



## **India Server Market revenue declines YoY by 16.2% to reach \$298 million in Q1 2019, IDC India Reports**

**NEW DELHI, July 18<sup>th</sup>, 2019** - The overall server market in India witnessed a year-over-year (YoY) decline of 16.2 percent in terms of revenue to reach \$298.0 million in Q1 2019 versus \$355.8 million in Q1 2018, according to the latest [IDC Asia / Pacific Quarterly Server Tracker](#) (excluding Japan) Q1 2019. The x86 server market accounts for 88.9 percent of the overall server market in terms of revenue. The contribution to x86 server market mostly came from the professional services vertical followed by manufacturing, banking, Government and telcos.

The deployment of x86 servers was largely seen in the traditional datacenter set up followed by private and public cloud. However, new-age applications, email/collaborative and CRM applications are the ones getting migrated to public cloud while the core applications show strong resistance and continue to run on traditional environment.

The x86 server market in terms of revenue declined YoY by 19.0 percent to reach \$264.9 million in Q1 2019 from \$327.3 million in Q1 2018. Professional services, manufacturing, communications and media, banking and education accounted for 82.0 percent of overall x86 server market revenue. Education vertical saw the highest Y/Y growth of 414.7 percent owing to a few large deals around high-performance computing (HPC) and National Supercomputing Mission (NSM) projects.

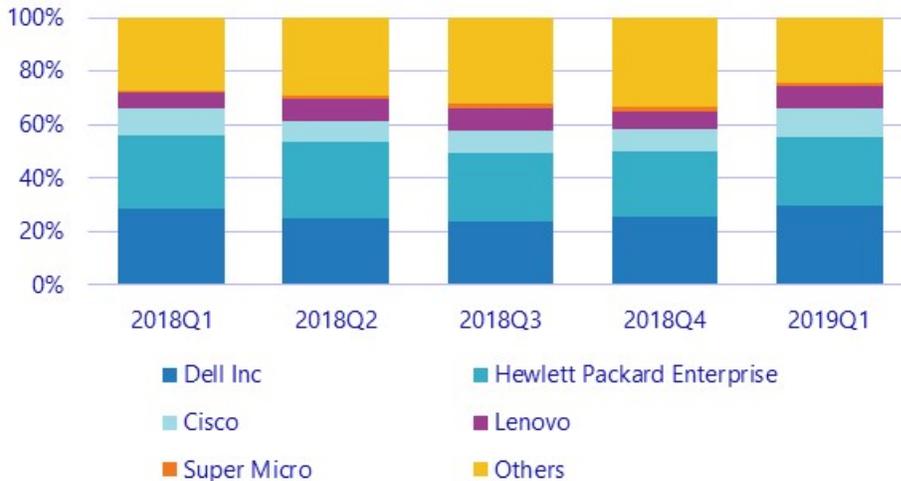
The non x86 server market increased YoY by 15.9 percent to reach \$33.1 million revenue, in Q1 2019. IBM tops the market with a revenue share of 76.5 percent, followed by Oracle with share of 17.9 and HPE with 5.6 percent during Q1 2019. Banking remains top vertical with 45.8 percent revenue share followed by manufacturing and utilities with 22.0 percent, and 10.3 percent respectively, during Q1 2019.

“In the current scenario, Enterprises of all sizes are investing in their DC to make it more agile, scalable, flexible thereby making business applications highly available. So, optimizing operational cost will be critical for these enterprises as their architecture evolves and grow,” says [Harshal Udatewar](#), Market Analyst, Server, IDC India.

### **Vendor Highlights:**

Figure 1

### India Top 5 x86 Server Companies, 2019Q1 Revenue Market Share



Source: IDC 2019

Source: IDC Asia/Pacific Quarterly Server Tracker, Q1 2019

In Q1 2019, Dell Inc. emerged as the top vendor accounting for revenue share of 29.7 percent at the revenue of \$78.6 million followed by Hewlett Packard Enterprise (HPE) at number two position with revenue share of 25.6 percent at revenue of \$67.9 million. Dell Inc. continues to grow winning deals across professional services and manufacturing. Cisco was able to register the revenue share of 10.9 percent followed by Lenovo who stood at 8.0 percent revenue share at the end of Q1 2019.

“During 2019 Q1, verticals such as professional services, banking, and manufacturing have fueled the ASPs of servers, going forward we see these verticals being accountable for the growth in server ASVs demanding high core, CPU and memory configurations,” adds Udatewar.

#### **IDC India Forecast**

The aftereffects of the general elections could be seen from the lack of spending coming from Government barring deals from NSM and various ministries from central government. However, the outlook is positive for India, one of the fastest-growing economies with investments expected to be focussed towards scientific research and development, defence, smart cities and various other projects in the year ahead.

During 2019, we are expecting high spend from telecommunication vertical towards building robust enterprise IT infrastructure for projects related to OSS, BSS, IMS stack for VoLTE, VRAN, 5G testbed programs towards 5G development. From the cloud service providers standpoint, we are expecting capacity expansion from local DC providers in the quarters to come.

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