



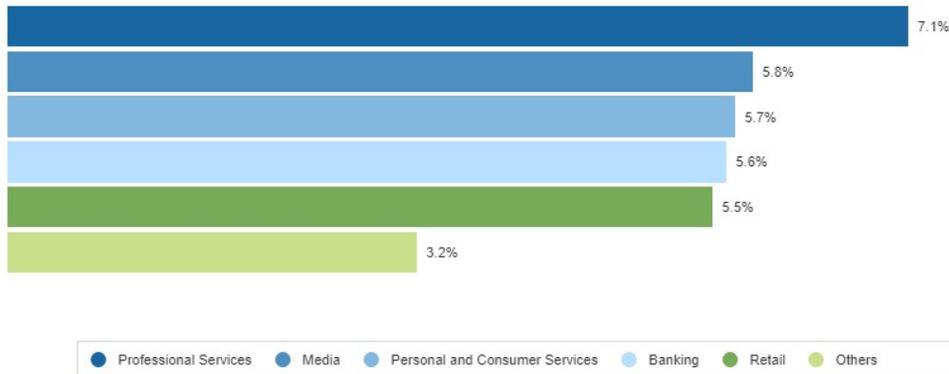
New IDC Spending Guide Sees Commercial Sector Investments Leading Worldwide ICT Spending to \$4.8 Trillion in 2023

FRAMINGHAM, Mass., August 15, 2019 – Despite a slowing global economy and the looming trade war between the United States and China, purchases of information and communications technology (ICT) are expected to maintain steady growth over the next five years. A new forecast from International Data Corporation (IDC) predicts worldwide ICT spending on hardware, software, services, and telecommunications will achieve a compound annual growth rate (CAGR) of 3.8% over the 2019-2023 forecast period, reaching \$4.8 trillion in 2023.

"Global market conditions remain volatile, and although the economy has performed broadly better than expected in the past six months in many countries, a sense of uncertainty over the short-term economic and business outlook has been rising at the same time," said [Serena Da Rold](#), program manager in IDC's [Customer Insights and Analysis](#) group. "Confidence indicators are fluctuating on a monthly basis, depending on short-term indicators ranging from speculation over tariffs and trade wars to political wild cards, with a potential global slowdown looming for 2019 and 2020. End-user surveys reflect the impact of this uncertainty on business decision-making, but our forecasts remain roughly stable overall for 2019 compared with our previous release, and slightly accelerated in the medium term, driven by stronger growth in software and hardware. Digital transformation and the adoption of automation technologies will be driving investments in applications, analytics, middleware, and data management software, as well as increasing demand for server and storage capacity."

Commercial purchases will account for nearly two thirds of all ICT spending by 2023, up from 60.4% in 2018 and growing at a solid five-year CAGR of 5.1%. Banking and discrete manufacturing will be the industries spending the most on ICT over the forecast period followed by professional services, which will also see the fastest growth in ICT spending, driven largely by service provider spending. Media and personal and consumer services will also grow nicely as these companies transform their businesses to offer new services and improve customer experience.

Figure 1



Source: IDC Worldwide Semiannual ICT Spending Guide Industry and Company Size 2018H2

While purchases for planned upgrades and refresh cycles will continue to be the largest driver of commercial ICT spending, new investments in the technologies and services that enable the digital transformation (DX) of business models, products and services, and organizations will be a significant source of spending. IDC [recently forecast](#) worldwide DX spending to reach \$1.18 trillion in 2019.

Consumer ICT spending will grow at a much slower rate (1.5% CAGR) resulting in a gradual loss of share over the five-year forecast period. Consumer spending will be dominated by purchases of mobile telecom services and devices (such as smartphones, notebooks, and tablets).

The United States will be the largest geographic market with ICT spending forecast to reach \$1.66 trillion in 2023. Western Europe will be the second largest region with \$927 billion in ICT spending in 2023, followed by China at \$618 billion. China will also be the fastest growing region with a five-year CAGR of 6.1%.

"In the U.S., a favorable business climate and strong consumer confidence continues to buoy technology spending and innovative projects. Tech-intense areas such as the financial services sector and telecom industry are holding strong as they are committed to serving their demanding and evolving customers in new and innovative ways," said [Jessica Goepfert](#), vice president in IDC's [Customer Insights and Analysis](#) group. "While the spending is more fragmented, consumer-facing industries like retail and personal and consumer services are also continuing to enjoy the benefits of healthy consumer confidence and higher wages and disposable incomes, and we see investments to develop and deliver an unforgettable customer experience and boosting customer loyalty. We continue to monitor the impact of the tariffs and trade wars on the manufacturing sector where are still bright spots, namely around projects that enable the efficient utilization of fixed assets while maximizing capacity utilization."

"Digital transformation is catching up in Asia/Pacific at an accelerated pace, and this will continue to drive significant investments in technologies in the next few years – from hardware

and services to applications. The investments are driven by both government and enterprises in the region as they are understanding the value of what these new technologies bring to the overall operational activities. It also harnesses the potential of a lot of initiatives being launched to make the workforce well versed. Upskilling and future-proofing the workforce are on top of employers' and the governments' agenda," said [Ashutosh Bisht](#), senior research manager with IDC's [Customer Insights and Analysis](#) group.

The [Worldwide Semiannual ICT Spending Guide Industry and Company Size](#) is IDC's flagship all-in-one data product capturing IT spending across more than 100 technology categories and 53 countries. This IDC Spending Guide will provide a granular view of the market for IT spending from a country, industry, company size, and technology perspective. This comprehensive database delivered via pivot table format or IDC's custom query tool allows the user to easily extract meaningful information about various technology markets and industries by viewing data trends, relationships, and making data comparisons across more than 3 million data points.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,100 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly-owned subsidiary of International Data Group ([IDG](#)), the world's leading media, data and marketing services company. To learn more about IDC, please visit www.idc.com. Follow IDC on Twitter at [@IDC](#) and [LinkedIn](#).

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