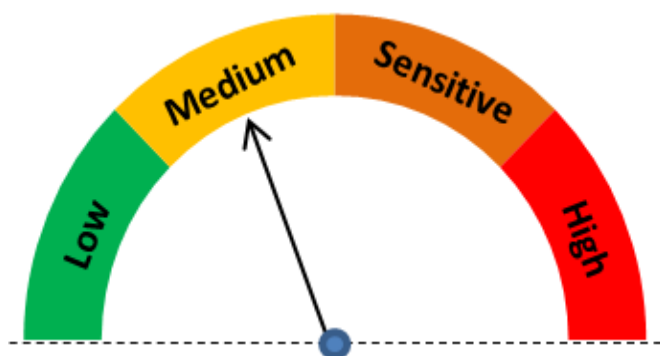


## Sector Risk Rating



## What to Watch?

- Success in the launch of new products and services prompting obsolescence of current products
- Frequent merger & acquisition operations weakening medium-sized companies
- The current phase of digitalization of the economy will change the value chain organization and the current business of players

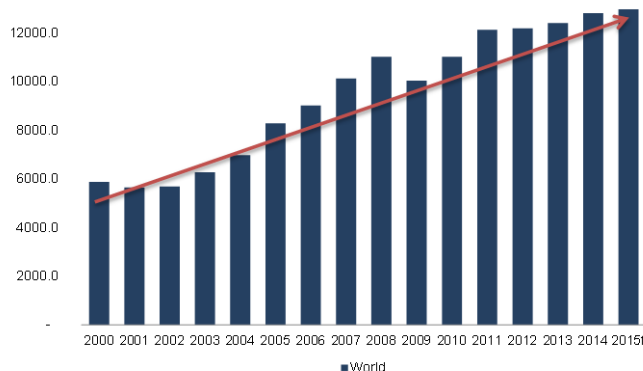
## Long Term Global Growth Confirmed with +3% Expected in 2015

The Information and Communication Technology sector (ICT), comprising a very wide range of activities from electronic components to telecommunication services, is growing steadily at +3% in 2015, as it did in 2014.

Considering its contributions to the creation of many products its influence goes far beyond its estimated 6% share in global GDP. At present, the services segment (70% of sales) and Asia (37% market share) are the two main winners given the sectors' dynamics, with IT services growing faster and being less risky.

Despite its apparent maturity, the sector remains under constant pressures from: (i) lowering prices; (ii) the need to constantly renew the goods and services offered; and (iii) relations between manufacturers and service providers. Digital innovation is the most recent development impacting the sector since this transformation revolutionizes the value chain and promote new actors. The sector is also experiencing the *smart-cities* trend in all countries offering opportunities for new services and operators.

Information & Communication Technologies Gross Output (nominal, USD)



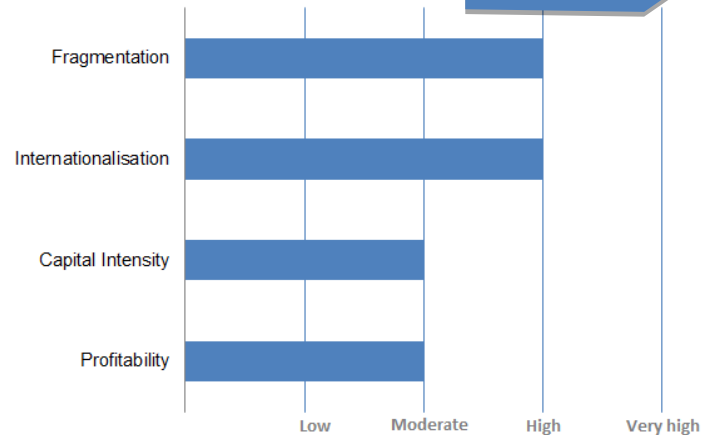
Sources: Oxford Economics, Euler Hermes

Sector Value:  
**2,503bn**  
USD

## Key Players

Country	Role	Sector Risk
United States	#1 producer #3 exporter #3 importer	●
China	#1 exporter #1 importer #2 producer	●
Japan	#3 producer #5 importer	●

## ID Card



## Strengths

- High capacity to innovate
- Widespread adoption of new technologies
- Driver of growth and productivity of the global economy
- Increasing connection of systems and objects

## Weaknesses

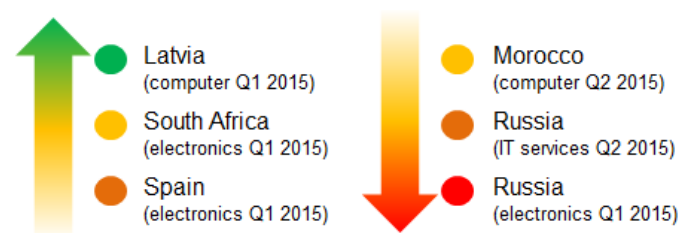
- Low added-value for few standard products
- High sensitivity to commodities' prices
- Asymmetric relationship with retailers and producers
- High level of R&D required

## Subsectors Insights

**Network equipment:** Highly competitive market with sustained growth expected. Network equipment is required to support widespread adoption of technological advancements related to big data and cloud computing.

**Services:** Huge demand with the digitalization, but suffering from the pressure on prices.

## Recent Sector Risk Changes



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