



Digital technologies driving growth in the India IT & Business Services market, to reach US\$14.3 Billion by December 2020, IDC India Reports

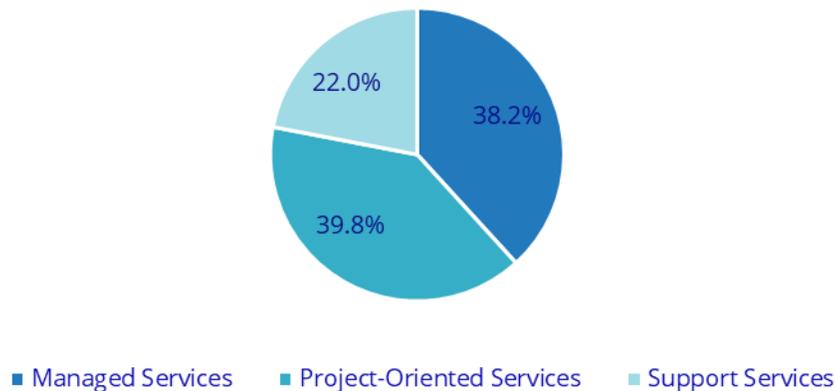
NEW DELHI, May 7th, 2019 – The India IT & Business Services market is expected to grow annually by 8.8% to reach US\$ 13.1 billion* by December 2019, according to **the IDC Asia/Pacific Semiannual Services Tracker - 2H 2018**. Based on IDC’s forecasts, the IT & Business Services market is further expected to register an annual growth rate of 8.7% to be valued at US\$ 14.3 billion by December 2020.

Of the IT & Business Services market, the IT Services market contributed 76% in 2H 2018. The IT Services market is slated to reach US\$ 10 billion by December 2019, growing at 9.1% annually. The Indian government’s higher spending on the Digital India and Smart Cities initiatives, and the increased adoption of next-gen technologies by organizations is driving growth in the IT Services market.

IDC classifies the IT Services market into three categories – Project Oriented, Managed Services, and Support and Training. For 2H 2018 (July – December 2018), Project-Oriented Services was the largest segment, followed by Managed Services, and Support and Training.

Figure 1

India IT Services Companies, 2H 2018 Primary Market Share



Source: IDC 2019

Notes: IDC Asia/Pacific Semiannual Services Tracker - 2H 2018

Increased spend on digitization has driven the demand for IT Services, especially around Systems Integration. The faster-growing services included Hosting Infrastructure Services and Hosted Application Management; followed by IT Consulting and Application Management.

“In India, growth in the IT services market is being propelled by the BFSI and the government verticals. The other emerging verticals which are expected to adopt IT Services and futuristic technologies more aggressively in the next 3-5 years are the manufacturing, retail, healthcare and education verticals. Additionally, a number of technology start-ups offering niche solutions in AI, ML, IoT, blockchain, automation, etc. have come up, which is further driving adoption of IT Services in the country,” said [Ranganath Sadasiva](#), Director, Enterprise Solutions, IDC India.

"In 2H 2018, it was seen that the major leading IT Services vendors forged partnerships or made acquisitions in open-source technology, in a bid to be able to meet organization's demand for adopting Agile methodologies. Amongst the emerging technologies, AI and ML attracted more partnerships, on the back of increased demands from organizations to create innovative products and services. IT Services vendors also increasingly entered into partnerships to set up datacenters, or Security Operations Centers (SOCs), or Centers of Excellence (CoEs) in the country," said [Garima Goenka](#), Market Analyst - IT Services, IDC India.

IDC estimates that the IT Services market will grow at a CAGR of 8.6% between 2019-2023, to reach US\$ 14.0 billion by the end of 2023.

**All market size and growth percentage numbers are in constant currency*

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