

Gartner forecasts 5.6% rise in IT spending

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Indian Information Technology professionals work on their laptops during an 'Open Hack Day' programme organised by the global search engine Yahoo! in Bangalore. Worldwide information technology spending is expected to increase 5.6 percent this year with tablet computers like the iPad helping to drive growth, a technology research company said.

Worldwide information technology spending is expected to rise 5.6 percent this year with tablet computers like Apple's iPad helping to drive growth, a technology research company said Wednesday.

Gartner forecast worldwide IT <u>spending</u> of \$3.6 trillion in 2011, up from \$3.4 trillion last year. It raised its previous forecast of 5.1 percent growth to 5.6 percent.

"This stable forecast outlook comes despite political unrest in the Middle East, while the impact on IT markets of the recent natural disasters in



Japan is yet to be fully understood," Gartner said.

The Middle East share of global IT spending is around two percent, according to Gartner.

"While the political unrest affecting many countries in the region may well dent IT spending levels, any impact would be insignificant at the global level," Gartner research vice president Richard Gordon said in a news release.

"We had largely completed our forecast by the time the recent natural disasters in Japan occurred, and we are still evaluating their likely impact on our forecast," Gordon said.

"On this point, we are looking at two potential effects on IT markets as a result of the earthquake and tsunami in Japan: consequences of disruptions in the global electronics supply chain and impacts on IT demand," he said.

Gartner said that, beginning this quarter, it was adding tablet computers to its computing hardware spending estimates, a move which lifted the computing hardware growth outlook from 7.5 percent to 9.5 percent for the year.

"Absent the addition of media tablets, the forecast would have slightly declined in constant-dollar terms; however, with their addition, there's virtually no change in underlying forecast growth at the level of overall IT," Gordon said.

"The addition of media tablets, reinforced by an expected additional decline in the value of the dollar, accounts for the increase in top-line growth," he said.



Gartner projected worldwide spending on tablets to reach \$29.4 billion in 2011, up from \$9.6 billion in 2010, when Apple was the only significant player in the market.

Gartner said global spending on tablets is expected to increase at an annual average rate of 52 percent through 2015.

Worldwide telecom spending is expected to increase 4.9 percent this year to \$2.11 trillion, IT services spending is forecast to grow 5.0 percent to \$824 billion while enterprise software spending is expected to rise \$7.6 billion to \$255 billion.

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