

India Server Market Revenue Declines YoY by 2.8% to Reach \$299.6 Million in 4Q19

NEW DELHI, March 31st, 2020 - The overall server market in India witnessed a year-over-year (YoY) decline of 2.8% in terms of revenue to reach \$299.6 million in 4Q19 versus \$308.1 million in 4Q18, according to the latest [IDC Worldwide Quarterly Server Tracker](#), 4Q19 (October – December 2019). The x86 server market accounts for 88.1% of the overall server market in terms of revenue. The contribution to the x86 server market primarily came from professional services, education, telecommunications, manufacturing, and banking verticals. Large deals were witnessed from telecommunication vendors, nationalized and payment banks, high-tech semiconductor manufacturing companies, and education in India, during 4Q19.

The x86 server market in terms of revenue declined YoY by 1.2% to reach \$264.0 million in 4Q19 from \$267.1 million in 4Q18. “The professional services vertical which includes public cloud providers, traditional IT/ITES companies, witnessed a drop in revenues of 24.1% to account for 36.1% of the overall market. It is important to note that this segment accounted for nearly 47.1% of all revenues in 4Q18,” said [Harshal Udatewar](#), Market Analyst, Server, IDC India.

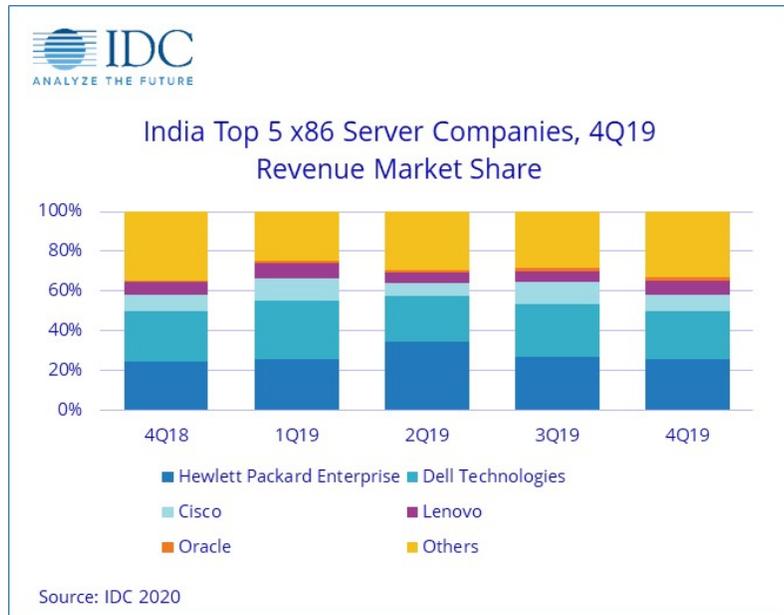
“The silver lining, however, was the increase in spending from verticals such as banking, telecommunications, and manufacturing that grew 33.5%, 42.9%, and 18.4% respectively. The education vertical registered the highest YoY growth of 189.9% in the x86 market during 4Q19,” he further added.

The non-x86 server market declined YoY by 13.2% to reach \$35.6 million in revenue, in 4Q19. IBM tops the market with a revenue share of 74.0%, followed by Hewlett Packard Enterprise with a share of 18.2%, and Oracle with 7.8%, during 4Q19. Banking remains top vertical with 75.2%

revenue share followed by manufacturing and insurance with 12.3%, and 3.6% respectively, during 4Q19.

Vendor Highlights:

Figure 1



Source: IDC Worldwide Quarterly Server Tracker, 4Q19

In 4Q19, Hewlett Packard Enterprise (HPE) tied with Dell Technologies for the number one position in the India x86 server market with a revenue share of 25.4% and 24.5% respectively. HPE registered few big wins from telco's, manufacturing, IT and ITeS companies recording a revenue of \$67.0 million. Key wins for Dell Technologies came from professional services, telcos, banks, and high-tech semiconductor companies to reach a revenue of \$64.6 million. At number three is Cisco, with

a revenue share of 8.4% and a revenue of \$22.3 million. Lenovo came in fourth accounting for a revenue share of 6.6% and a revenue of \$17.5 million.

“The market is expected to decline in 2020 due to the COVID-19 outbreak adversely affecting the supply-side leading to a shortage of components and delays in shipping. While it is impossible to predict the duration of the current situation, there is a high probability of a shift in demand towards the second half of the year,” adds Harshal.

IDC India Forecast

Due to COVID-19, the growth of the Indian economy is expected to remain moderate. The on-going lockdown is imposing severe challenges across multiple sectors such as manufacturing, BFSI, and others, due to which growth seems highly uncertain. Enterprise spending is expected to be delayed as supply-chain elements remain badly affected. However, telco and government verticals show a strong pipeline for the entire 2020. Investments from telco would be driven by projects related to OSS, BSS, IMS stack for VoLTE and 5G testbed programs towards 5G development. Also, local cloud service providers would invest in expansion projects for their infra capacity in 2020. At present, India x86 server market is expected to witness a YoY decline

in values by 4.2%, during the period 2019-2020, according to the latest IDC Worldwide Quarterly Server Tracker Forecast, 4Q19, (March 2020 Release).

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