ICT Spending in Central and Eastern Europe to Exceed $130 Billion in 2019, Driven by Finance and Telecom Organizations, Says IDC

Prague, FOR IMMEDIATE RELEASE — Spending on Information and communications technology (ICT) in Central and Eastern Europe (CEE) is expected to total $131.9 billion in 2019, according to the most recent data from the *Worldwide Semiannual ICT Spending Guide: Industry and Company Size* published by International Data Corporation (IDC).

The consumer market will be the leading segment for ICT spending in 2019, accounting for more than $67 billion and more than 51% market share. However, consumer spending will post the slowest compound annual growth rate (CAGR), compared to the other segments, at just 1.4%. More than 80% of consumer spending in 2019 will be for mobile devices and telecom services.

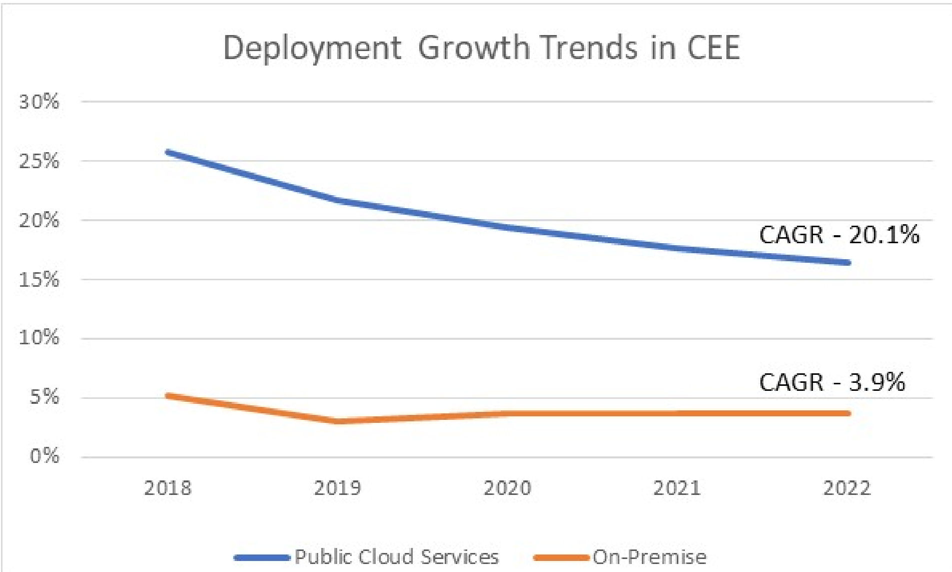
Telecommunications and banking will be the largest industries for ICT spending in 2019, with more than $17.9 billion combined. The different industries will invest in various technologies, depending on their business needs. The constantly growing adoption of 3rd Platform technologies, especially in the areas of cloud, mobility, and IoT, will drive spending for telecom services, which is expected to represent more than 40% of overall ICT spending and to stay strong over the entire forecast period. Strong competition, along with the need to comply with many regulatory requirements, will push IT services spending among banking organizations, mainly for projects related to digitalization and process automation. In contrast, telecommunication companies will keep spending on hardware high in order to ensure that their infrastructure is up to date with customer requirements and dynamically responsive to external factors (price, end-user demand, regulatory instability).

Cloud services are becoming increasingly common, and public cloud, with a CAGR of 20.1%, is expected to grow at a much higher rate during the forecast period than traditional on-premise deployments, which are expected to record a CAGR of 3.9%.

“When it comes to public cloud services, small and medium-sized businesses (SMBs) are the main focus of service providers and partners in CEE,” says Ivana Slaharova, an IDC research manager for customer insights and analysis. “This segment is well-penetrated, and agility and effectiveness are a must to stay viable on the market. In the long term, the fast-evolving digital economy will continue to have numerous business and social impacts, and large companies will be unable afford large capital investments and will start moving workloads to the cloud."

“The constantly growing adoption of 3rd Platform ecosystems, especially in the areas of mobility, analytics, the Internet of Things (IoT), and customer experience, will continue to drive the cloud services market’s development,” says Lubomir Dimitrov, an IDC senior research analyst with customer insights and analysis.

Figure 1



Source: Worldwide Semiannual ICT Spending Guide Industry and Company Size (H1 2018 data version)

Worldwide Semiannual Public Cloud Services Spending Guide (H1 2018 data version)

During 2019–2022, applications will record the most significant shift to the cloud; by the end of the forecast period, over 27% of all applications will be deployed in a cloud environment.

In terms of company size, the very large business (1,000+ employees) segment will account for more than 32% share of overall ICT spending in CEE, followed by medium-sized businesses (100-499 employees) with 22.7%, and large businesses (500-999 employees), with more than 17%.

The Worldwide Semiannual I C T Spending Guide: Industry and Company Size is IDC's flagship all-in-one data product capturing ICT spending across more than 100 technology categories and 53 countries. This IDC Spending Guide will provide a granular view of the market for ICT 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 Spending Guides

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.

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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 that activates and engages the most influential technology buyers. To learn more about IDC, please visit www.idc.com. Follow IDC on Twitter at @IDC and LinkedIn.

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