



IT Spending in the Middle East & Africa to Top \$83 Billion Next Year, According to Latest Insights from IDC

Dubai – IDC's latest forecast shows that IT spending in the Middle East and Africa (MEA) is set to reach \$83.7 billion in 2020, up 2.8% year on year (source: IDC Black Book, Q1 2019). Enterprises will account for close to 56.8% of that figure, with the telecommunications, finance, government, and manufacturing sectors continuing to be the biggest spenders. However, it is the transportation sector that will see the fastest growth over the coming years, followed by utilities and retail & wholesale.

With digital transformation (DX) increasingly shaping the investment decisions of organizations across the region, consumer and enterprise mobility will account for the largest chunk of spending in 2020 at \$40.0 billion, followed by the Internet of Things at \$9.1 billion. The quest for DX will drive investments in other emerging technologies too, with cloud (\$2.7 billion), big data & analytics (\$2.7 billion), and security (\$2.9 billion) expected to be key areas of investment in 2020.

"The focus of investment in areas such as mobility, IoT, cloud, and big data underlines the critical need to explore and adopt digital technologies in order to transform government practices, business models, and society in general," says Jyoti Lalchandani, IDC's group vice president and regional managing director for the Middle East, Africa, and Turkey. "Indeed, digital transformation success is now so intimately tied to the creation of new, ecosystem-driven digital business models that any organization that fails to embrace this wave of digital transformation is placing its own competitive future at risk."

Such discussions will feature prominently at Dubai's GITEX Technology Week, which starts today and where IDC is once again participating as the event's Strategic Partner. Running until October 10th at the Dubai World Trade Centre, the event will also play host to the inaugural edition of the GITEX Awards, with IDC's Lalchandani sitting on the judging panel for the *'Best Use of Emerging or Innovative Technology'* category. At its core, the agenda for GITEX Technology Week 2019 will explore the way in which emerging technologies and concepts like artificial intelligence, future mobility, 5G, and Smart Cities can be leveraged to provide a sustainable competitive advantage.

The growing interest in artificial intelligence across the region is certainly undeniable, with a recent update to IDC's [Worldwide Artificial Intelligence Systems Spending Guide](#) showing that

investment in AI systems in MEA is expected to reach \$374.2 million in 2020, up more than 20% on the projected total for this year of \$310.3 million. This spending will be led by the banking and retail industries, followed by federal/central governments and the telecommunications sector.

"Organizations are continuing to invest significantly in AI software and platforms as they look to optimize their business processes, automate their operations, and enhance their offerings in order to maximize the overall customer experience," says Manish Ranjan, IDC's program manager for software and cloud in the Middle East, Africa, and Turkey. "Investments in AI systems across MEA will continue to be driven by a wide range of use cases, although the three largest – automated customer service agents, IT automation, and automated threat intelligence and prevention systems – will account for around 30% of total AI spending in 2020."

You can learn more about incorporating emerging technologies into your organization's digital transformation strategy by visiting the IDC stand at GITEX Technology Week (H7-17 in Hall 7). IDC will also be giving away a series of exclusive industry-focused reports that examine ongoing global developments in the areas of robotics, omni-engagement systems, transportation management, and digital evidence management solutions.

For more information or to arrange an exclusive one-on-one meeting with an IDC analyst, please contact Sheila Manek at smanek@idc.com or on +971 4 446 3154. You can also keep up to date on all the latest news by using the hashtag **#IDCATGITEX**.

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