

Banking, security firms to spend ₹42,200 crore on IT in 2013

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BANKING and security companies in the country are expected to spend Rs 42,200 crore on IT products and services in 2013, an increase of more than 13 per cent over 2012, research firm Gartner said on Thursday.

The spending, which includes expenditure by financial institutions on internal IT (largely personnel), hardware, software, external IT services and telecommunications, stood at Rs 37,300 crore last year, Gartner said in a statement.

IT services is expected to be the largest overall spending category at Rs 13,200 crore in 2013, which confirms the strong focus on the financial services sector by IT services providers, many of which are leveraging their prominent position within this domestic market.

Software is forecast to achieve the highest growth rate amongst the top level IT spending categories – at about 18 per cent in 2013.

“The expansion strategy of banks is still paramount in India, as well as in other countries of the APAC region. The Reserve Bank of India is making plans to increase the penetration of banks across the country and even opening up the market to new entrants,” Gartner research director Vittorio D’Orazio said.

In such cases, the front office technologies for the branch will be very attractive, he added.