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Gartner Says Worldwide IT Spending On Pace to Surpass \$3.6 Trillion in 2012

Public Cloud Services to Grow from \$109 Billion in 2012 to More Than \$200 Billion by 2016

Analysts to Discuss Latest IT Spending Outlook During Complimentary Gartner Webinar on 10 July

STAMFORD, Conn., July 9, 2012 — Worldwide IT spending is on pace to reach \$3.6 trillion in 2012, a 3 per cent increase from 2011 spending of \$3.5 trillion, according to the latest outlook by Gartner, Inc. Gartner's 2012 IT spending outlook has been revised up slightly from the 2.5 per cent projection last quarter.

Gartner's global IT spending forecast is relied upon by more than 75 per cent of the Global 500 companies in their key technology decisions. The market segments are analysed by more than 200 Gartner business and technology analysts who are located in all regions of the world.

"While the challenges facing global economic growth persist — the eurozone crisis, weaker US recovery, a slowdown in China — the outlook has at least stabilised," said Richard Gordon, research vice president at Gartner. "There has been little change in either business confidence or consumer sentiment in the past quarter, so the short-term outlook is for continued caution in IT spending."

However, there are some bright spots for IT providers. In contrast to the rather lackluster growth outlook for overall IT spending, Gartner expects enterprise spending on public cloud services to grow from \$91 billion worldwide in 2011 to \$109 billion in 2012. By 2016, enterprise public cloud services spending will reach \$207 billion.

"Business process as a service (BPaaS) still accounts for the vast majority of cloud spending by organisations, but other areas such as platform as a service (PaaS), software as a service (SaaS) and infrastructure as a service (IaaS) are growing faster," Mr Gordon said.

Worldwide IT services spending is forecast to reach \$864 billion in 2012, a 2.3 per cent increase from 2011 (see Table 1). Demand for consulting services is expected to remain high due to the complexity of environments for global business and technology leaders. Gartner analysts said consulting itself is becoming increasingly technology-based with the rise of analytics and big data, having deep implications on the future of consulting services.

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

	2011 Spending	2011 Growth (%)	2012 Spending	2012 Growth (%)	2013 Spending	2013 Growth (%)
Computing Hardware	404	7.4	420	3.4	448	6.6
Enterprise Software	269	9.8	281	4.3	301	6.9
IT Services	845	7.7	864	2.3	905	4.8
Telecom Equipment	340	17.5	377	10.8	408	8.3
Telecom Services	1,663	6.0	1,686	1.4	1,725	2.3

All IT	3,523	7.9	3,628	3.0	3,786	4.4
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Source: Gartner (July 2012)

The global telecom services market continues to be the largest IT spending market. Telecom services growth is expected to come not only from net connections, especially in emerging markets, but also in mature markets from the uptake of multiple connected devices, such as media tablets, gaming and other consumer electronics devices.

More-detailed analysis on the outlook for the IT industry will be presented in the webinar "Gartner Worldwide IT Spending Forecast, 2Q12 Update." The complimentary webinar will be hosted by Gartner on 10 July at 4:00pm UK time. Mr Gordon will assess the prospects for growth in IT spending not only in the short term but also through 2016. To register for the webinar, please visit

<http://my.gartner.com/portal/server.pt?open=512&objID=202&mode=2&PageID=5553&resId=1898715&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 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.

About Gartner

Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. Gartner delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, Gartner is the valuable partner to clients in 12,000 distinct organizations. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, USA, and has 5,000 associates, including 1,280 research analysts and consultants, and clients in 85 countries. For more information, visit www.gartner.com.

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