

## Gartner: IT Spending "Lightly Down" in 2019

Written by Frederick Douglas  
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Global IT spending is set to total \$3.74 trillion in 2019, Gartner reports-- a 0.6% increase from 2018, but a decline of the analyst's forecast of 1.1% growth from the previous quarter.

"Despite uncertainty fueled by recession rumours, Brexit, trade wars and tariffs, we expect IT spending to remain flat in 2019," Gartner says. "While there is great variation in growth rates at the country level, virtually all countries tracked by Gartner will see growth in 2019. Despite the ongoing tariff war, N. America IT spending is forecast to grow 3.7% in 2019 and IT spending in China is expected to grow 2.8%."

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

	<b>2018 Spending</b>	<b>2018 Growth (%)</b>	<b>2019 Spending</b>	<b>2019 Growth (%)</b>	<b>2020 Spending</b>	<b>2020 Growth (%)</b>
Data Center Systems	210	15.7	203	-3.5	208	2.8
Enterprise Software	419	13.5	457	9.0	507	10.9
Devices	712	5.9	682	-4.3	688	0.8
IT Services	993	6.7	1,031	3.8	1,088	5.5
Communications Services	1,380	-0.1	1,365	-1.0	1,386	1.5
<b>Overall IT</b>	<b>3,716</b>	<b>5.1</b>	<b>3,740</b>	<b>0.6</b>	<b>3,878</b>	<b>3.7</b>

Source: Gartner (July 2019)

However, while the outlook is overall positive, Gartner still warns the the risk of economic downturn is high enough to warrant at least some preparation and planning. Thus, general and product managers should plan out product mix and operational models to optimally position product portfolios in case a downturn actually happens.

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The enterprise software market sees the strongest growth in 2019, reaching \$457 billion, up 9% from \$419bn in 2018. CIOs continue to rebalance technology portfolios, shifting investments from on- to off-premises capabilities. The cloud becoming increasingly mainstream should further influence ever-greater portions of enterprise IT decisions, particularly system infrastructure. The cloud is forecast to cover more application software segments, including office suites, content services and collaboration services, all while spending on old technology segments such as datacentre continues to drop.

Globally, consumer spending is falling every year as a percentage of total spend due to saturation and commoditisation, especially with PC, laptops and tablet devices. Cloud applications extend the life of such devices, allowing less powerful hardware to run new software, leading the devices market to experience the strongest decline in 2019 at -4.3%, reaching \$682bn.

"There are hardly any "new" buyers in the devices market, meaning that the market is now being driven by replacements and upgrades," Gartner concludes. "Add in their extended lifetimes along with the introduction of smart home technologies and IoT, and consumer technology spending only continues to drop."

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