

Gartner: IT Spending Up 3.7% in 2020

Written by Alice Marshall
25 October 2019

Global IT spending is to total \$3.7 trillion in 2019, Gartner reports, a 0.4% increase over 2018 and the lowest forecast growth for the year from the analyst. However spending should rebound in 2020 with 3.7% growth brought about by enterprise software spending.

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

	2019 Spending	2019 Growth (%)	2020 Spending	2020 Growth (%)	2021 Spending	2021 Growth (%)
Data Center Systems	205	-2.5	210	2.6	212	1.0
Enterprise Software	457	8.8	507	10.9	560	10.5
Devices	675	-5.3	683	1.2	685	0.4
IT Services	1,031	3.7	1,088	5.5	1,147	5.5
Communications Services	1,364	-1.1	1,384	1.5	1,413	2.1
Overall IT	3,732	0.4	3,872	3.7	4,018	3.8

Source: Gartner (October 2019)

The current complex geopolitical environment has pushed regulatory compliance to the top of the organisation priority list. Overall security spending is up by 10.5% in 2019, and cloud security projects are expected to grow 41.2% over the next 5 years. Gartner says the aim of such projects is not just to keep the "bad guys" out, but also compliance with tariffs and trade policy, intellectual property rights and even multiple (and sometimes overlapping) privacy laws.

The device market is set to see the sharpest spending decline in 2019 as it drops by -5.3% from the \$713 billion of 2018. However the market should see "modest" 1.2% growth in 2020. According to Gartner, technology general managers and project managers should only invest

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the next generation of products pushing them closer to becoming a "true technology company."

Gartner also predicts organisations with a high percentage of spending going towards the cloud will become the recognised digital leaders of the future. As the analyst puts it, "most companies are caught trying to either cut costs or invest for growth, but the top-performing enterprises are doing both. A core challenge facing the industry is how organisations can operate as both a traditional company and a technology company at the same time. These "and" dilemmas will drive future IT spending trends."

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