

2. THE EUROPEAN PC SOFTWARE MARKET

As software sales continue to surpass hardware sales in Europe, the major trends during 1990 in the European software market were as follows:

- 1990 European PC software sales increased 59 per cent, to a total value of CDN\$ 1.708 billion;
- 1990 was the year of MS/Windows applications, with an annual growth of 197 per cent in sales value;
- windows applications constituted 15 per cent of sales during 1990;
- Macintosh applications constituted nine per cent of sales during 1990.

The following breakdown applied to the 1990 European software sales:

Germany/Austria	CDN\$ 430 million
UK/Ireland	CDN\$ 389 million
France	CDN\$ 334 million
Scandinavia	CDN\$ 213 million
Benelux	CDN\$ 150 million
Italy	CDN\$ 73 million
Spain/Italy	CDN\$ 68 million
Other	CDN\$ 51 million
Total	CDN\$ 1.708 billion

In terms of the value of the 1990 annual growth rates in software sales, the European country breakdown is as follows:

Germany/Austria	67 per cent
UK/Ireland	39 per cent
France	66 per cent
Scandinavia	55 per cent
Benelux	49 per cent
Italy	70 per cent
Spain/Italy	198 per cent
Other	60 per cent

As in most industrialized countries throughout the world, Microsoft Windows application sales in Europe were almost incredible during 1990: they increased by 110 per cent in the first quarter, 106 per cent in the second quarter, 243 per cent in the third quarter and 327 per cent in the fourth quarter. Windows is now the second largest European software format behind MS-DOS (and PC-DOS).

The players in the European PC software market are largely North American with Microsoft as the largest, followed by Lotus. North American PC software vendors account for approximately 70 per cent of the total European software market.