

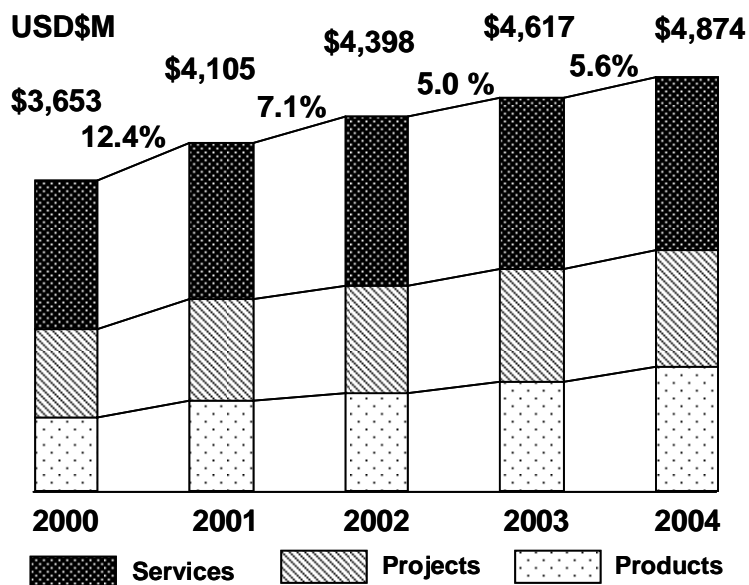
Taiwan ICT Market & Statistics

Total Market Size & Growth Trends

Walking out of the shadow of SARS, the Taiwan information services market registered a mild 5.6% growth from USD\$4.62 billion to USD\$4.87 billion. Traditionally, Taiwan information services market is divided into 3 main segments, namely, products, projects and services. The product segment, usually dominated by imported utility software indicated flat growth trend in last 3 years. In the mean time the service segment, replacing the room left by software products, became the growth driver of the market. This is due to the consistent convergence of the IT, network and contents. The project scored evenly in terms of the growth thrust.

	2000	2001	2002	2003	2004
Services	864.28	1,063.08	1,156.62	1,293.11	1,457.32
Projects	1,031.38	1,196.40	1,261.02	1,320.28	1,377.05
Products	1,757.51	1,845.38	1,980.09	2,003.85	2,039.91
Total	3,653.17	4,104.86	4,397.73	4,617.24	4,874.28

Taiwan IS Market Size



Source: MIC/III

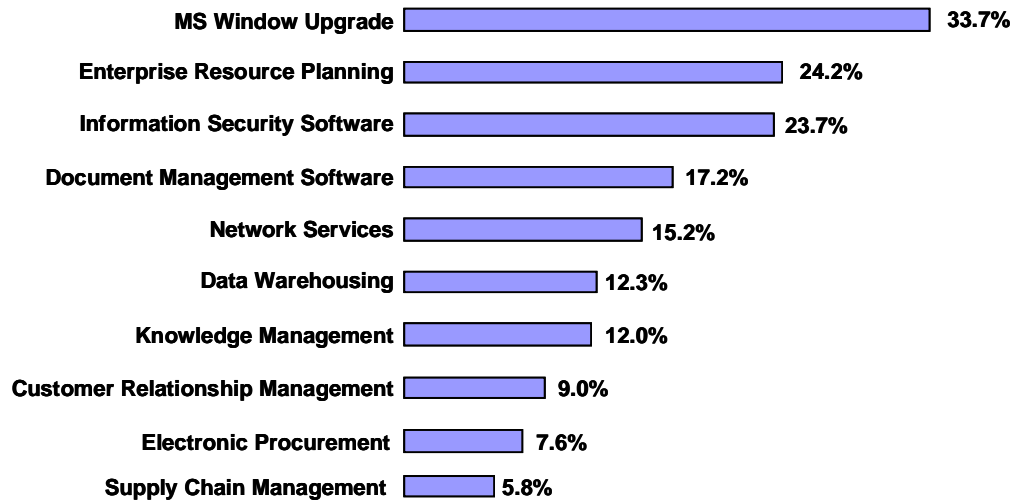
Market Demand Analysis

Taiwan IS market is a SME-dominated; most customers still spent their investment to fulfill their fundamental IT needs in 2003. The chart below shows the top 10 most wanted products and services of Taiwan businesses. Except the information security software, the top 3 most wanted items are still the intranet based solutions. The ERP solutions listed here are mostly less complicated local packages.

Only a few SME could go cross the barrier of using sophisticated or internet-based products and services like data mining, knowledge management, and supply chain management, so these items are shown in the second half of the priority list.

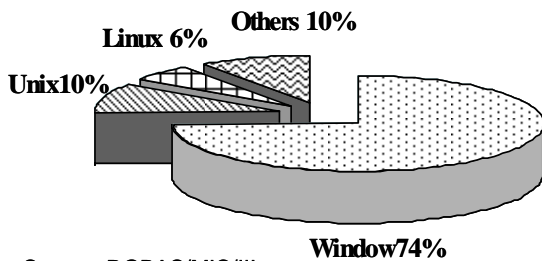
Information security software is an exception. Businesses regardless of their sizes had to pay attention to the information security issues. The most concerned security threat was virus contracted from the internet.

2003 Top 10 Most Wanted Purchased Items



Source: MIC/III

Installation Base: Windows, Unix & Linux



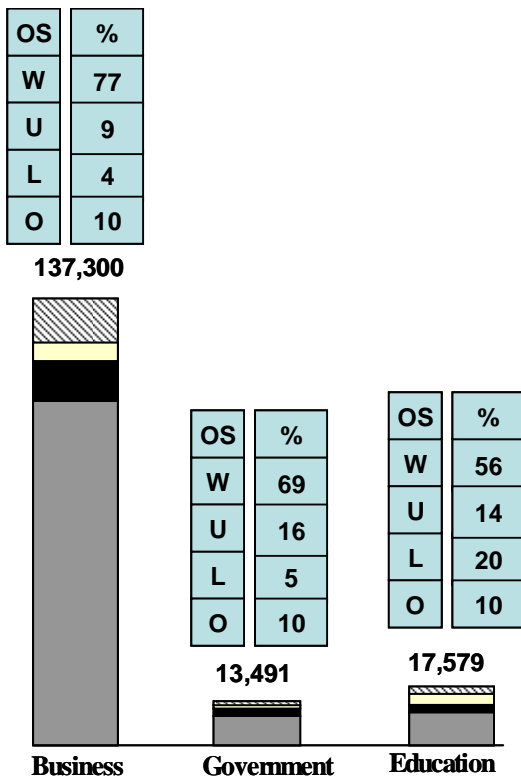
Source: DGBAS/MIC/III

The competition between open systems and window has always an interesting topic in every market. In June 2003, the Taiwan government made a survey among business entities, government agencies and educational institutes.

They surveyed 67,079 organizations with a total of 168,370 servers. The result showed that Microsoft Windows took two thirds of the market across the three sectors. It seemed that the rise of Linux did not affect the throne of MS Windows. Despite the fact that Unix still ranked number 2, however the share Linux gained was at the expense of Unix.

	No. of Servers	Windows	Unix	Linux	Others
Business	137300	106310	12284	5348	13358
Government	13491	9328	2112	727	1324
Education	17579	9957	2471	3485	1660
Total	168370	125595	16867	9560	16342

Source: DGBAS / MIC/III 2003



Source: DGBAS/MIC/III 2003

As well as the common market pattern, the Linux prevailed in the schools and research institutes, where MS Windows share registered only 56%. Due to the total ownership cost concerns, the business communities still paid less attention to the open systems both Unix and Linux. The government sponsored many Linux development projects for the attempt to reduce the entry barriers of Linux for government and business sites. However the government does not take any position of favoring specific operating systems.