

# India's IT spending to grow 17-24% by 2010: Zinnov study

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ASIA Pacific's IT spending is expected to grow about 10-16% till 2010, beating developed markets, according to a study by consulting firm Zinnov. India and China, in particular, represent large untapped markets in the region. While India's IT spending is likely to grow between 17.6-24% by 2010, China would grow 10-13%, according to the study. This is in comparison to the 3.3-6.5% increase expected in global IT spending. Expenditure on hardware, software and IT-BPO services comes under IT spending.

"With the shrinking IT budgets of the developed world set to shrink further, IT services companies have been working on realigning growth strategies and looking at opportunities in coun-

tries such as India and China," said Zinnov advisory services engagement manager Chandramouli CS. India's IT spending currently totals \$17 billion, while the figure is about \$21 billion for China.

Zinnov says North America would see its IT spending grow about 5% and Europe, 4-5%. Spends in the US would move in the range 2.5-6%, reflecting a dip in the nearer future and then picking up towards 2010. Mr Chandramouli says companies in emerging markets, which are in their growth phase, have a greater requirement for building IT infrastructure. A recent CIO survey in India showed that most domestic companies don't have

scalable IT systems. The opportunity in India and China is also highlighted by the large presence of small and medium businesses (SMBs) in these emerging markets.



## Nasscom may cut IT growth rate

**New Delhi:** The Nasscom is likely to downscale the growth projections for the country's IT industry, says **Niranjan Bharati**. "We had not taken into account the present economic consideration while arriving at the growth projections for the current fiscal. With the global economy taking a new turn, it is possible that the projections may be further lowered," Nasscom president Som Mittal told ET from London.