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Gartner Says Worldwide IT Spending Forecast to Reach $3.7 Trillion in 2013

Analysts to Discuss Latest IT Spending Outlook During Complimentary Gartner Webinar on 8 January

STAMFORD, Conn., January 3, 2013 — Worldwide IT spending is projected to total $3.7 trillion in 2013, a 4.2 per cent increase from 2012 spending of $3.6 trillion, according to the latest forecast by Gartner, Inc. The 2013 outlook for IT spending growth in US dollars has been revised upward from 3.8 per cent in the 3Q12 forecast.

Gartner analysts said much of this spending increase is the result from projected gains in the value of foreign currencies versus the dollar. When measured in constant dollars, 2013 spending growth is forecast to be 3.9 per cent.

The Gartner Worldwide IT Spending Forecast is the leading indicator of major technology trends across the hardware, software, IT services and telecom markets. For more than a decade, global IT and business executives have been using these highly anticipated quarterly reports to recognise market opportunities and challenges, and base their critical business decisions on proven methodologies rather than guesswork.

"Uncertainties surrounding prospects for an upturn in global economic growth are the major retardants to IT growth," said Richard Gordon, managing vice president at Gartner. "This uncertainty has caused the pessimistic business and consumer sentiment throughout the world. However, much of this uncertainty is nearing resolution, and as it does, we look for accelerated spending growth in 2013 compared to 2012."

Worldwide devices spending which includes PCs, tablets, mobile phones and printers, is forecast to reach $666 billion in 2013, up 6.3 per cent from 2012 (see Table 1). However, this is a significant reduction in the outlook for 2013 compared with Gartner's previous forecast of $706 billion in worldwide devices and 7.9 per cent growth. The long-term forecast for worldwide spending on devices has been reduced as well, with growth from 2012 through 2016 now expected to average 4.5 per cent annually in current US dollars (down from 6.4 per cent) and 5.1 per cent annually in constant dollars (down from 7.4 per cent). These reductions reflect a sharp reduction in the forecast growth in spending on PCs and tablets that is only partially offset by marginal increases in forecast growth in spending on mobile phones and printers.

"The tablet market has seen greater price competition from android devices as well as smaller, low-priced devices in emerging markets," Mr Gordon said. "It is ultimately this shift toward relatively lower-priced tablets that lowers our average selling prices forecast for 2012 through 2016, which in turn is responsible for slowing device spending growth in general, and PC and tablet spending growth in particular."

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

	2012 Spending	2012 Growth	2013 Spending	2013 Growth	2014 Spending	2014 Growth
Devices	627	2.9%	666	6.3%	694	4.2%
Data Centre Systems	141	2.3%	147	4.5%	154	4.2%
Enterprise Software	278	3.3%	296	6.4%	316	6.8%
IT Services	881	1.8%	927	5.2%	974	5.1%
Telecom Services	1,661	-0.1%	1,701	2.4%	1,742	2.4%
Overall IT	3,588	1.2%	3,737	4.2%	3,881	3.8%

Source: Gartner (January 2013)

Worldwide enterprise software spending is forecast to total $296 billion in 2013, a 6.4 per cent increase from 2012. This segment will be driven by key markets such as security, storage management and customer relationship management; however, beginning in 2014, markets aligned to big data and other information management initiatives, such as enterprise content management, data integration tools, and data quality tools will begin to see increased levels of investment.

The global telecom services market continues to be the largest IT spending market. Gartner analysts predict that growth will be predominately flat over the next several years as revenue from mobile data services compensates for the declines in total spending for both the fixed and mobile voice services markets. By 2016, Gartner forecasts that mobile data will represent 33 per cent of the total telecom services market, up from 22 per cent in 2012.

More-detailed analysis on the outlook for the IT industry will be presented in the webinar "Gartner Worldwide IT Spending Forecast, 4Q12 Update — 2013 The Year Ahead." The complimentary webinar will be hosted by Gartner on 8 January 8 at 6:00pm UK time. During the webinar, Gartner analysts will outline IT spending expectations for 2013. To register for the webinar, please visit http://my.gartner.com/portal/server.pt?open=512&objID=202&mode=2&PageID=5553&resId=2273821&ref=Webinar-Calendar.

Gartner's IT spending forecast methodology relies heavily on rigorous analysis of the sales by thousands of vendors across the entire range of IT product and services. Gartner uses primary research techniques, complemented by secondary research sources, to build a comprehensive database of market size data upon which to base its forecast. 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 http://www.gartner.com/technology/research/it-spending-forecast/. This Quarterly IT Spending Forecast section includes links to the latest IT spending reports, webinars, blog posts and press releases.

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