ICT Spending Growth in Central and Eastern Europe in 2020 Expected to Fall Short of Previous Year, According to IDC -

FOR IMMEDIATE RELEASE, Prague — According to the *Worldwide ICT Spending Guide Industry and Company Size* published by International Data Corporation (IDC), overall ICT market spending in Central and Eastern Europe (CEE) is forecast to grow by 3.1% in 2020 year on year, which is a decline from the 4.0% growth seen in 2019. This development can be explained by the ongoing economic slowdown, with more rationalized spending in both the consumer and public sectors.

IDC forecasts that total ICT spending (including telecom and business services) in the CEE region will total $136.66 billion in 2019, with an expected compound annual growth rate (CAGR) of 2.9% through 2023.

"In Central and Eastern Europe, cost and efficiency are regularly at the top of business priorities. Companies should carefully consider where to tighten their belts, and to leverage new technologies that will facilitate cost savings rather than representing a burden on their budget," says Ivana Slaharova, Insights research manager at IDC CEMA.

Manufacturing, finance, and telecommunications make up the greatest share of spending in the business sector, accounting for about 48% (combined) in 2019. Telecommunications will be also the fastest developing industry, with IDC forecasting 6.3% year on year growth in 2020. In the era of digital transformation, telecom providers are looking for new revenue streams to compensate a declining trend from traditional services; this includes exploring new partnership opportunities with cloud services providers. Telcos are focusing on areas such as customer experience, digital services, and smart homes, as well as services aimed at helping other industries adopt innovative technologies and support their transformation process.

In Central and Eastern Europe in 2019, 41% of the total ICT spending came from telecom services, followed by hardware (34%) and IT services (13%). Broken down by country, the biggest market is Russia ($47 billion in ICT spending), followed by Poland ($ 20.4 billion) and the Czech Republic ($10.9 billion).

Figure 1
In terms of organization size, large businesses (more than 500 employees) accounted for half of total ICT spending in 2019. Medium-sized businesses (100-499 employees) were responsible for around 23% of spending, followed by small businesses (17%) and small office/home office (nearly 10%).

There are many innovative technology startups in the CEE region, which are supported by the government in the initial stages of their development. But it is difficult for many of these organizations to raise a second or third round of funding to grow their business and expand to international markets.

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 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.

For more information about IDC's Spending Guides, please contact Monika Kumar at mkumar@idc.com.

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