

ICT spending to grow 10 % in 2011, says Gartner study

BANGALORE: Indian information and communication technology (ICT) spend is forecast to reach \$71.9 billion in 2011, a 10.3 per cent increase from the previous year's figure of \$65.23 billion, according to IT research and advisory firm Gartner, Inc.

Hardware is projected to be the fastest growing segment with a compounded annual growth rate (CAGR) of 20.4 per cent through 2014.

IT services sector is showing the strongest annual revenue growth at 22 per cent in 2010 while telecom segment,

that is forecast to account for 73 per cent of the Indian ICT market in 2010, is witnessing a slowdown and is set to grow at 13.2 per cent. Gartner said IT spending in India saw somewhat of a slowdown as a result of the global economic recession through much of 2009. While many companies adopted a cautionary approach in 2009, a strong return to growth has been seen in 2010, due in part to pent-up demand following budget slowdown in 2009, the need to replace/add hardware and the massive consumer seg-

ment driven growth across many industries, it was stated.

A large young working population, a rapidly rising middle class and emerging opportunities in the services sector are going to be the key factors in the growth of the consumer market in India. Growth within smaller towns and cities would provide the next level of opportunity for IT vendors across categories.

In hardware, much of the growth would be driven by spending within the client computing space. Increasing

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rural prosperity, aided by growth in the small office and the small business segment, are the key growth drivers in the PC segment.

"The IT services space in

India will be driven by new projects in areas of business applications (CRM, ERP, BI), virtualisation and data centre consolidation and green IT exploration," said Partha Iyengar, Vice-President and head of research in India.

"Government and defence segments will create sizable opportunities in large systems integration projects for application services. Managed services around IT infrastructure will open up doors to application services," he said. The software segment is expected to grow with

strong traction being recorded in business intelligence, middleware, database management systems (DBMS) and application development (AD) tools. The Indian market is in a growth stage and is the fourth largest software market in Asia-Pacific after China, Australia and South Korea. There are sizable opportunities within manufacturing, retail, transport and hospitality, as well as the already established opportunities in government, telco, financial sectors and IT services. — PTI