

Gartner: 2017 IT Spending to Reach \$3.5 Trillion

Written by Marco Attard
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According to Gartner global IT spending is to reach \$3.5 trillion in 2017-- a 2.9% increase over 2016 spending reaching \$3.4tr driven by growth in software and IT services revenues.

The analyst forecasts software spending to grow by 6% in 2016 before rising by 7.2% in 2017 to total \$357 billion, while IT services spending should grow by 3.9% in 2016 to reach \$900bn before increasing by 4.8% in 2017 to reach \$943bn.

Table 1. Worldwide IT Spending Forecast (Billions of U.S. Dollars)

	2016 Spending	2016 Growth (%)	2017 Spending	2017 Growth (%)
Data Center Systems	173	1.3	177	2.0
Software	333	6.0	357	7.2
Devices	597	-7.5	600	0.4
IT Services	900	3.9	943	4.8
Communications Services	1,384	-1.1	1,410	1.9
Overall IT	3,387	-0.3	3,486	2.9

Source: Gartner (October 2016)

However, as well as positives Gartner has some warnings for the future-- specifically regarding the UK's exit from the EU, aka Brexit.

"The immediate impact of Brexit has caused modest growth in IT spending to turn negative for 2016," Gartner remarks. "Without the UK, global IT spending growth would have been modestly positive at 0.2% in 2016, but with the UK included, IT spending is expected to decrease -0.3%. The immediate impact of the British pound will also cause the IT spending patterns to shift as

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prices for IT will increase."

That said, the analyst points out opportunities in segments such as financial services, since some European countries will put more investment in IT to offer a "more viable option." For instance, Gartner forecasts growing software and IT services spending in Germany and France, while the Netherlands, Luxembourg and Ireland will increase spending to become a "viable alternative" to UK banks.

Many banks are already in talks with these countries as they examine the possibility of moving operations outside the UK, making one country's misfortunes another's fortune.

Looking outside the EU, spending should not be affected by the US presidential race this year, even if historically spending takes a slight pause before a "relief" once the show is over. This is due to trends showing IT spending in the US is not dependent on presidential leadership, so neither Hillary Clinton nor Donald Trump has the power to affect IT spending, at least in the near-term.

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