



India IT and Business Services market to reach US\$ 13.9 billion by December 2019: IDC India Report

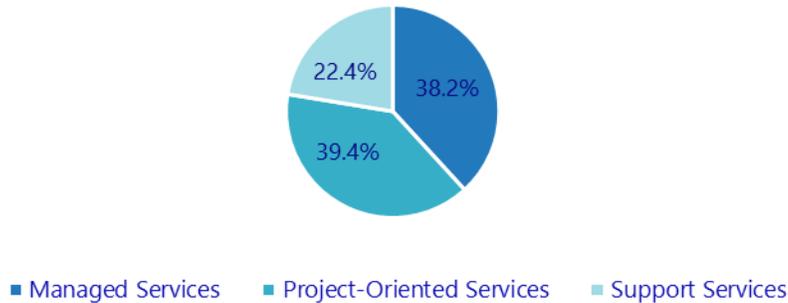
New Delhi, 27th November 2018. According to [IDC Asia Pacific \(excluding Japan\) Semi-annual Services Tracker, 1 H 201 8](#), the India IT & Business Services market is expected to reach US\$ 12.9 billion by the end of 2018, up by 6.9% annually. It is further expected to register an annual growth rate of 7.9% and reach US\$ 13.9 billion by the end of 2019. IT Services, which accounted for around 78% of the IT & Business Services spending in 1H 2018, is expected to grow at 6.9% year-on-year to reach \$ 9.9 billion for the full year 2018.

The Indian economy rebounded in 1H 2018, after a spate of slower growth in 2017; which led to higher government spending on technology initiatives, and higher enterprises spending on digital technologies. This led to a sustained demand for services, especially around systems upgradation; a greater positive impact on IT Services market of this is expected in the next 1-2 years. The faster growing services included Hosting Infrastructure Services, Hosted Application Management, Application Management and IT Consulting.

IDC classifies the IT Services market into three categories – Project-Oriented Services, Managed Services, and Support Services. For the 1H 2018 period (January – June 2018), Project-Oriented Services constituted the largest segment, followed by Managed Services, and Support Services.

Figure 1

India IT Services Market, 1H 2018 Primary Market Share



Source: IDC 2018

"The role of IT Services in accelerating the adoption of Third platform technologies is pivotal. The demand for services around emerging technologies, such as Cloud, Artificial Intelligence (AI), Machine Learning (ML), Automation, and Internet of Things (IoT) will be boosted in the next 3-5 years," said **Ranganath Sadasiva**, **Director Enterprise, IDC India**.

"Security services continued to gain ground in 1H 2018 due to a rise in the nature and complexity of cyber threats and is forecasted to grow at a CAGR of 20.7% between 2017-22. Lack of awareness about the emerging cybersecurity threat landscape and an acute shortage of skilled cybersecurity professionals in enterprises in India would further boost the demand for managed security services in the next 12-24 months," said **Sandeep Kumar Sharma**, **Associate Research Manager - Software and Services, IDC India**.

IDC estimates that the IT Services market will grow at a CAGR of 8.2% between 2017-2022, to reach US\$ 13.7 billion by the end of 2022.

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