

Firms which cannot adapt quickly to the new situation are expected to go bankrupt.

b) Demand

Software firms interviewed reported an increase in demand during 1991 ranging from 10% to 400%. A weighted-by-sales average places the increase at 25%-30% for 1991 and at a projected 40%-50% for 1992. They also reported a demand driven market, with buyers increasingly reluctant to take simply what is offered, at face value.

Software sales forecasts for the total Argentine market are difficult to produce because of lack of appropriate statistics. Nevertheless, forecasts of expected computer sales, as contrasted with past sales, provide a basis for inferring future software demand:

* In 1990, total computer sales were US \$921 million, of which mainframes accounted for 23.3% of total.

* In 1990, 200 thousand PC units were sold, in comparison to 600 mainframes, and 6500 multiusers units.

* 1991 forecast for PC sales is 340 thousand units, a 70% increase with respect to the previous year. For the period 1991-1995 the forecasted increase in unit sales is 460% (base year used is 1990).

While it is difficult to obtain reliable statistics for the total Argentine software market, estimations for some software market tranches are possible:

* The Management & Accounting Software market, estimated at US \$18.6 million in 1990, is projected to be US \$25.7 million in 1991.

* The market for Packaged Database Software, in 1990 was reported to be about 2300 units. 1000 of them were sold by Fox, 600 by Dbase, 300 by Clipper and 400 by local software houses. In 1992 it is expected to grow by 40%.

* The market for spreadsheets is dominated by Lotus, which apparently sells about 3000 units a year. Borland sold about 800 packages in 1991 and expects to

