Price erosion slows revenue growth in CAD/CAM, CAE markets

Most vendors in the CAD/CAM, CAE industry expect 1986 revenues to fall far short of even their most pessimistic expectations, according to a survey recently published by Daratech, Inc. Industry growth slowed to an estimated 14 percent on revenues of about $4.1 billion—down from a growth of 25 percent in 1985 and 56 percent in 1984.

Cautious capital spending, uncertainty about the effects of tax reform, steeply declining prices for systems and workstations, the success of Digital Equipment Corp.'s economically priced MicroVAX II, and increased sales of low-priced personal computer CAD/CAM/CAE have all played a role in holding down revenue growth, the report states.

Looking specifically at Europe, Frost & Sullivan reports that the European market is already beginning to mature—and slow down—from earlier growth in excess of 45 percent a year. The entire field, ranging from drafting to complete plant design, currently stands at $303 million. Annual sales of hardware, software, support, and services is predicted to reach $797 million by 1990. High-growth areas are expected to include programs for 3D visualization, and mapping applications for public utilities.

Like the Daratech survey, the Frost & Sullivan report cites a disparity between dollar and unit growth stemming from price erosion in the equipment.

“CAD/CAM, CAE: Survey, Review and Buyers' Guide” sells for $428 for a one-year subscription and is available from Daratech, Inc., 16 Myrtle Ave., PO Box 410, Cambridge, MA 02238; (617) 354-2339.


Image contest is open to entrants

AT&T, Island Graphics Corp., and Raster Technologies are calling for entries to the 1987 International Truevision-Raster Tech Image Contest. Users of any computer equipment are invited to compete; the entry deadline is July 1, 1987.

This year’s contest results from the consolidation of a contest that had been sponsored by Raster Technologies and another held by AT&T and Island Graphics. “It is better to have one contest that speaks for the entire computer graphics industry than to have two separate ones,” said Rand Schuman, director of marketing at Island Graphics. “By combining the competitions, we’ve created the largest computer graphics art contest in terms of both cash prizes and number of entrants. We’re expecting even more than last year’s 900 entrants. We believe this will be the definitive computer graphics art contest.”

Prizes will be awarded for two types of entries—fine art and commercial applications—in each of two categories: Truevision graphics products, and all other graphics products.

Cash prizes for winning entries are $2000 for first place, $1000 for second place, $500 for third place, and $250 for honorable mention.

Entries created on Truevision boards must be submitted on floppy disks; images created on all other computer graphics products must be on 35-mm slides.

For entry forms and contest rules, call (800) 472-7837 or write Truevision-Raster Tech Image Contest, Two Robbins Rd., Westford, MA 01886.

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