

Chapter 2. Industry Supply Analysis

2.1. Description of Market Participants, and Market Size.

2.1.1. Total Market Size:

According to the data gathered from secondary sources, in interviews to industry experts, users, distributors and the like, the computer industry in Chile in 1990, had sales in U.S. dollars that fluctuated between US\$ 250 and US\$ 300 million dollars.

This amount can be broken down as follows:

Software which is made and sold in Chile.	US\$ 20 million
Imported software	US\$ 60 to 80 million
Hardware	US\$180 million
Computer services and consulting	-----

These numbers are also backed up by the fact that the market concentrates about half its sales in two companies: IBM and Sonda. (See definition in next pages).

IBM total sales in 1990 were approximately US\$65 to 70 million dollars; and Sonda declared sales of US\$55 million for the year.

Together they add up to US\$125 millions which is half of the total market value.

It is interesting to note that according to industry sources, about 4.800 people work in the computer sector.