

THE GIS/GEOSPATIAL INDUSTRY

Forecast for 2010 and beyond upbeat despite slowdown in 2009

—by Charles Foundyller

Industry CEOs interviewed by Daratech, Inc., a Cambridge, Massachusetts market research firm, were unanimous in their belief that growth consistent with the robust 11 percent compound annual growth rate of the past six years would return in 2010.

In mid-2009, the growth of the GIS/geospatial industry worldwide was estimated to slow to a mere 1 percent—markedly down from the 11 percent in 2008 and a whopping 17.4 percent in 2007.

North America has not been as adversely affected by the downturn as the rest of the world due to the on-going needs of homeland security and continuing investment in GIS by the public sector. Growth in North America was forecast by Daratech to top 2.1 percent, more than twice the growth in Asia / Pacific, and five times the growth in Europe where governments have cut back their geospatial technology purchases in anticipation of lower tax collections.

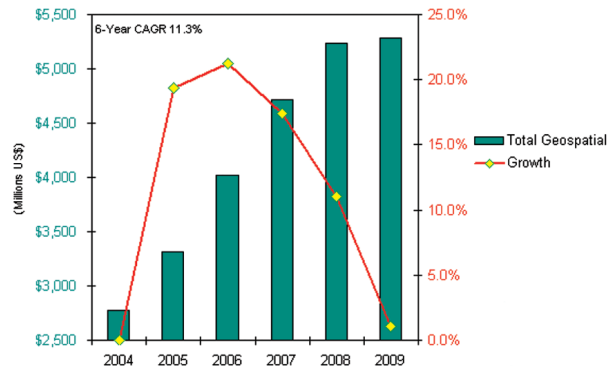
Perhaps the most dramatic slowdown in 2009 was in the private sector, which was forecast to shrink to \$1.4 billion, down 0.7 percent from 2008. This downturn echoes the general pull back of the private sector from major additional investments in new IT technologies. Public sector sales were expected to grow 4.1 percent to almost \$957 million in 2009, reflecting this sector's continuing deployment of GIS technologies to all the services it offers.

In the traditional GIS segment, ESRI continued to have a dominant 30 percent market share, up from 29 percent in 2008. Lead by its iconic president Jack Dangermond, ESRI has been a benchmark for new GIS technologies, philosophies, and direction for the entire industry for more than 20 years, and indications are that it will continue to be so, said Daratech.

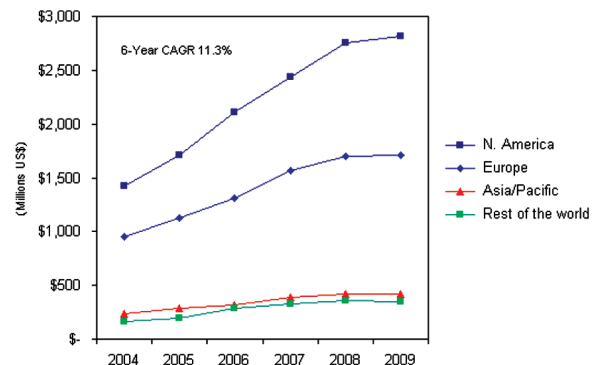
Intergraph, the second largest player in the traditional GIS segment was forecast by Daratech to have a 16 percent market share in 2009, up from 15 percent in 2008. Intergraph is remaking its entire business around a GIS philosophy, and, as a GIS service provider, the company is likely to become even stronger in the years ahead.

Third ranked is GE Energy, leader in the utilities market, where the company was forecast to have a 24 percent market share.

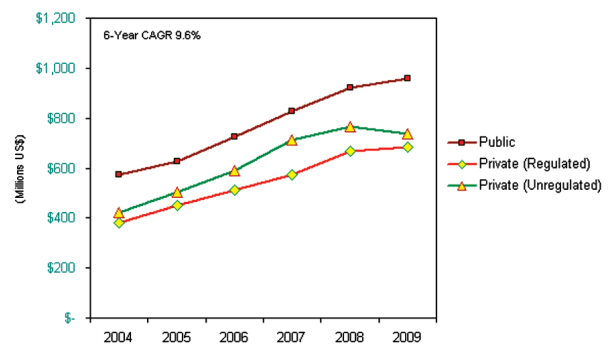
In the larger GIS/geospatial market which includes data, geo-enabled engineering, GPS, photogrammetry, and remote sensing, MacDonald Dettwiler and Associates (MDA) was forecast



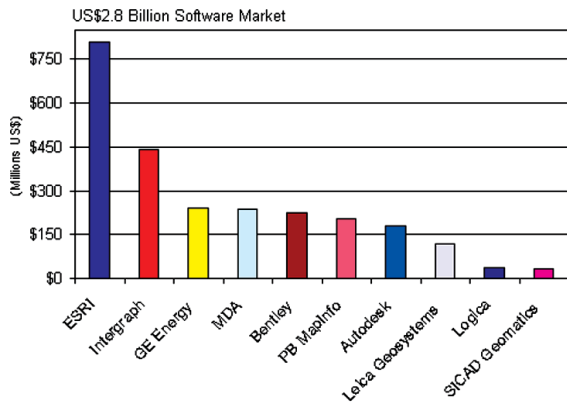
GIS/geospatial industry growth, 2004-2009: Total (software, services, hardware, data) worldwide revenue estimates and forecast. [Reprinted with permission from Daratech, Inc.]



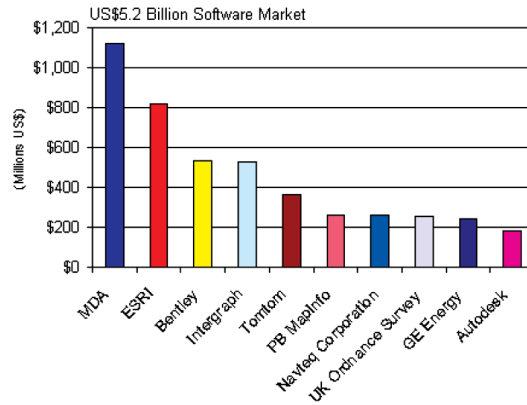
GIS/geospatial industry growth, 2004-2009: Revenue growth estimate and forecast for North America, Europe, and Asia / Pacific. [Reprinted with permission from Daratech, Inc.]



GIS/geospatial vs private market growth, 2004-2009: Worldwide revenue estimates and forecast. [Reprinted with permission from Daratech, Inc.]



Worldwide revenue forecast for leading traditional GIS suppliers of software, services, and hardware, 2009. [Reprinted with permission from Daratech, Inc.]



Worldwide revenue forecast for leading GIS / geospatial suppliers of software, services, hardware and data, 2009. [Reprinted with permission from Daratech, Inc.]

to have a leading 21.8 percent share. MDA's strength is in geospatial data and engineering services for imaging, GIS, geology, weather, and defense. ESRI, was second with a 15.7 percent share and Bentley Systems, the leading supplier of GIS/geospatial AEC market software and services (with a 42.1 percent market share) was third.

Bentley has frequently been in the running in the ge-enabled engineering applications market and continues to demonstrate strong leadership in this area. However, the

company can expect stronger competition from Autodesk, Intergraph, and ESRI in the coming years, as this segment of the market may show greater than average growth, said Daratech.

Editor's note: Daratech's study *GIS/Geospatial Markets & Opportunities* includes more than 1500 charts covering both the private and public market segments for the years 2004 through 2009. It is available for purchase on Daratech's web site, www.daratech.com.



COURTESY: GOOGLE

Blue-ribbon companies

Which companies were on the most Fortune lists—including the FORTUNE 500, Fastest-Growing, and Best Companies to Work For this year? Here are the top firms in each category—ranked by Fortune Magazine:

117 on Fortune 500; 423 on Global 500; 1 in Internet services and retailing on World's Most Admired Companies; 68 on 100 Fastest-growing Companies; and 1 on 100 Top MBA Employers.

America's largest corporations are:


Exxon Mobil, Wal-Mart Stores, Chevron, Conoco Phillips, General Electric, General Motors, Ford Motor, AT&T, Hewlett-Packard, and Valero Energy.

Top Fortune 500 industries [May 2009]:

Pipelines; Engineering / Construction; Petroleum Refining; Mining. Crude Oil Production; Oil and Gas Equipment, Services; Energy; Construction and Farm Machinery; Metals; Food Production; Industrial Machinery; Network and Other Communications Equipment; Railroads; Health Care: Insurance and Managed Care; Financial Data Services; and Health Care: Pharmacy and Other Services.

Fastest growing industries [July 2009]:

Food Production; Energy; Petroleum Refining; Diversified Financials; Metals; Engineering / Construction; Mining, Crude Oil Production; Utilities; Beverages; and Trading.

With admiration in such short supply these days, it's more valuable than ever. Can you guess who topped the list? 

Where do you think MBA students say they would most like to work? 