

# IT spending in India to grow 6% in 2021 to \$81.9 bn, says Gartner

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**IT SPENDING IN** India is projected to rise 6 per cent to \$81.9 billion in 2021 compared to this year on the back of growth across segments like enterprise software and IT services, research firm Gartner said on Monday. IT spending in 2020 is expected to total \$79.3 billion, down 8.4% from 2019.

“The Covid-19 pandemic stalled many digital transformation projects for Indian enterprises, mainly because of the market uncertainties and reduced cash flows,” Gartner research vice president Arup Roy said. He said organisations that were digitally sound in a pre-pandemic world could contain the impact on their businesses.

“The pandemic situation was a wake-up call for many organisations to relook and revive their IT strategies and increase their spending on IT in 2021,” he said.

In 2020, the devices and data centre systems segments experienced the steepest declines, and spending is estimated to have dropped 26% and 1.2%, respectively.

Spending on enterprise software, IT services and communication services is estimated to have continued to grow at 7%, 3.7%, and 4.9%, respectively, in 2020 over the previous year.

In 2021, Gartner said IT spending

growth will return as CIOs (Chief Information Officers) start positioning IT as not just a growth enabler, but a ‘survival necessary’ strategy.

While all segments will experience an increase in spending, the enterprise software segment will achieve the highest growth of 13.6%, followed by data centre systems at 8.3%, it added.

“The ‘Digital India’ mission will turn a new leaf in 2021 as enterprises across all sectors start spending more on IT. The pandemic provided an opportunity for Indian CIOs to test long-pending projects such as remote working, which delivered on-promise for many enterprises and

helped them stay afloat in the most testing times,” Roy said.

The success of these digital innovations has brought back the focus on investments in IT, he added.

Roy said, “Organisations that were heavily reliant on office based, desk-tied work had to switch to remote work set up, enabled either through using desktops or laptops facilitated at home. Now, it also means that one has to also port your infrastructure and applications so that it facilitates web-based access and/or hosted applications that can be accessed using internet on the web/application/mobile platforms,” he added.