

Data centre services market to hit Rs 10,000 crore by 2011

Third party services set to grow from 18% in '09 to 22% by '11

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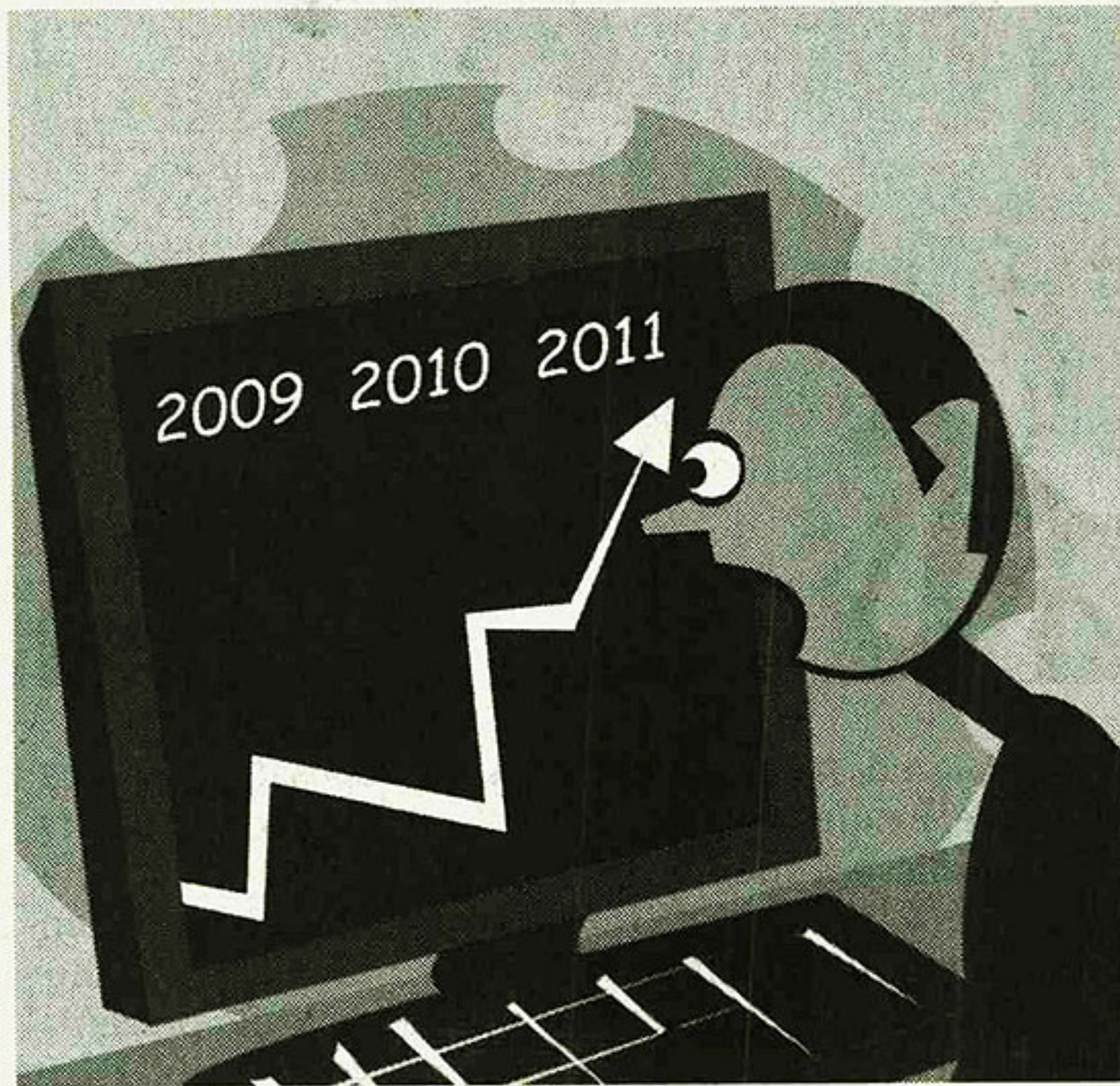
New Delhi

INDIA'S data centre services market will touch nearly Rs 10,000 crore by the end of 2011, a compound annual growth rate (CAGR) of 22.7 per cent over the two-year period 2009-2011, information technology (IT) intelligence firm, IDC India said in a report on Tuesday.

The study says overall India data centre services market was estimated at Rs 6,300 crore in 2009.

"Third party data centre services are gaining traction with enterprise customers due to the lack of in-house skills, high investments and long gestation period that a data centre calls for," senior analyst (user research), IDC India, Ravikant Sharma said in a company release.

The key verticals, that contributed nearly 80 per



cent of third party data centre services revenue in 2009, were manufacturing and IT/ITeS, with the third party data centres constituting about 18 per cent of the total revenues. IDC ex-

pects this to go up to 22 per cent by 2011. Captive data centres ('captives') will grow at a CAGR of 19.9 per cent during 2009-11, with manufacturing and banking, financial services and

insurance (BFSI) showing high deployment. Demand from the government sector is expected to pick up in 2010 and beyond.

However, the customers will increasingly look for better technical skills and want to close the gap between commitment and delivery. Captives are being favoured in sectors involving high degree of security, internal controls and tighter management.

"With bandwidth costs having come down significantly, data centre hosting in India is set to become cheaper. And with heightened interest in implementation of technologies like cloud computing and grid computing in data centres, Indian market is expected to be a long term growth opportunity," the report said.

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