



## **IDC Expects Asia/Pacific\* Digital Transformation Spending to Reach Nearly USD 375.8 Billion in 2019**

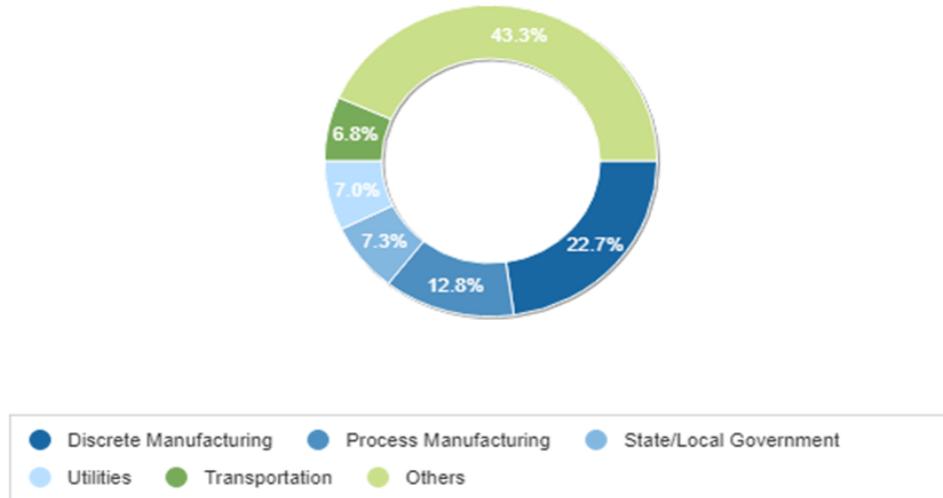
### **Latest IDC spending guide reveal enterprises DX spending is majorly driven by Innovation Accelerators\* seeking an edge in the digital economy**

**SINGAPORE, June 11<sup>th</sup>, 2019** – Asia Pacific\* spending on the technologies and services that enable the digital transformation (DX) of business practices, products, and organizations is estimated to be \$375.8 Billion in 2019, according to the [IDC Worldwide Semiannual Digital Transformation Spending Guide](#). Digital transformation spending is expected to steadily expand throughout the 2017-2022 forecast period, achieving a five-year compound annual growth rate of 17.4%.

“The adoption of emerging technologies supporting DX strategies in Asia/Pacific is shaping up as its helping to reimagine their businesses, re-evaluate their value chain, reconnect with their customers, and rebuild their organization into a digital native enterprise,” said [Ashutosh Bisht](#), Senior Research Manager for IDC’s Customer Insights & Analysis group.

“Government and enterprises in the region are understanding the value of what these new technologies bring to 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 government’s agenda,” Bisht added.

Figure 1



Source: IDC Worldwide Semiannual Digital Transformation Spending Guide – Technology Forecast 2018H1

The two industries that will invest the most in digital transformation in 2019 are discrete manufacturing (\$83.9 billion) and process manufacturing (\$46.8 billion). For both industries, the top DX spending priority is Smart Manufacturing followed by Digital Supply Chain Optimization. Smart Manufacturing is supported by significant investments in autonomic operations, manufacturing operations, and quality. Government will be the next largest industry in 2019, followed closely by Transportation and Utilities. Each of these industries will be pursuing a different mix of strategic priorities from convenient access to healthcare for the government industry; digital supply chain optimization in the transportation industry; and digital grid in utilities industry.

The DX use cases that will see the largest investment across all industries in 2019 will be Autonomic Operations (\$25.5 billion), Robotic Manufacturing (\$25.2 billion), Root Cause (\$16.5 billion), and Freight Management (\$13.8 billion). The use cases that will experience the greatest spending growth over the 2017 – 2022 forecast period are Virtualized Labs (132% CAGR), Site Survey- Damage, Risk and Value Assessment (78.5% CAGR), and Mining Operations Assistance (65.9% CAGR).

From a technology perspective, hardware and services investments will account for more than 83.6% of all DX spending in 2019. Services spending will be led by Connectivity Services (\$44.2 billion) and IT Services (\$17.6 billion). Hardware spending will be spread across several categories, including enterprise hardware, personal devices, and IaaS infrastructure. The fastest growing technology categories will be System Infrastructure Software (49.9 CAGR), IaaS (38.5% CAGR) and Application (35.7% CAGR).

“The pace of digital transformation has accelerated in the Asia/Pacific region, and this will continue to drive significant investments in technologies in the next few years – from hardware and services to applications. Organizations are becoming more mature and they are reshaping their digital vision and tactics to achieve measurable results. They are rethinking DX to gain better clarity into what the Future Enterprise (FE) will look like and are increasing focus on applying digital technologies to address the future of work, customer engagement, intelligence, operations, and leadership,” says [Daniel-Zoe Jimenez](#), AVP – Digital Transformation, Future Enterprise and SMB, at IDC Asia/Pacific.

China will be the largest geographic market for DX spending in Asia/Pacific\*, delivering more than 60% the region total spent in 2019. In China, the leading industries will be Discrete Manufacturing (\$55.3 billion), Process Manufacturing (\$30.6 billion) and State and Local Govt. (\$20.9 billion) with DX spending focused.

The [Worldwide Semiannual Digital Transformation Spending Guide](#) quantifies enterprise spending for 210 DX use cases and 12 technology categories across 19 industries and nine geographies. The guide provides spending data for 39 DX strategic priorities and 84 programs as well as technology spending by delivery type (cloud, non-cloud, and other). Unlike any other research in the industry, the DX Spending Guide was designed to help business and IT decision makers to better understand the scope and direction of investments in digital transformation over the next five years.

Notes:

- Asia/Pacific excluding Japan
- IDC defines Innovation Accelerators as technologies such as 3D Printing, AR/VR, Cognitive Intelligence, IoT, Next Generation Security, Robotics

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IDC's Spending Guides provide a granular view of key technology markets from a regional, vertical industry, use case, buyer, and technology perspective. The spending guides are delivered via pivot table format or custom query tool, allowing the user to easily extract meaningful information about each market by viewing data trends and relationships.

For more information about IDC's Spending Guides, please contact Monika Kumar at [mkumar@idc.com](mailto:mkumar@idc.com).

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