

EMEA Slowest to Rebound, But It's at Least a Rebound

Written by Marco Attard
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With hardware sales in the lead, Gartner says enterprise IT spending in EMEA will rebound in 2011 to reach \$795.2 billion (up 1.3% from 2010).



However Gartner also predicts a 2.1% spending decline by 2010's end (total spending of \$784.8 billion). This will make EMEA the only region showing an IT spending decline in both 2009 and 2010.

The research company expects W Europe to show the worst decline (-3.3%) and the slowest long-term growth (0.8% compound annual growth through 2014).

W. Europe is not expected to return to stronger enterprise IT spending growth until 2012.

The European sovereign debt crisis heralds a period of austerity measures within public sectors. EMEA government IT spending will decline by 2.8% in 2010 (\$139.6 billion).

Gartner says the ongoing drop in the Euro and British pound should promote healthy export growth (in W. Europe), and positive economic growth within it.

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The hardware market is the only segment returning to growth in 2010. Gartner predicts 4.6% increase in hardware spending from 2009 (\$79.4 billion). Storage has the best overall outlook through to 2014. Meanwhile server, printer and PC revenues will suffer from migration to lower cost devices or configurations (particularly in W. Europe).

After 2010, EMEA enterprise software spending will surpass hardware spending growth as organisations begin a new software application replacement cycle. This leads to a "polarisation of performances in the software market".

Countries leading the rebound (Germany, France) are more proactive on the software purchase front, while those still in recession (Greece, Italy, Spain, Portugal) miss out on the more innovative software investments.

All the verticals in EMEA will continue to show decline in 2010-- except utilities. Enterprise utilities spending will reach \$46.2 billion in 2010 (1.9% increase) and Gartner expects it to show highest Y-o-Y growth through 2014.

Only 2 verticals will suffer further decline in 2011-- transportation and education.

Go Gartner: [EMEA Enterprise IT Spending to Rebound in 2011](#)