadband penetration is still only 10% of the market, Internet use and PC penetration in Brazil are the highest in Latin America. Today, Brazilian users are ranked even higher than Europeans in time spent and relative usage of audio-visual content, e-banking and e-commerce. As of October 2006 there were more than 5 million broadband subscribers for all types of technology. This represents an increase of more than 40% over the previous year. To face the rising demand for broadband services, telecom carriers have increased investments in 2006 and are adopting WiMax technology and the IP (Internet Protocol) connections to replace dial-up service at a more attractive price for lower income populations. [Back to top](#)

Good opportunities in the broadcasting sector – Broadcast & Cable Trade Show

On April 15-19, Commercial Specialists Ebe Raso (SP) and Patrick Levy (RJ) escorted over 150 Brazilian entrepreneurs to the National Association of Broadcasters (NAB) show in Las Vegas. CS Raso and CS Levy provided counseling to more than 35 U.S. companies scheduled under the U.S. Department of Commerce's programs. As the Brazilian market for broadcasting & cable equipment and services will continue to grow, U.S. manufacturers should take advantage of the Broadcast & Cable trade show to take place August 22 – 24, 2007 at the Imigrantes Exhibition Center in São Paulo, Brazil.

Approximately 200 companies are expected to exhibit at the show, with an estimated 11,000 visiting professionals from throughout South and North America, Europe and Asia.

BROADCAST & CABLE targets professionals, entrepreneurs and executives in the multimedia electronic production and distribution market, including cinema, Internet, production, radio, telecommunications, free-on-the-air and Pay TV. Approximately 85% of the professionals attending the show are decision makers with the ability to make purchasing decisions.

U.S. companies interested in set foot in the Brazilian market should take advantage of **BROADCAST & CABLE** to introduce their products to Brazil.

The Commercial Service recognizes that exporting is a critical part of a company's growth. We assist US firms in realizing their export potential by providing counseling, overseas market information, international contacts, and trade promotion vehicles. Our goal is to champion the interests of the US business, particularly small and medium-sized enterprises, around the world.

If you decide to visit BROADCAST & CABLE, maximize your time by meeting with pre-qualified Brazilian companies that could be potential partners for your business. Our office is prepared to arrange meetings for you during the show. Through the Gold Key Service we will provide a customized schedule of appointments with pre-screened potential agents, distributors or other business contacts according to your needs.

If you are interested in additional information please contact Telecommunications Specialist, Ebe Raso (ebe.raso@mail.doc.gov), Tel: (11) 5186-7339, Fax: (11) 5186-7246

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