

Global IT spend to grow 8.1% to \$1.6 trn this year: Forrester

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Mumbai, Jan 13: While IT spend in the third quarter of calendar year (CY) 2009 was still down from the same period in 2008, tech purchases in CYQ4 2009 are likely to go up slightly from Q4 2008 levels, said research firm Forrester. In a report 'US and Global IT Market Outlook: Q4 2009' Forrester Research vice-president and principal analyst Andrew H Bartels forecasts that global IT spending will rise 8.1% in 2010 to more than \$1.6 trillion while US IT spending will grow 6.6% in 2010 to \$568 billion.

"In 2010, US business investment in technology goods will grow by 6.6% in Q1, 6.3% in Q2, 9.6% in Q3, and 8.6% in Q4—more than twice as large as the nominal GDP growth rates of 2.6%, 3.4%, 3.4%, and 3% for

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the same quarters. The tech boom that started in the late 2007 and early 2008 will be back on track," Bartel said. This would largely be on the back of easing of the credit crunch that are allowing companies to end their capital investment freezes, opening the path to revived investments in 2010 in computer and communications software and licensed software. Also, the fall of dollar since March 2009 has helped vendors report better revenues and this is expected to continue in 2010 as the dollar slides further.

With regard to sector growth, hardware and software will lead the charge. Measured in dollars, global purchases of computer equipment will be up 8.2%, communications equipment buying will rise by 7.6%, software spending will increase by 9.7%, purchases of IT consulting and systems integration services will grow 6.8% and IT outsourcing services will be 7.1% higher. Europe will be the strongest performing region. The strongest growth in 2010 will be in Western and Central Europe, where tech purchases will rise by 11.2%, boosted by the dollar's decline against the euro. IT purchases Asia Pacific by 7.8%, and Latin America by 7.7%. The weakest market will be Eastern Europe, the Middle East, and Africa, rising by just 2.4%.