

Latin America, next growth driver for IT industry: IDC

Our Bureau

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Latin America is the next growth driver for Indian IT services sector, with the country being in the midst of a technological transformation.

The country is the midst of a transformation where cloud, mobility, big data and social Web are intersecting with economic prosperity and creating a new intelligent economy. This is driving the regional information and communications technology (ICT) ecosystem, according to a study by International Data Corporation (IDC).

“With markets stagnant in mature countries, Indian IT companies are looking at Latin America as the next frontier of growth. Big banks, telecommunication companies and large manufacturers have already started to outsource large chunks of their IT operations and its incumbent upon the industry to take advantage of this,” IDC India Vice-President and Country General Manager Jaideep Mehta said.

GROWING IT SPENDING

In technology, IT spending has outgrown the global average by two times or more every year for the last 10 years (2002-11). The IT market in Latin America is at \$124 billion in 2012 and forecasted to grow to \$166 billion by 2016, it said.

In the IT services arena, sustained double-digit growth rates from 2009 are representative of not just economic forces, but technology adoption trends where an increasing number of end-users are reaching out to third-party providers for support, advisory, education, management and even total outsourcing of their IT implementations.

IDC estimated the IT services market to be at \$23.97 billion in 2011, and expects IT services spending in Latin America to grow at 10.8 per cent per annum between 2011 and 2016.

“With a \$40-billion largely untapped market by 2016, cultural similarities and language barriers, Latin America presents a unique set of challenges to the industry, promising rich rewards to those who can overcome them,” Mehta said.

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