

## Gartner trims global IT spending forecast for the year

July 2 2013



Laptop computers are on sale at a Tiger Direct store on April 11, 2013 in Chicago, Illinois. Market tracker Gartner on Tuesday trimmed its forecast of how much global businesses would spend this year on information technology, as less expensive tablets displace PCs at the workplace.

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Gartner cited <u>fluctuations</u> in the value of the US dollar along with reduced outlay for traditional personal computers as the main reasons it cut to \$3.7 trillion its Worldwide IT Spending Forecast for 2013.

The estimate represented a two percent increase from global spending last year on data centers, desktop machines, software and other equipment for businesses.

But earlier this year, Gartner had forecast a 4.1 percent increase.

"Exchange rate movements, and a reduction in our 2013 forecast for devices, account for the bulk of the downward revision," Gartner managing vice president Richard Gordon said in a release.

Demand for traditional personal computers (PCs) continues to wane, as appetite for comparatively lower-priced and trendier tablets and smartphones grows, according to Gartner.

"The decline in PC sales, recorded in the <u>first quarter</u> of 2013, continued into the <u>second quarter</u> with little recovery expected during the second half of 2013," Gartner said.

"While new devices are set to hit the market in the second half of 2013, they will fail to compensate for the underlying weakness of the traditional PC market."

Meanwhile, tablet sales are expected to be nearly 40 percent higher this year than they were last year, and revenue from <u>mobile phone sales</u> is projected to climb 9.3 percent, according to Gartner.

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Citation: Gartner trims global IT spending forecast for the year (2013, July 2) retrieved 26 April



2024 from <a href="https://phys.org/news/2013-07-gartner-trims-global-year.html">https://phys.org/news/2013-07-gartner-trims-global-year.html</a>

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