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Half of companies will use the Internet by end of 1999

Half of companies with computers will be using the Internet by the end of this year, up from one in three two years ago, according to figures from Statistics Netherlands. The number of Internet users will grow strongest among the smaller companies (5-50 employees). The Internet will be used more intensively in business communications. By the end of 1999 nearly 22,000 companies will offer their products and services through the Internet, an increase of 70% compared with last year.

Strongest growth for small companies

Over 28,000 companies with 5 to 50 employees will use the Internet by the end of this year, which is, according to Statistics Netherlands, twice as many as two years ago. Just as in 1997 the Internet is mostly used by large automated companies; of the more than 2,500 companies with more than 200 employees, 84% have an Internet connection, by the end of 1997 this was still only 70%.

E-mail and web-surfing popular

Among the Internet applications, e-mail and websurfing are still the most popular, both used at ninety per cent of the companies with access to the Internet. One third of the companies expect to consult a restricted access external databases by the end of 1999.

E-commerce increasingly popular

E-commerce such as ordering and paying through the Internet is not as yet a large scale activity, but is rapidly increasing. It is expected that by the end of 1999, 27% of the 22,000 companies that offer products and services on the Internet will receive electronic orders and about 8,000 of these companies (37%) will

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Statistics Netherlands is a department of the Ministry of Economic Affairs provide some form of after sales service. At the end of 1997 these percentages were respectively 25% and 33%. By the end of this year electronic payments through the Internet will be possible to about 4,000 companies, up from 2,300 at the end of 1997.

Total IT costs

The expected total costs of automation or IT for all companies will be 27.3 billion guilders in 1999, 16% more than in 1997 (23.5 billion guilders). The automation costs consist mainly of annually recurring costs for companies for hardware and software, the costs of hiring in IT-employees and the wages for the automation staff.

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