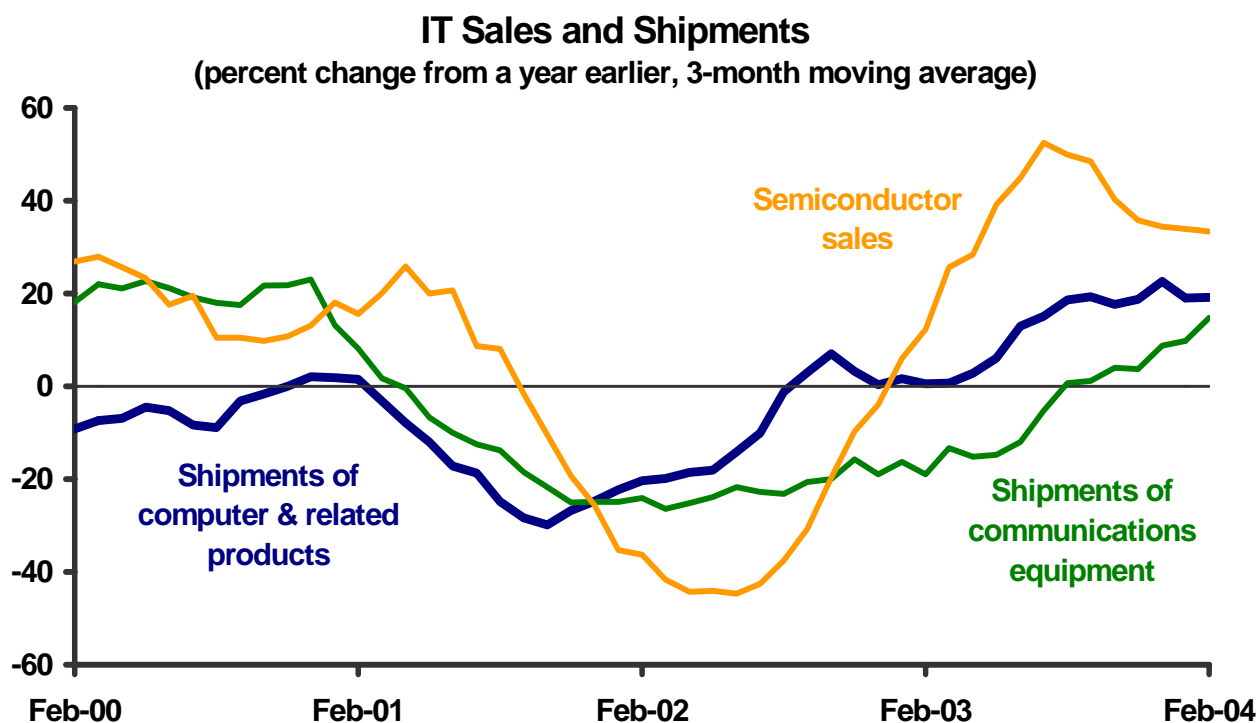


## IT Sector Gains Momentum

The recovery in the information technology (IT) sector gained momentum in the latter part of 2003 and early 2004. Demand for computers and communications equipment strengthened, as evidenced by a pickup in the growth of shipments. The stronger demand for finished goods rippled through the IT supply chain; worldwide semiconductor sales in February 2004 were up 33% compared to February 2003. The rise in microchip demand has, in turn, fed through to the makers of semiconductor equipment, who saw orders up more than 30% over the 12 months ending in February. Demand for U.S.-produced IT products has been aided by solid growth in the domestic economy and the recent decline in the dollar. The strong growth in sales in recent months helped publicly traded District IT companies realize robust revenues and earnings growth. For example, revenue growth over the second half of 2003 was 12.4% for the District software sector, 8.4% for communications equipment, 12.5% for computer hardware, and 16.8% for the semiconductor sector.



Source: Semiconductor Industry Association and Census Bureau

For more information see [Western Economic Developments, March 2004](#) or [High-Tech Watch](#).