

FOR IMMEDIATE RELEASE

## **Gartner Says Worldwide IT Spending Is on Pace to Grow 7.1 Per Cent in 2011**

### ***Public Cloud Services Growing Four Times Faster Than Overall Spending; Analysts to Examine Latest Outlook for the Global IT Industry During Gartner Webinar on 5 July***

Stamford, Conn., June 30, 2011 — Worldwide IT spending is on pace to grow 7.1 per cent in 2011, according to the latest quarterly spending outlook by Gartner, Inc. Analysts have revised overall IT forecast spending growth in US dollar terms, up from their first quarter update, when they projected 5.6 per cent growth for 2011.

"It is a bit surprising that we have not seen a more significant impact on our global IT spending forecast as a result of the Japan earthquake and tsunami, but despite widespread concerns about disruptions to the supply of critical components in the initial aftermath of the natural disaster, there has not been a dramatic impact on overall IT spending," said Richard Gordon, research vice president at Gartner. "For 2011 as a whole, we expect Japan IT spending to be down in local currency, but we expect a positive growth trend to emerge in the second half of the year and continue into 2012."

Global IT services is forecast to reach \$846 billion in 2011, a 6.6 per cent increase from 2010 (see Table 1). The computing and hardware segment is poised for the strongest growth with spending forecast to grow 11.7 per cent in 2011.

**Table 1**  
**Worldwide IT Spending Forecast (Billions of US Dollars)**

	<b>2010 Spending</b>	<b>2010 Growth (%)</b>	<b>2011 Spending</b>	<b>2011 Growth (%)</b>
Computing Hardware	375	12.1	419	11.7
Enterprise Software	244	8.4	268	9.5
IT Services	793	3.1	846	6.6
Telecom	2,015	7.3	2,140	6.9
<b>All IT</b>	<b>3,427</b>	<b>5.9</b>	<b>3,672</b>	<b>7.1</b>

Source: Gartner (June 2011)

The migration to public cloud services is currently one of the hottest topics in IT, and Gartner's latest forecast found that spending in this area is projected to grow four times faster than spending on overall IT. Worldwide public cloud services spending is forecast to total \$89 billion in 2011, up from \$74 billion in 2010. The market is forecast to reach \$177 billion by 2015.

However, to put this growth in context, Gartner analysts said public cloud services spending was only about 2 per cent of global IT spending in 2010, and by 2015 the level of spending on public cloud services will be less than 5 per cent of the total spent on IT overall.

"Nevertheless, the emergence and adoption of cloud is an important trend, and in some markets, it's already a significant factor," Mr Gordon said. "For example, at about \$10 billion, software as a service (SaaS) already accounts for 10 per cent of enterprise applications software spending, and by 2015 this share is expected to increase to close to 15 per cent and to exceed \$20 billion in annual spending."

More-detailed analysis on the outlook for the IT industry will be presented in the Gartner webinar "IT Spending Forecast, 2Q11 Update." The complimentary webinar will be hosted by Gartner on 5 July at

2.00pm UK time. To register for the webinar, please go to

<http://my.gartner.com/portal/server.pt?open=512&objID=202&mode=2&PageID=5553&resId=1713715&ref=Webinar-Calendar>.

The Gartner quarterly IT spending forecast delivers a unique perspective on IT spending across hardware, software, IT services and telecommunications segments. These reports help Gartner clients understand market opportunities and challenges. The most recent IT spending forecast research is available at [www.gartner.com/quarterly-it-forecast](http://www.gartner.com/quarterly-it-forecast). This Quarterly IT Spending Forecast section includes links to the latest IT spending reports, webinars, blog posts and press releases. Mr Gordon also provides additional comments on his blog at <http://blogs.gartner.com/richard-gordon/2011/06/30/what-impact-has-japan-earthquake-had-on-it-spending> and on the Gartner YouTube Channel at [http://www.youtube.com/watch?v=LfippWxwUkY&feature=channel\\_video\\_title](http://www.youtube.com/watch?v=LfippWxwUkY&feature=channel_video_title).

Gartner will release its 3Q11 Europe, the Middle East and Africa enterprise IT spending forecast at the Gartner Symposium/ITxpo 2011, 7-10 November in Barcelona. For more information please visit <http://www.gartner.com/technology/symposium/barcelona/>.

### **About Gartner**

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