



India IT Services and Business market to reach US\$14.2 Billion by December 2020; System Integrators leading the growth, IDC India Reports

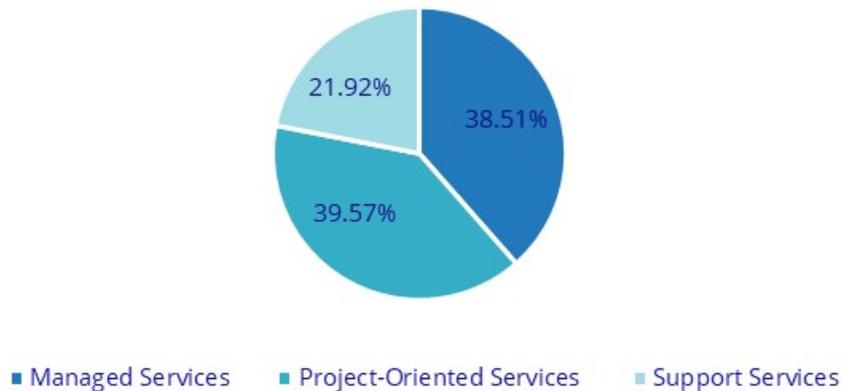
NEW DELHI, November 27th, 2019 - The India IT & Business Services market is likely to grow annually by 6.9% to US\$ 13.3 billion* by December 2019, according to the International Data Corporation (IDC) [Worldwide Semiannual Services Tracker](#) - 1H19. IDC forecasts that the IT & Business Services market is further expected to grow annually by 6.8% to be valued at US\$ 14.2 billion by December 2020.

The IT Services market contributed 77% in 1H19 and is further expected to expand to US\$10.2 billion by December 2019, growing at 7.2% annually. IDC further expects that the IT Services market will grow at a CAGR of 8.2% between 2019-2023, to be valued at US\$14.0 billion by the end of 2023.

IDC classifies the IT Services market into three Primary Markets – Project Oriented (i.e. consulting, integration, application development, etc.), Managed Services (application management, infrastructure services, outsourcing, etc.), and Support Services (hardware and software support, IT education). For 1H19 (January – June 2019), Project-Oriented Services was the largest segment, followed by Managed Services, and Support Services.

Figure 1

India IT Services Market, 1H19 Primary Market Share



Source: IDC 2019

The highest revenue generating segment in IT Services market continued to be Systems Integration in 1H19, on account of the shift towards modernized infrastructure and applications. Hosting Infrastructure Services and Hosted Application Management continued to register the highest growth rates in 1H19, further followed by IT Consulting and Application Management.

"In 1H19, organization's demand to adopt Agile methodologies, DevOps, and Open Source grew, resulting in a higher adoption of emerging technologies. The dynamic changes in the marketplace has resulted in a huge skills gap amongst the IT youth. The need of the hour is quick and effective adaptation to the new digital environment, which can be achieved through the development of new skills for executing complex models in IoT, AI, ML, blockchain, data science and robotics. The government as well as leading organizations have already taken steps towards reskilling the IT/ITeS workforce of the country, and this is expected to further increase," said [Garima Goenka](#), Market Analyst, IT Services, IDC India.

"Vendors are leveraging emerging technologies such as Artificial Intelligence (AI), Advanced Analytics, Machine Learning to position themselves as the trusted digital transformation partner. They are investing heavily on re-skilling and upskilling their workforce to gain confidence and drive more business across major verticals such as BFSI, Government and Manufacturing among others. Vendors and start-ups are also partnering with each other to create innovation hubs, share ideas and collaborate to achieve greater synergy, through transformational projects. Also, owing to the GDPR implementation in May 2018, there is a strong uptick in demand for cybersecurity and eGRC services from enterprises, who have a significant exposure to EU clients," said Shweta Baidya, Senior Research Manager, Software and IT Services, IDC India.

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

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