

Gartner Says Worldwide Enterprise IT Spending on Pace to Grow 2.9 Per Cent in 2010

Stamford, Conn., August 10, 2010 — Worldwide enterprise IT spending across all industry markets will grow 2.9 per cent in 2010 and surpass \$2.4 trillion, according to Gartner, Inc. Analysts said that all industries are continuing to return to growth after a challenging year in 2009, when IT spending by vertical market totalled US \$2.3 trillion, a 5.9 per cent decline from 2008.

“The enterprise IT market will certainly return to growth in 2010, but we now expect it will grow by only 2.9 per cent globally, down from 4.1 per cent growth we had forecast earlier this year,” said **Kenneth Brant, research director at Gartner**. *“The national and international government sector will experience the strongest growth rate in 2010, with IT spending growing 4 per cent in 2010 (see Table 1).”*

Table 1

IT Spending by Industry Vertical Market, Worldwide (Millions of Dollars)

Industry	Total IT Spending 2010	Total IT Spending 2009	2009-2010 Growth (%)
Banking and Securities	390,488	379,855	2.8
Communications Media and Services	392,506	378,750	3.6
Education	64,148	62,607	2.5
Healthcare	88,996	86,215	3.2
Insurance	159,926	156,573	2.1
Local and Regional Government	179,664	176,747	1.7
Manufacturing and Natural Resources	426,085	415,480	2.6
National and International Government	244,410	235,086	4.0
Retail	146,239	142,420	2.7
Transportation	105,703	103,689	1.9
Utilities	125,583	119,927	4.7
Wholesale Trade	83,315	81,196	2.6
Total	2,407,063	2,338,544	2.9

Source: Gartner (August 2010)

Gartner recommends that technology and service providers target high-growth industry segments through 2014, as well as undertaking further analysis of large, slow-growth segments for unusual growth opportunities at the sub - industry segment level. However, Mr Brant advised technology providers to exercise caution with regard to the economy and its impacts on enterprise IT markets.

"We're advising our technology provider clients to prepare business plans for 2011 on the basis of our most-likely scenario for enterprise IT spending growth — 3.5 per cent. However, they should act now to develop contingencies to mitigate the risk of zero growth in 2011, a scenario that carries a lower probability but a much higher potential impact," **Mr Brant** said. "The bottom line is that technology providers need to be prepared for the worst case, where commercial IT markets stagnate and governments transition to fiscal austerity programmes." Furthermore, Mr Brant urged technology providers to continue to promote IT solutions that deliver "cost optimisation" through 2011, which he contends will be a persistent and overriding value for IT buyers even as markets return to growth.

Additional information is available in the report "Forecast: Enterprise IT Spending by Vertical Industry Market, Worldwide, 2008-2014, 2Q10 Update." The report is available on Gartner's website at <http://www.gartner.com/resId=1412539>.

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