Govt's IT spend likely to grow 9.4% in 2021: Gartner

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The Indian government's information technology (IT) spending is expected to grow by 9.4% year-on-year to $7.3 billion in 2021, up from $6.6 billion a year ago, said Gartner Inc. in its latest forecast for the country.

The increased spending will be driven by the Digital India initiative, including the first-ever digital census. The Union budget has set aside ₹3,768 crore for the digital census.

Gartner expects the government's spending on software, including applications, infrastructure, and vertical-specific software to grow 13.4% annually.

Devices will grow at 11.8%, followed by IT services at 11.2%. Expenditure growth for data centres, telecom services and internal services will be 7.8%, 6.3% and 5.7%, respectively. "Due to the covid-19 outbreak, the Indian government's digital transformation projects were sidelined in 2020. The government will shift from being a cautious spender to opening the fiscal floodgates in 2021," Apeksha Kaushik, principal research analyst, Gartner, said.

Wider adoption of artificial intelligence, blockchain and cloud services will be key focus areas for the government. "The weakening economy forced the Indian government to reduce the IT spend across all segments," Kaushik added.

IT spending in 2020 by government fell across segments. For instance, devices fell by 20.1%, internal services by 10.9% and data centre by 10%. Overall government IT spending in 2020 fell by 9.9%.