

Why the PC Will Not Die

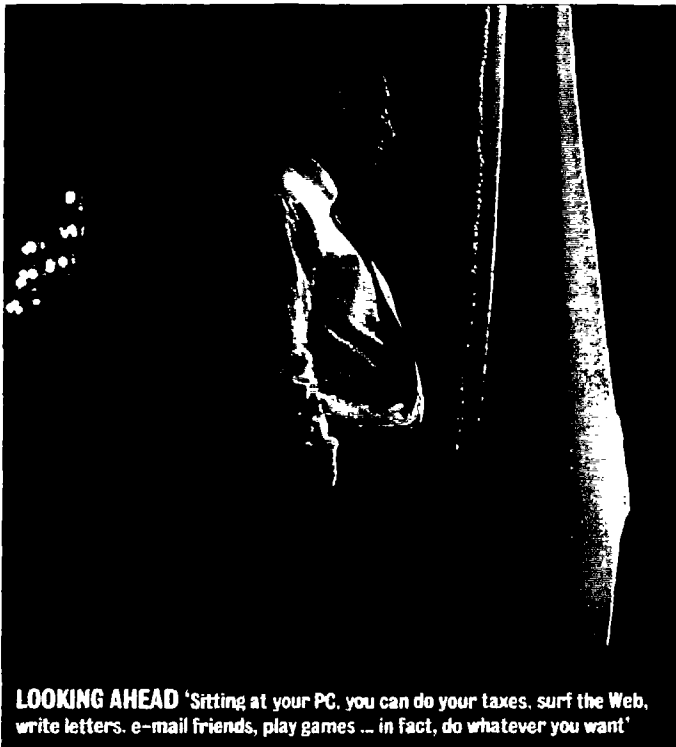
PERSPECTIVE Computers will take many forms, but there will always be a place for the all-purpose machine we've come to depend on. BY BILL GATES

PREDICTING THE imminent demise of the personal computer has become an annual ritual in recent years — and each year the PC has defied the prophets of doom (chart). This year looks set for a repeat performance. Predictions for first-quarter global sales were bad; the PC era was finally ending. In fact, sales grew at a healthy 19 percent annual rate. Worldwide, well over 100 million PCs will be sold this year. That means the world now buys almost as many PCs as color TVs.

The PC's growing popularity isn't surprising. Prices have fallen sharply while the power of the hardware and software has kept increasing. Consumers and businesses everywhere are rushing to get on the Web, and the PC makes that easy. But what really sets the PC apart is the incredible empowerment and flexibility it offers in a single, economical package. Sitting at your PC, you can do your taxes, surf the Web, write letters, e-mail friends, play games, plan a business, buy a car, do your homework ... in fact, do whatever you want.

The PC has given the average American the kind of computing power that 10 years ago was found only in large corporations. Yet people now take this for granted — and want more. They want to do many of the things they can do on their PC regardless of where they are or what device they are using — whether it's a palm-size computer, a Web-enabled cell phone, an Auto PC or a smart television like WebTV. A combination of sophisticated software, powerful microprocessors, wireless technology and high-bandwidth connectivity is starting to make that a reality.

For most people at home and at work, the PC will remain the primary computing tool; you'll still want a big screen and a keyboard to balance your investment portfolio, write a letter to Aunt Agnes, view complex Web pages, and you'll need plenty of local processing power for graphics, games and so on. But the PC will also work in tandem with other cool devices. You'll be able to share your data — files, schedule, calendar, e-mail, address book, etc. — across different machines; you won't have to think about it; it will be automatic. If you want to find the best price for a new car — and



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update software and download device drivers and the like), it will be incredibly easy to administer, automatic in operation and maintenance-free. And the PC will morph into many new forms, such as book-size "tablet PCs." But they'll still be PCs underneath, with all the benefits of the universal PC model.

That model will play a vital role in this new world of any time,

anywhere computing. The PC's high-volume, low-cost approach will be adopted by many of the new smart devices, because it offers amazing value to consumers. The cost of innovation is spread widely, so everyone benefits from billions of dollars of R&D. And the PC's broadly accepted technical standards — and open Internet standards — mean that when you buy a new device, you'll know it will function with your existing equipment. In this new "PC-plus" era connectivity will be king, and the PC model's common standards will be more important than ever.

PCs gave the world a whole new way to work, play and communicate. The PC-plus era will be just as revolutionary. It will take the PC's power and make it available almost anywhere, on devices that haven't yet been dreamed up. Given my job, it's hardly surprising that I'd say this. But I'm betting Microsoft's future on it.

Going Strong

Despite pundits who have predicted the end of personal computers, sales continue to rise

