

# Gartner sees 7.1% rise in global technology spend this year

## Our Bureau

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Research firm Gartner has upped its outlook for worldwide IT spending in 2011 to 7.1 per cent from its earlier projection of 5.6 per cent.

Gartner has predicted global IT services to reach \$846 billion in 2011, a 6.6 per cent increase from 2010. It says the computing and hardware segment will see the maximum growth with spending forecast to grow 11.7 per cent in 2011.

"It is a bit surprising that we have not seen a more significant impact on our global IT spending forecast as a result of the Japan earthquake and tsunami, but despite widespread concerns about disruptions to the supply of critical components in the initial aftermath of the nat-



Source: Gartner (June 2011)

ural disaster, there has not been a dramatic impact on overall IT spending," said Mr Richard Gordon, Research Vice-President at Gartner.

"For 2011 as a whole, we expect Japan IT spending to be down in local currency, but we expect a positive growth trend to emerge in the second half of the year and continue into 2012," he said.

## LOOKING UP

	(in \$ billions)			
	2010	2010	2011	2011
	Spending	Growth (%)	Spending	Growth (%)
Computing hardware	375	12.1	419	11.7
Enterprise software	244	8.4	268	9.5
IT services	793	3.1	846	6.6
Telecom	2,015	7.3	2,140	6.9
All IT	3,427	5.9	3,672	7.1

Gartner says that the spending on public cloud services was only about two per cent of global IT spending in 2010. By 2015, the level of spending on public cloud services will be less than 5 per cent of the total spent on IT overall, it said.

"Nevertheless, the emergence and adoption of cloud is an important trend, and in

some markets, it's already a significant factor," Mr Gordon said. "For example, at about \$10 billion, software-as-a-service (SaaS) already accounts for 10 per cent of enterprise applications software spending, and by 2015 this share is expected to increase to close to 15 per cent and to exceed \$20 billion in annual spending," he added.