

Domestic IT spend to grow 13% at ₹2.14 lakh crore this year

NEW DELHI: India's domestic IT spending is estimated to grow at 12.9 per cent to Rs 2,14,012 crore this year, helped by government's push for digital services, a report has said.

Spending in the category grew at 12.3 per cent last year, against a prediction of 13.5 per cent, according to the annual research report by Coeus Age Consulting.

"The domestic IT spending has been gradually picking up since its lowest in 2013. This is supported by the emerging strength of fundamentals in the Indian economy, despite the global challenges," Coeus Age Consulting founder and CEO Kapil Dev Singh said.

With the new tax regime becoming a reality and a massive push by the government on digital, the growth shall pick pace by 2018, he added.

The performance in 2016 has been below the estimates given the delays in GST implementation and passing of other key economic legislations, the report said adding

that the stage now seems to be set for their implementation and emergence of a "supportive business environment".

"The passing of Aadhaar Act, 2016 to spur eGovernance initiatives and the massive push by the government on digital economy, the IT and digital spend will receive a major boost in 2017 and beyond," it said.

The spending on digital (social, mobile, analytics and cloud) by the enterprise and government sectors is expected to grow at 43 per cent to touch Rs 38,522 crore in 2017, accounting for 18 per cent of the overall IT spend.

"The initial flirting with digital technologies in a piecemeal manner is giving way to serious building of digital and converging it with the underlying IT infrastructure and applications," Singh said.

The transformation journey for many Indian enterprises shall begin in 2017, which shall spread to become mainstream in the coming years, he added.