New Zealand ICT Directions –

Navigating through Uncertain Times

Ullrich Loeffler
Country Manager
IDC New Zealand

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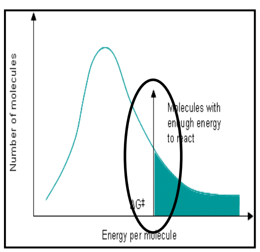
Agenda

The Economic Implosion

ICT Budgets



The Economy as Catalyst

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IDC Overview

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Market Research	Custom Research	Business Consulting	Go-to-Market Services	Conferences and Events
• CIS • Trackers • Reports • Honorarium • Cross Product • Investment Research Services	▪ Custom Market Sizing ▪ Ad Hoc Analyst Briefings ▪ Custom Market Intelligence	▪ Market Entry Strategy ▪ Market Opportunity Assessment ▪ Customer Outreach and Sales Enablement ▪ Channel and Alliance Partnering ▪ Customer Insight	▪ White Papers ▪ Market Views ▪ Sales Education ▪ Sales Workbooks	▪ Road shows ▪ Local/Custom Event ▪ Vendor-Specific Executive Briefs ▪ Other Briefings

Global Services Portfolio

Industry Insights
IDC Companies

Financial Insights — An IDC Company
Energy Insights — An IDC Company
Global Retail Insights — An IDC Company
Government Insights — An IDC Company
Health Industry Insights — An IDC Company
Manufacturing Insights — An IDC Company

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When Cartoons become Reality….

'Your card is fine. I'm just checking that your bank hasn't expired'

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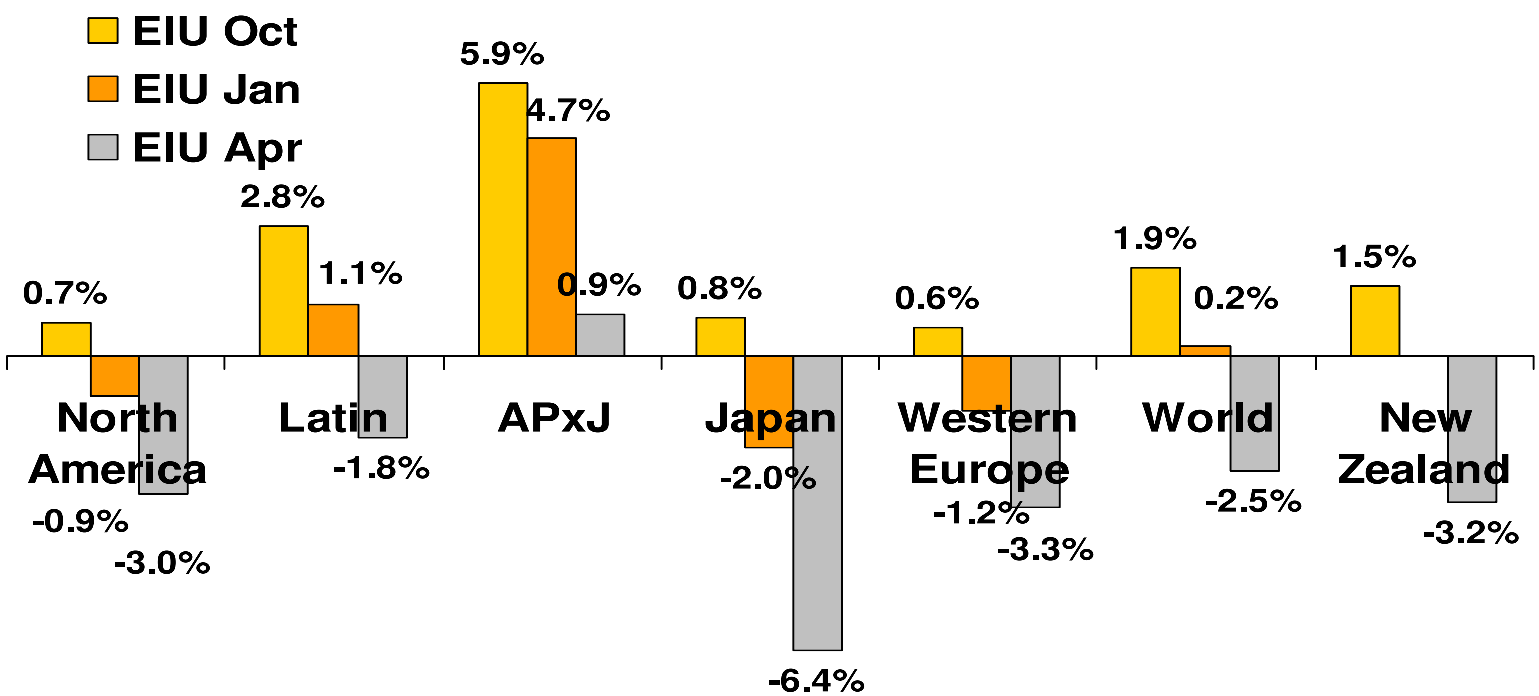
Economic Outlook

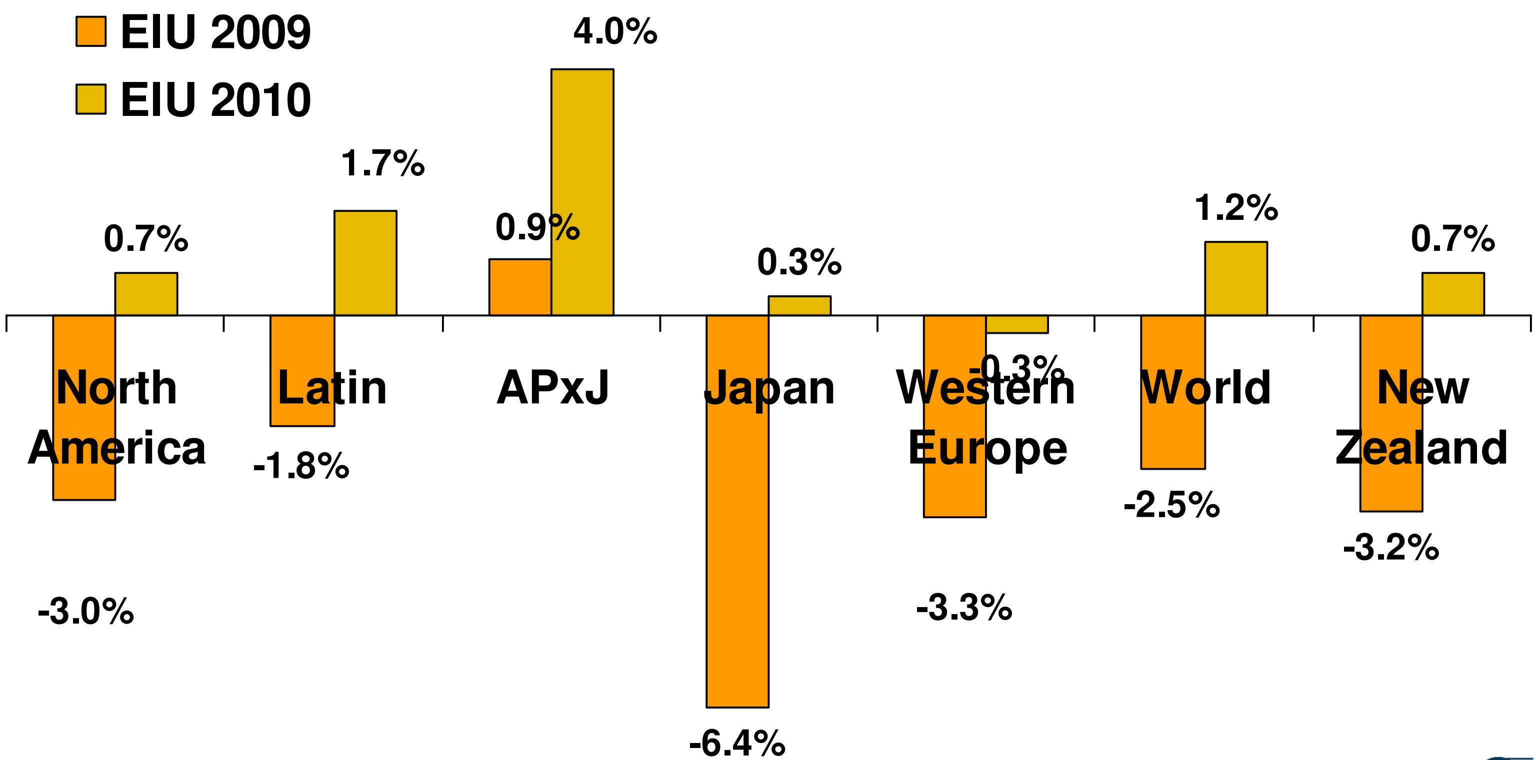
2009 GDP Growth: Forecast Change



Source: EIU October 6, 2008, January 14, 2009, April 7, 2009

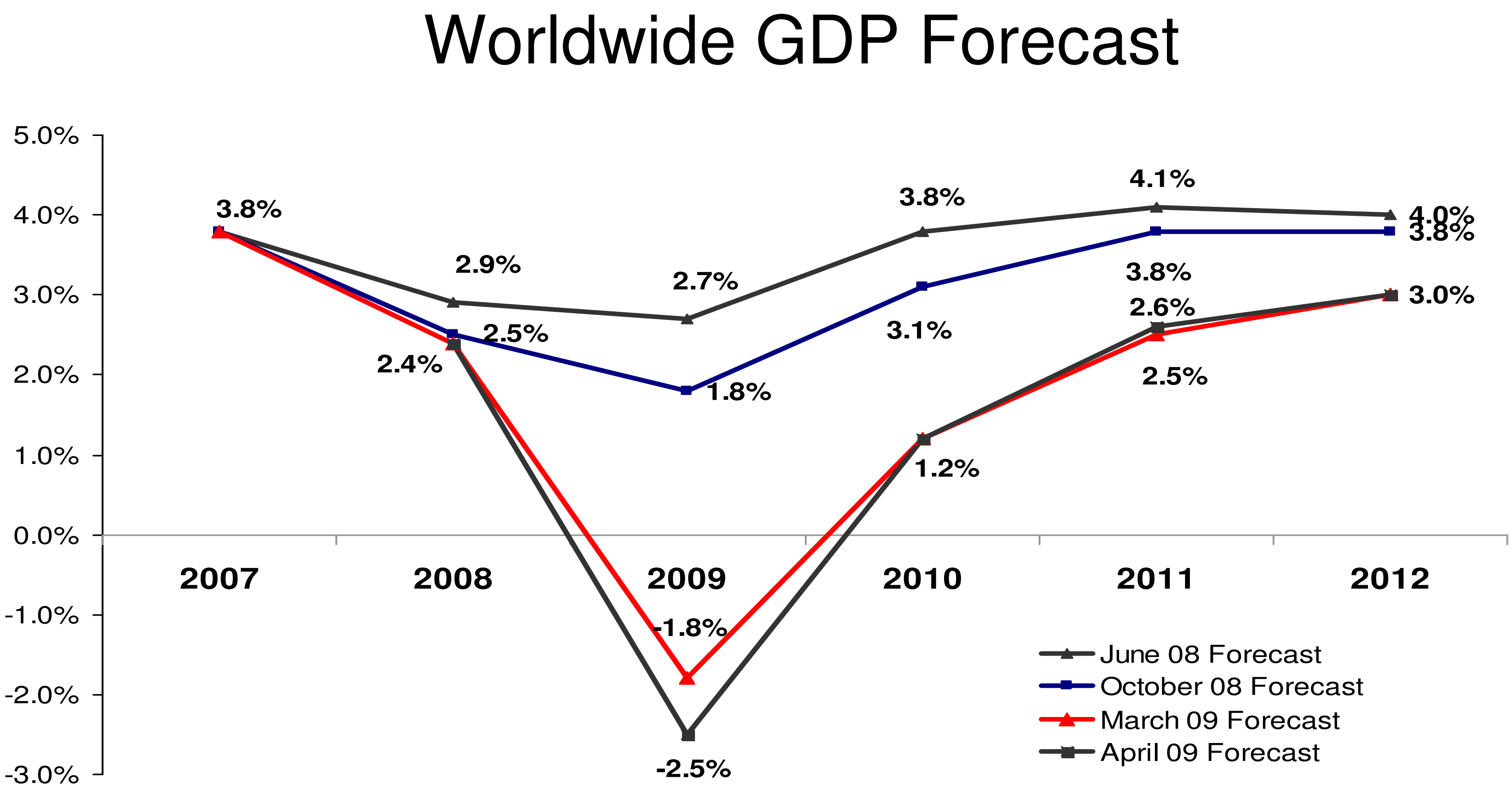
Economic Outlook

2009 & 2010 GDP Growth Picture



Source: EIU April 7, 2009

WW GDP Growth Forecasts



Source: IMF World Economic Outlook, Consensus Economics, Inc., EIU

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The VUL Model

Global outlook

3 Scenarios for 2008 to 2010

L

10% probability	40% probability	50% probability
Scenario 1 **Better than expected** Consumers are stronger • Low inflation • Falling fuel prices • Lower interest rates Govt stimulus very effective • Less unemployment • Helps construction • Lower budget deficit Easier funding for firms • Quick progress on CDO fix • Stock mkt steady recovery Fixed investment • New growth in late 2009	Scenario 2 **The IMF WEO, Nov 08** Advanced economies • 2009 recession • Inflation disappears Govt stimulus • Starts to work late 2009 • Mild impact in 2010	Scenario 3 **Worse than IMF expects** Consumers weak for longer • Prolonged deleveraging • Credit card defaults jump Govt stimulus fails • Too little, too late Some industries fail • US car sector collapses • Airline sector collapses • Lifts unemployment • Drains govt budget Global economy • Deflation takes hold
V	U	L
V-shaped recession	U-shaped recession	L-shaped recession

Asia Forecast, 2008 Q4 | 12 | IMA Asia

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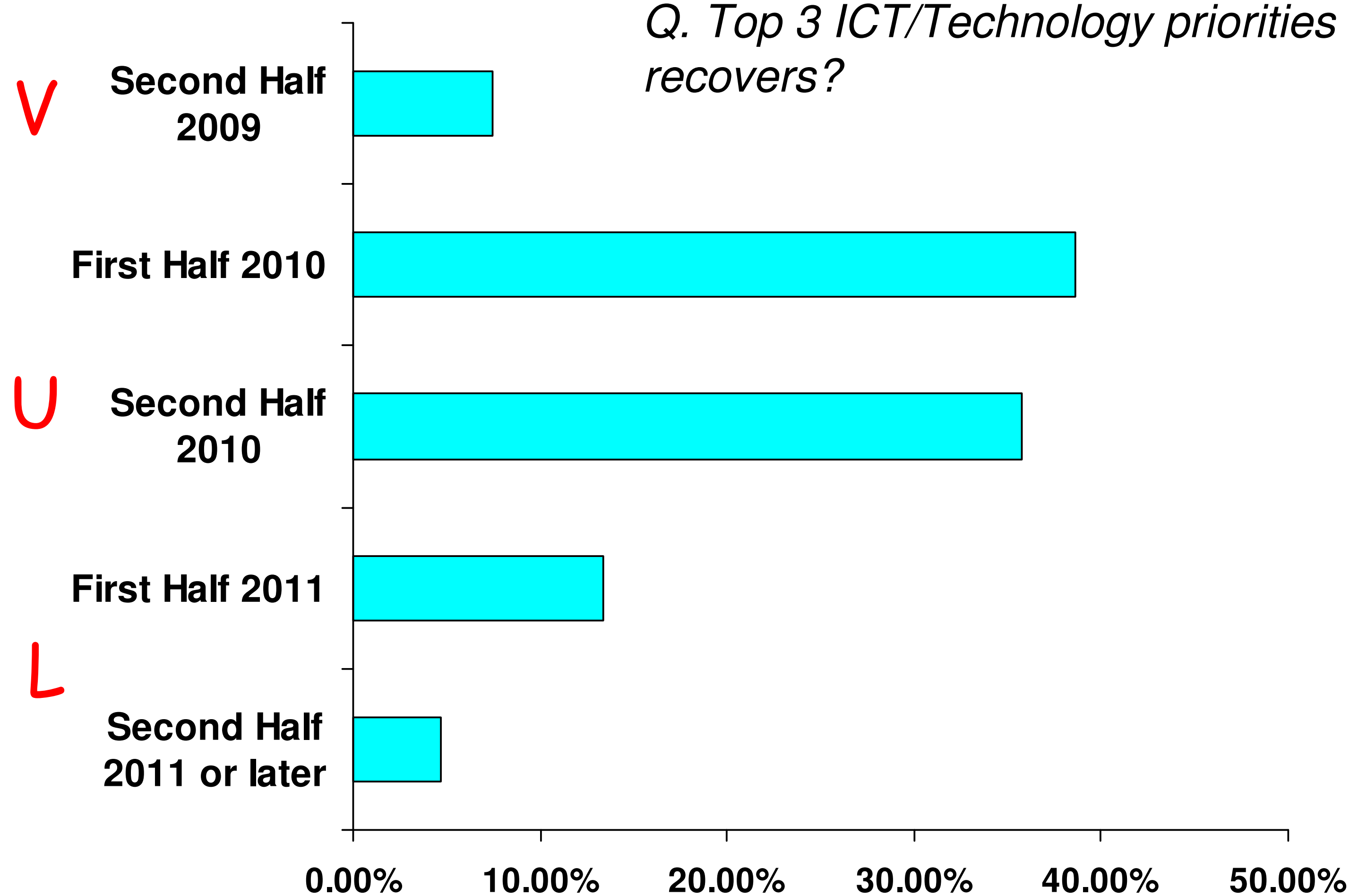
The *New* Hope
Recovery Expectations: The What

Q. When do you think the New Zealand economy will recover from this recession?

Q. Top 3 ICT/Technology priorities when Economy recovers?



Source: IDC New Zealand Ecosystem Study, 2009

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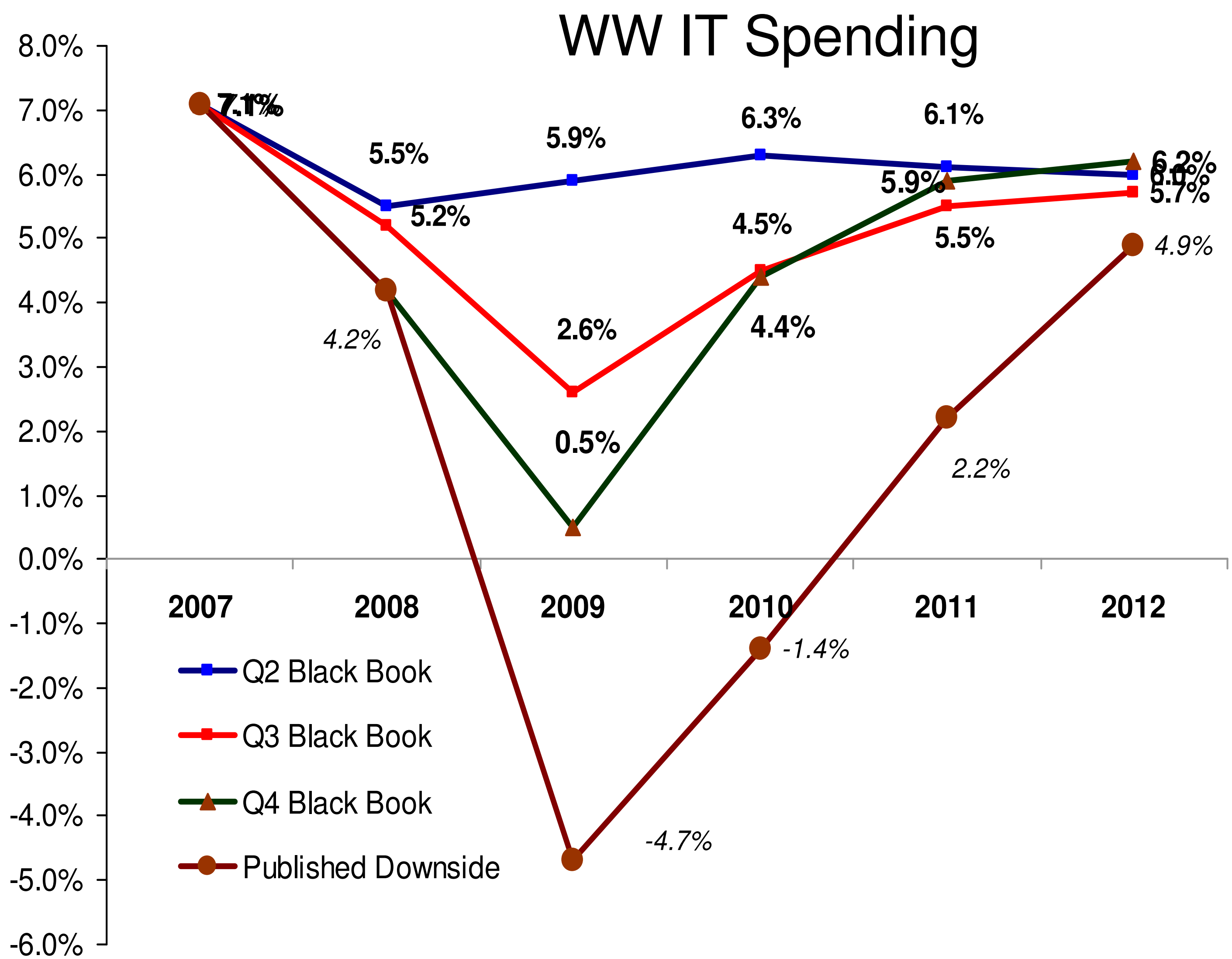
Where We Stand



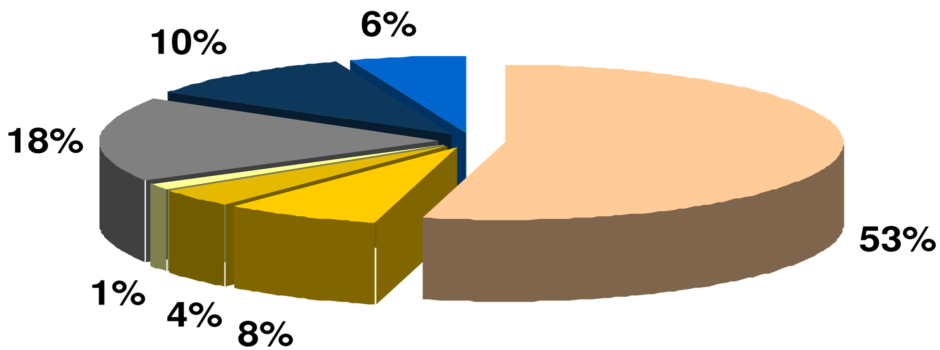
Source: Q2 & Q3 2008 Worldwide Black Books; IDC Downside Scenario Model

What's it got to do with New Zealand?

Q. How will the economic crisis impact your IT services budget?

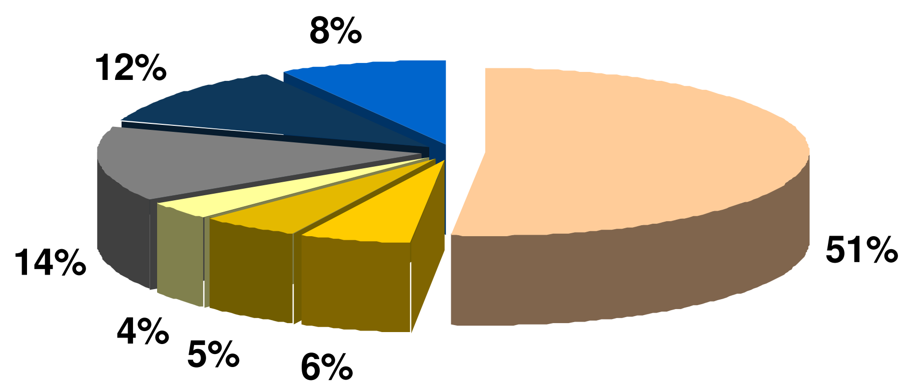
Opex

Decrease Total= 34%



Capex

Decrease Total= 34%



- Stay the same
- Increase by 5-15%
- Decrease by less than 5%
- Decrease by 15%
- Increase by less than 5%
- Increase by 15%
- Decrease by 5-15%

Source: IDC New Zealand Ecosystem Study, 2009

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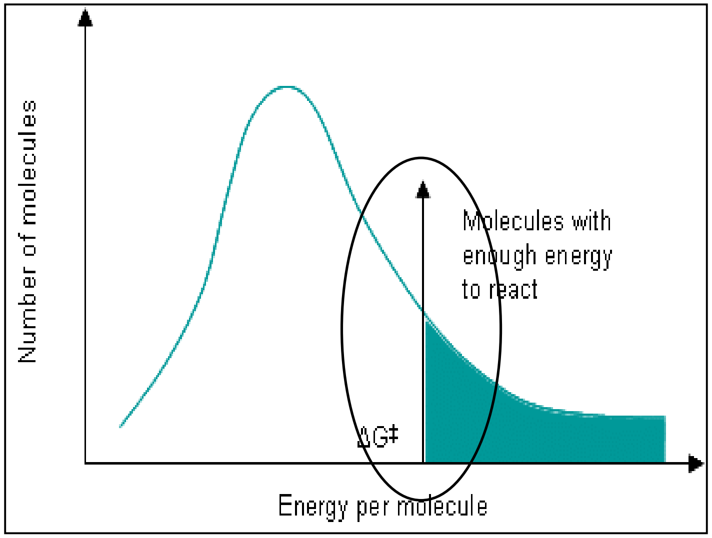
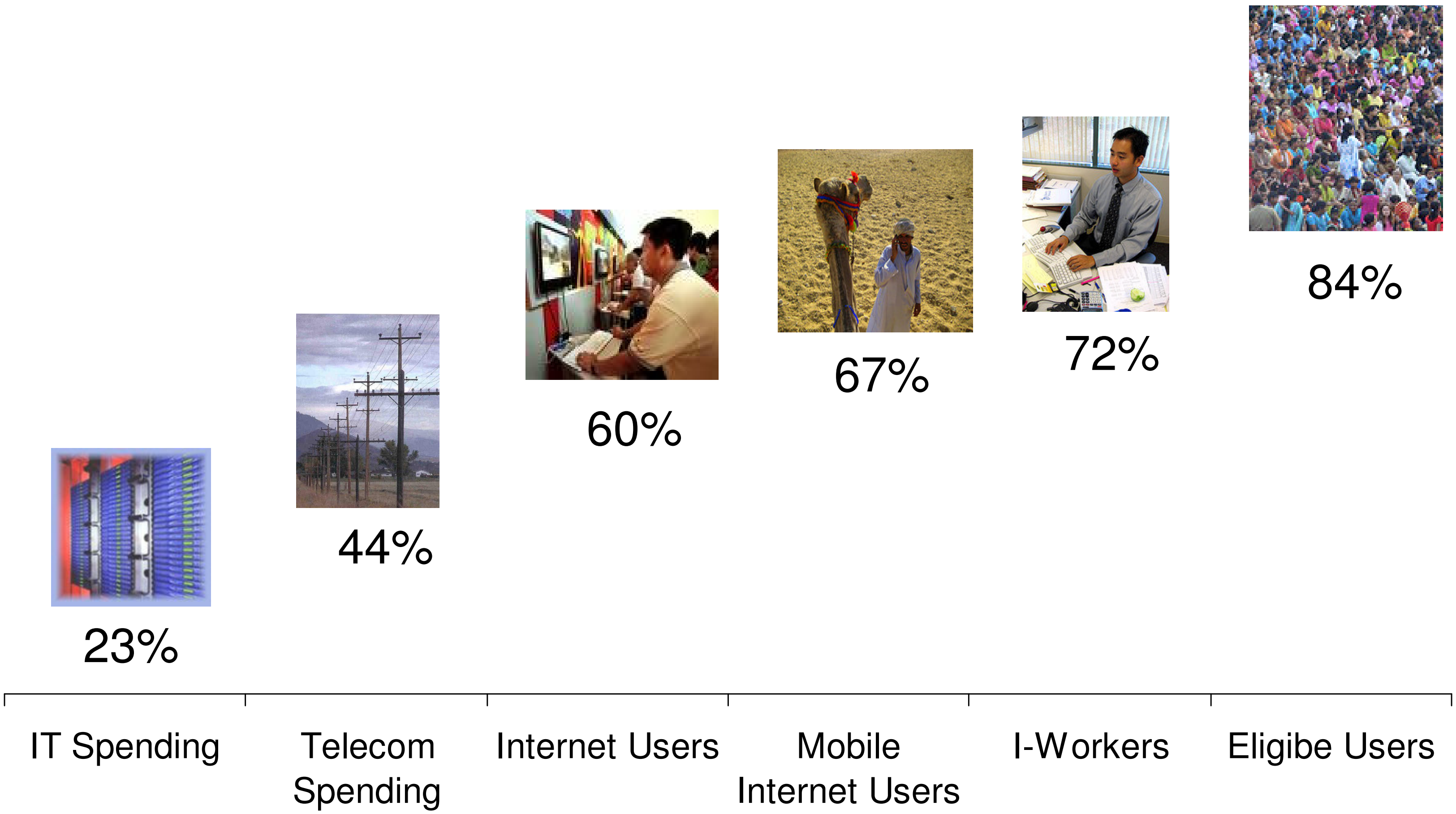


The Economy as Catalyst

The Demographic Catalyst

Percent Penetration in Emerging Markets, 2009



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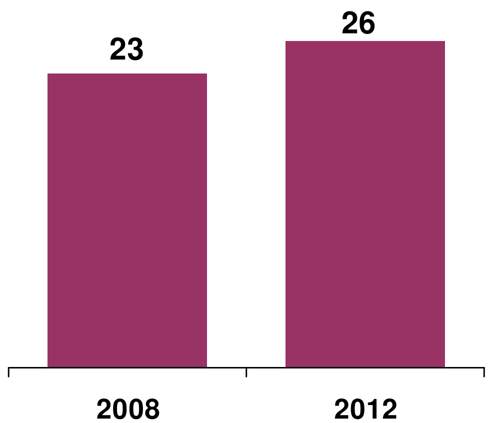
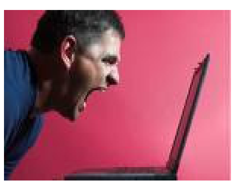
The Technology Catalyst

WW Growth from 2008-2012



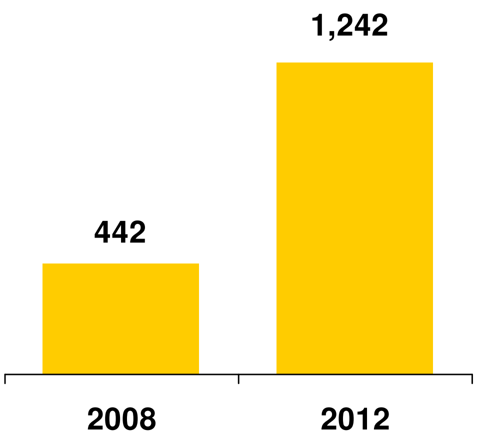


1.1X

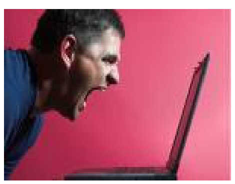
IT Staff (B) | Mobile Internet Users (M) | Servers (M) | Non Traditional Devices (M) | Information (EB) | User Interactions (B per Day)

The Technology Catalyst

WW Growth from 2008-2012



3X



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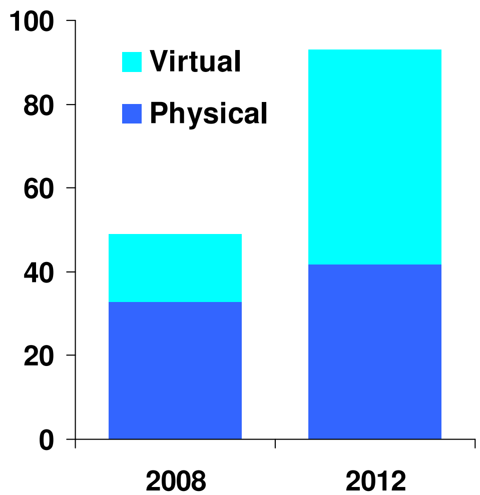
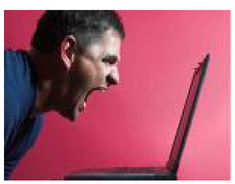
The Technology Catalyst



WW Growth from 2008-2012



1.1X

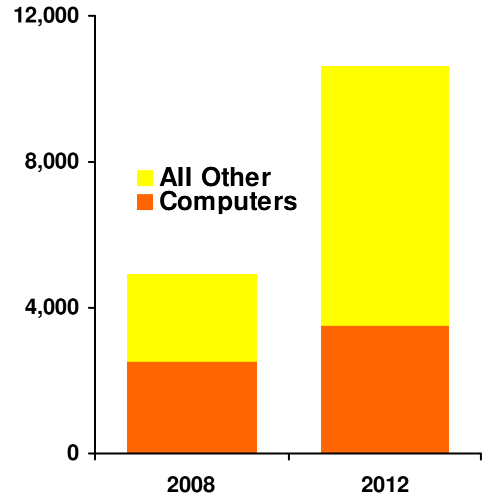
3X

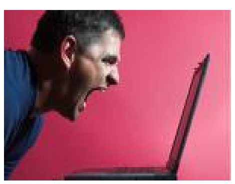
3.3X

IT Staff (B)	Mobile Internet Users (M)	Servers (M)	Non Traditional Devices (M)	Information (EB)	User Interactions (B per Day)
1.1X	3X	3.3X			

The Technology Catalyst

WW Growth from 2008-2012





1.1X

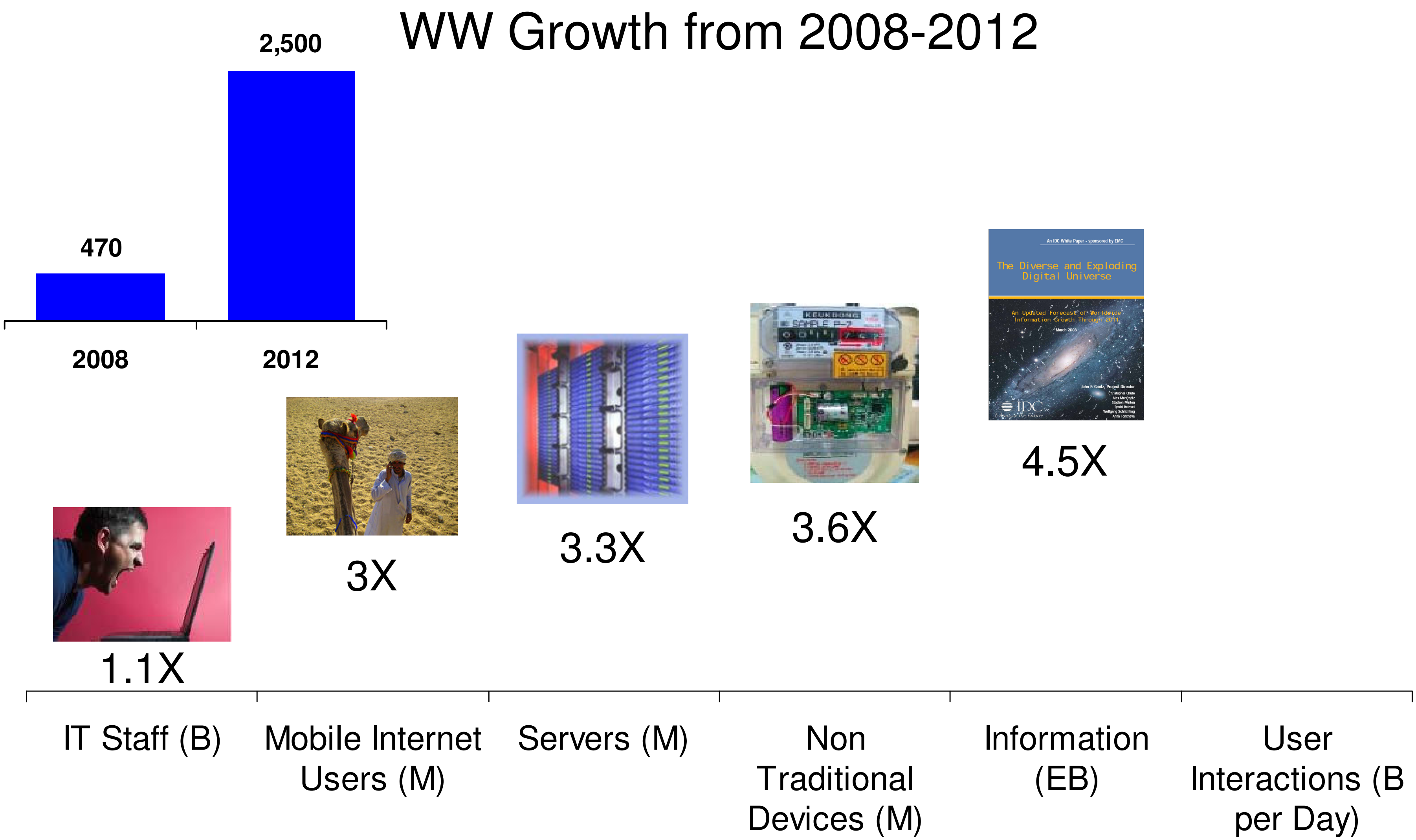
3X

3.3X

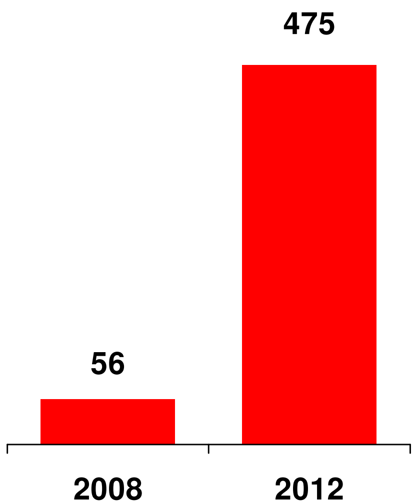
3.6X

IT Staff (B)	Mobile Internet Users (M)	Servers (M)	Non Traditional Devices (M)	Information (EB)	User Interactions (B per Day)
1.1X	3X	3.3X	3.6X		

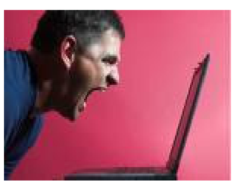
The Technology Catalyst



The Technology Catalyst



WW Growth from 2008-2012



1.1X

IT Staff (B)

3X

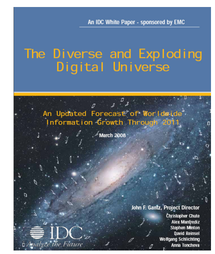
Mobile Internet Users (M)

3.3X

Servers (M)

3.6X

Non Traditional Devices (M)



4.5X

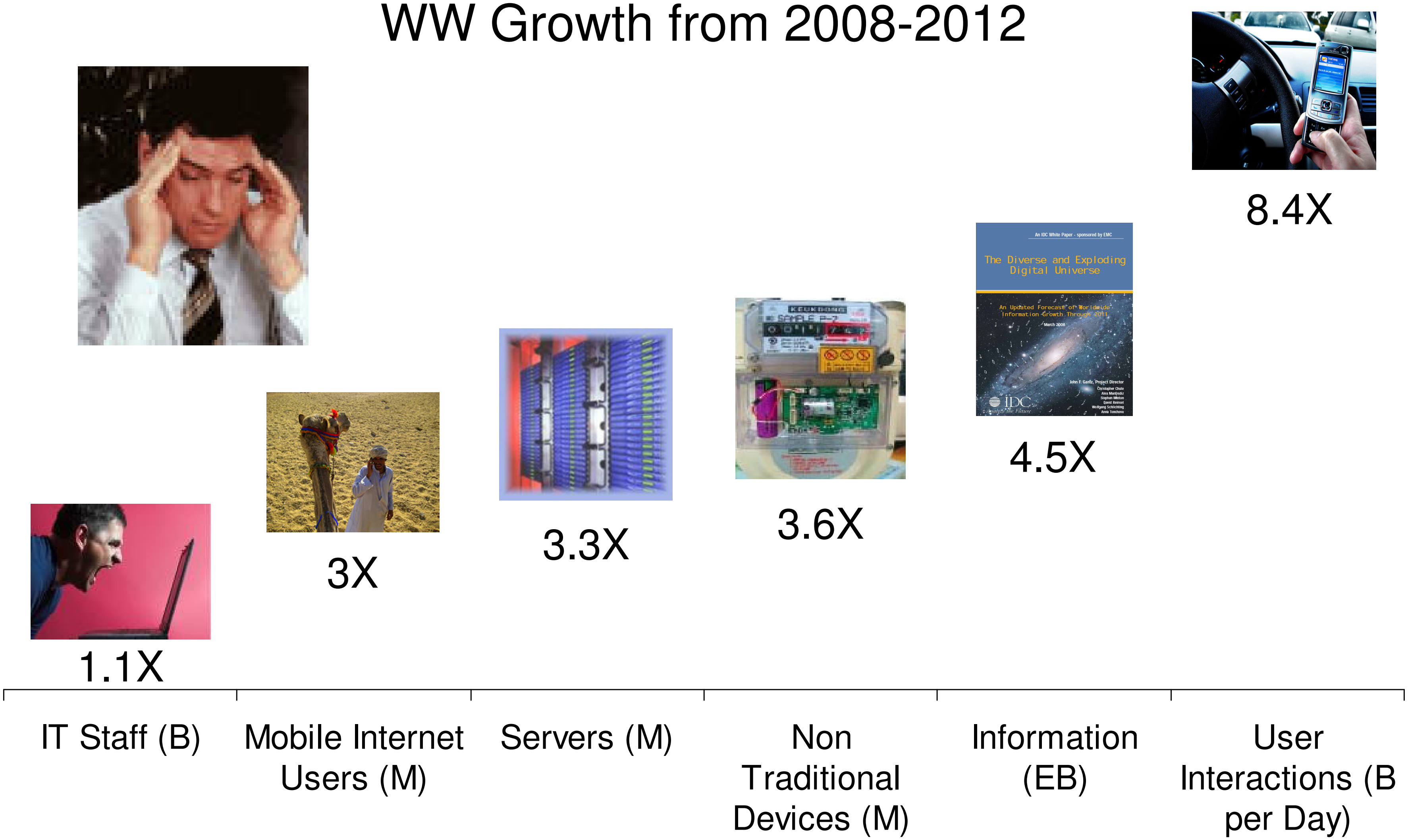
Information (EB)

8.4X

User Interactions (B per Day)

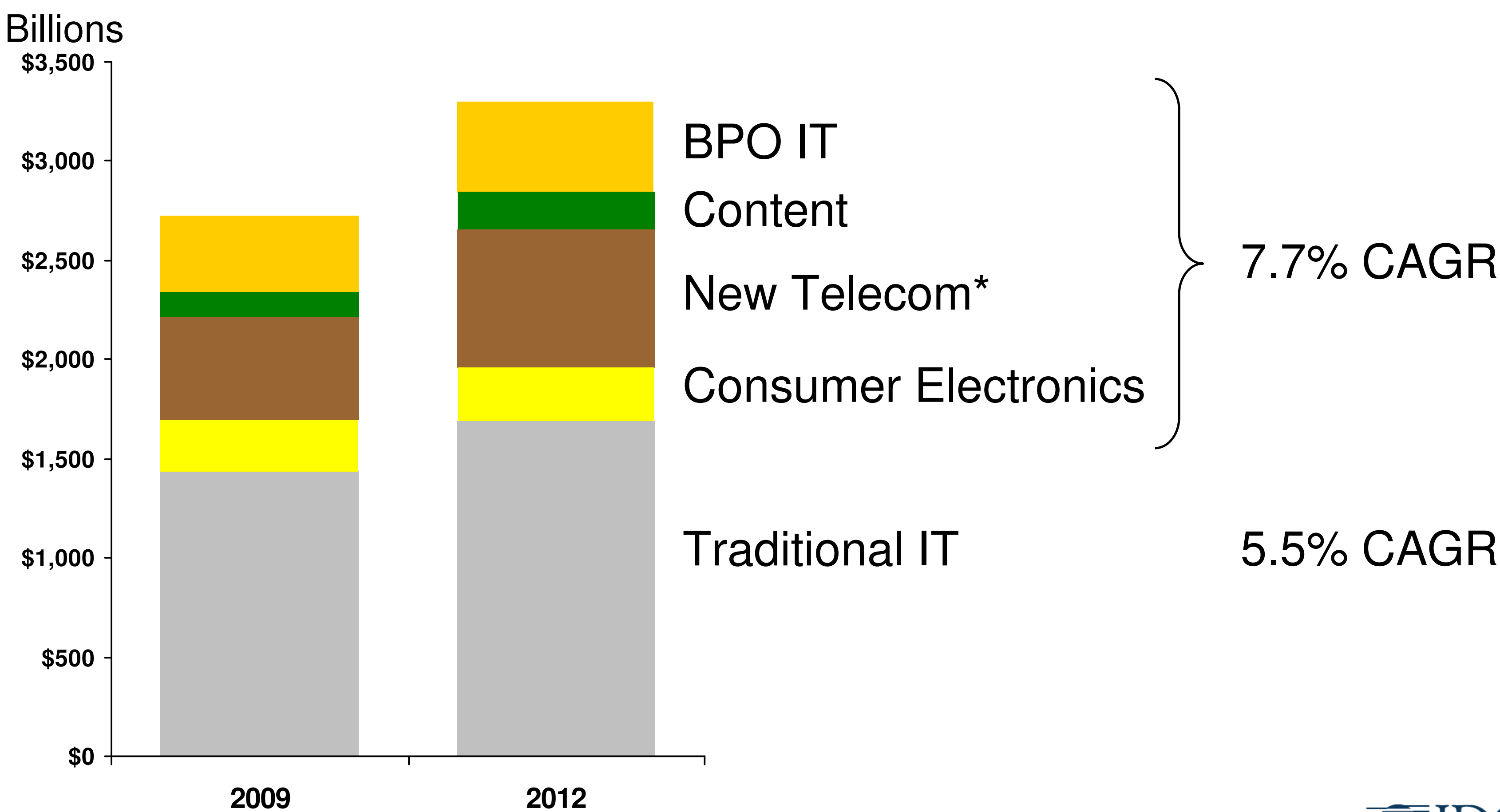
The Technology Catalyst

WW Growth from 2008-2012



The New ICT Categories

Worldwide Spending



* Data services and IP voice

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Innovation During Recession

Essential Guidance

- Learn to run in the dark
- See the world differently
- The journey is always forward, there is no going back

Thank You - Questions?

Please email me at

uloeffler@idc.com

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