

2.2.3 IOS Pricing and Technology

As already stressed in this document the Brazilian state industrial and technological interventionist regulations have affected all the telecommunications markets segments. As the IOS segment is one of the more closely integrated to data processing in the modern office, the legacy of the old Informatics Law will have consequences that will last longer. The response of the market to technology import limitation was local development of low-end analog systems, so called MicroPBX, which introduced pricing and share distribution distortions in the IOS market.

As shown in the graphics below, in only three years, growing at a average rate of over 100% per year, mPBX reached 40,26% and 68,68% of total lines and systems sold in 1990 and 1991, respectively. As the mPBX is analog technology based, it can be equipped only with regular telsets (no interface for multibutton sets) the market for this system, notwithstanding its low price, will fall very sharply in the next 2 to 3 years.

As shown by the 2 historic series on IOS market graphics below (1968 - 1991) the mPBX systems took its growth from the Key System market. Traditionally the Brazilian market was divided in equal shares between PBX and KS systems, but as the import of new KS digital technology was not allowed for 5 to 7 years, the cheap mPBX has covered this user need reducing drastically the KS market share; In 1986, 247,827 KS lines were sold, whilst only 122,030 KS lines were sold in 1991.

