



Telecommunications and Banking Drive ICT Spending in Central and Eastern Europe in 2018, According to IDC

Total spending on ICT (including business and IT services, hardware, and software) in Central and Eastern Europe (CEE) will continue its positive momentum to reach \$127.3 billion in 2019, according to the new release of the [Worldwide Semiannual IT Spending Guide: Industry and Company Size](#) published by International Data Corporation (IDC).

Among industry verticals, telecommunications and banking are the leaders in terms of ICT market spending. Spending in the telecommunications industry is forecast to grow at a compound annual growth rate (CAGR) of 5.6% through 2022, with total spending exceeding \$12.6 billion. The emergence of innovative technologies depends on solid infrastructure, reliable datacenters, and network improvements such as fiber-optic communication and 5G mobile. In addition, the telecom industry supports innovation in other verticals, with digital advances such as online/mobile payment options, telematic systems, and machine-to-machine communication and messaging systems.

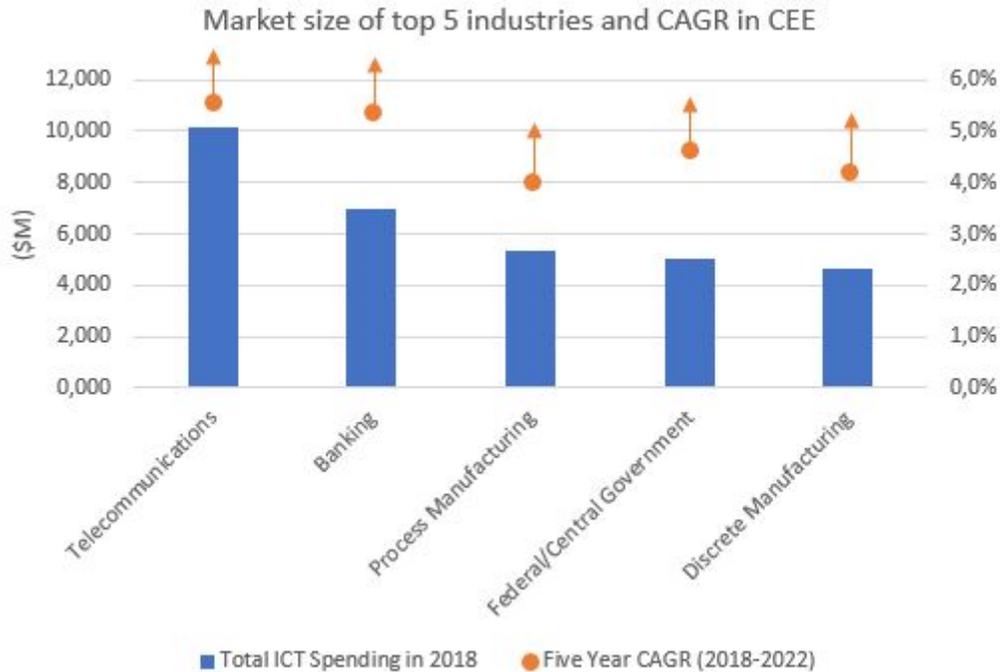
"We shouldn't view the telco industry only as a cornerstone of innovation," said Ivana Slaharova, an IDC senior research analyst for customer insights and analysis. "Telco companies set ambitious targets for customer experience and building strong brand awareness. In the world of digitalization and disruptive technologies, it shouldn't be viewed as a problem."

"Banks are investing in digitalization and process automation in response to competition," said Martin Stiller, senior research analyst for IDC Financial Insights. "They are developing functionalities that improve the banking experience, such as digital onboarding, instant lending, and cognitive advice."

Open banking is another important driver, added Stiller. "It is becoming mandatory in Europe and a business requirement in APAC and North America," he said. "ICT spending is expected to grow in the next five years as banks transform their legacy infrastructures. To remain competitive, they need to accelerate time to market, invest in data analytics, and build omni-channel capability across all channels."

In the CEE, the top five industries measured by ICT spending are shown in the chart below, along with their expected CAGRs over the 2018-2022 forecast period

Figure 1



Source: [Worldwide Semiannual IT Spending Guide: Industry and Company Size](#), H2 2017 data version

Consumer ICT spending is forecast to record a CAGR of only 0.37% through 2022, most of which traditionally goes to telecom services (64.2%), hardware (34.9%) and software (0.9%).

In terms of end-user segments, large businesses (500-999 employees) are expected to account for more than 17% of total ICT spending in 2018. Medium-sized businesses will be responsible for just over 11%, and spending by small businesses will amount to around 8%. IT spending among small/home offices will be limited, accounting for about 5% of total ICT spending.

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