Gartner: IT Spending Grows 1.1% in 2019

Written by Frederick Douglas
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Global IT spending is to reach $3.79 trillion in 2019, Gartner reports-- a 1.1% increase from 2018, a revision of previous analyst forecasts brought about by currency headwinds fueled by a strengthening US dollar.

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

	2018 Spending	2018 Growth (%)	2019 Spending	2019 Growth (%)	2020 Spending	2020 Growth (%)
Data Center Systems	210	15.5	204	-2.8	207	1.7
Enterprise Software	399	9.3	427	7.1	462	8.2
Devices	667	0.3	655	-1.9	677	3.5
IT Services	982	5.5	1,016	3.5	1,065	4.8
Communications Services	1,489	2.1	1,487	-0.1	1,513	1.7
Overall IT	3,747	4.0	3,790	1.1	3,925	3.6

Source: Gartner (April 2019)

"In 2019, technology product managers will have to get more strategic with their portfolio mix by balancing products and services that will post growth in 2019 with those larger markets that will trend flat to down," the analyst adds. "Successful product managers in 2020 will have had a long-term view to the changes made in 2019."

The datacentre systems segment is set to see the largest decline in 2019, dropping by -2.8% due to adjustments in expected component cost patterns leading to lower server ASPs.
Meanwhile the shift to the cloud continues to driver enterprise software spending, as the market

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is expected to reach $427 billion, a 7.1% increase over 2018. Gartner expects growth from both application and infrastructure software, particularly in integration platform as a service (iPaaS) and application platform as a service (aPaaS).

As for disruptive technologies, Gartner points out AI-- a technology estimated to bring $1.9tr of benefit in 2019 alone. However one has to keep in mind AI is not a product. Instead, it amounts to a set of techniques or a computer engineering disciplines. As such, it is embedded in many existing products and services, as well as central to new development efforts in every industry.

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