

Global IT spending set to grow 6% in 2012, says IDC

No impact on IT growth so far due to macroeconomic uncertainty

AGENCE FRANCE-PRESSE

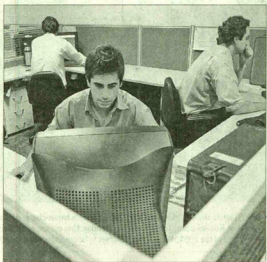
Washington

WORLDWIDE spending on information technology is expected to grow six percent this year in constant currency, a slight dip from 2011, a research firm said Monday.

International Data Corporation said the growth pace, down from seven percent last year, comes "in spite of continuing macroeconomic uncertainty".

"Strong performances in the software, storage, enterprise network, and mobile device markets has so far offset weaker trends in PCs, servers, peripherals, and telecom provider equipment," the report said.

But because of the rise of the US dollar, the growth in dollar terms will be only four percent, which represents "a significant downturn for US-based tech vendors," IDC said. Overall Worldwide IT spending is now expected to be \$2.1 trillion for 2012. Adding in telecom services the total will be \$3.8 trillion, a rise of five per



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cent in constant currencies.

"In spite of economic uncertainty, which continues to inhibit enterprise investment in some tech segments, the continuing demand for tablets, smartphones, storage capacity, and network performance improvements actually outperformed expectations in the first half of the year,"

said Stephen Minton, an IDC VP.

"Software spending has been robust, even in regions where economic trends have been weakest, as businesses turn to software tools and applications as a means of implementing cost-reduction strategies."

US growth is expected to be 5.9 percent, down from

8.5 percent last year, IDC said, but added that the launch of Windows 8 in the fourth quarter should boost the PC market next year.

Western Europe is on pace for one per cent growth, which is a decline of 4.5 percent in US dollar terms. China is expected to see 14 percent growth, and other emerging markets such as India and Brazil will see similar increases. Japan's rise in spending is due to be just two percent, IDC said.

"While this has been a tough year for many IT vendors, the overall performance of the industry in the first half of the year has been healthier than many expected," said Minton.

"In particular, the strength of software spending seems to prove that many enterprises have unlocked significant productivity and efficiency improvements. If the economy avoids downside scenarios in the second half of the year, a PC upgrade cycle in 2013 should help to maintain this momentum."