



Worldwide ICT Spending to Reach \$4.3 Trillion in 2020 Led by Investments in Devices, Applications, and IT Services, According to a New IDC Spending Guide

FRAMINGHAM, Mass., February 18, 2020 – A new forecast from International Data Corporation (**IDC**) predicts worldwide spending on information and communications technology (ICT) will be \$4.3 trillion in 2020, an increase of 3.6% over 2019. Commercial and public sector spending on information technology (hardware, software and IT services), telecommunications services, and business services will account for nearly \$2.7 trillion of the total in 2020 with consumer spending making up the remainder.

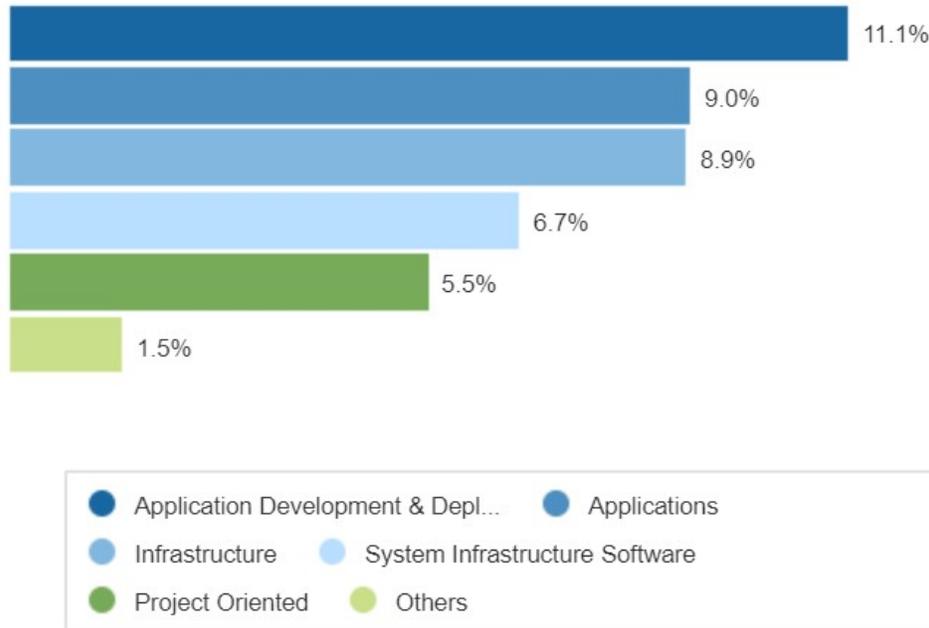
"The slow economy, weak business investment, and uncertain production expectations combined with protectionist policies and geopolitical tensions — including the US-China trade war, threats of US tariffs on EU automobiles and the EU's expected response, and continued uncertainty around the Brexit deal — are still acting as inhibitors to ICT spending across regions," said [Serena Da Rold](#), program manager in IDC's [Customer Insights and Analysis](#) group. "On the upside, our surveys indicate a strong focus on customer experience and on creating innovative products and services driving new ICT investments. Companies and organizations across industries are shifting gears in their digital transformation process, investing in cloud, mobility, the Internet of Things, artificial intelligence, robotics, and increasingly in DevOps and edge computing, to transform their business processes."

IT spending will make up more than half of all ICT spending in 2020, led by purchases of devices (mainly mobile phones and PCs) and enterprise applications. However, when combined, the three IT services categories (managed services, project-oriented services, and support services) will deliver more than \$750 billion in spending this year as organizations look to accelerate their digital transformation efforts. The application development & deployment category will provide the strongest spending growth over the 2019-2023 forecast period with a five-year compound annual growth rates (CAGR) of 11.1%.

Figure 1



Top Technology Category Based on 5 Year CAGR (2018 - 2023) (Value (Constant Annual))



Source: IDC Worldwide ICT Spending Guide Industry and Company Size 2019H1

Telecommunications services will represent more than one third of all ICT spending in 2020. Mobile telecom services will be the largest category at more than \$859 billion, followed by fixed telecom services. Both categories will see growth in the low single digits over the forecast period. Business services, including key horizontal business process outsourcing and business consulting, will be about half the size of the IT services market in 2020 with solid growth (8.2% CAGR) expected for business consulting.

Consumer ICT spending will grow at a much slower rate (0.7% CAGR) resulting in a gradual loss of share over the five-year forecast period. Consumer spending will be dominated by purchases of mobile telecom services (data and voice) and devices (such as smartphones, notebooks, and tablets).

Four industries – banking, discrete manufacturing, professional services, and telecommunications – will deliver 40% of all commercial ICT spending in 2020. IT services will represent a significant portion of the spending in all four industries, ranging from 50% in banking to 26% in professional services. From there, investment priorities will vary as banking and discrete manufacturing focus on applications while telecommunications and professional services invest in infrastructure. The industries that will deliver the fastest ICT spending growth over the five-year forecast are professional services (7.2% CAGR) and media (6.6% CAGR).

More than half of all commercial ICT spending in 2020 will come from very large businesses (more than 1,000 employees), while small businesses (10-99 employees) and medium businesses (100-499 employees) will account for nearly 28%. IT services will represent a significant portion of the overall spending for both market segments – 54% for very large businesses and 35% for small and medium businesses. Application and infrastructure spending will be about equal for very large businesses while small and medium businesses will invest more in applications.

"SMBs are increasingly embracing digital transformation to take advantage of both the opportunities it presents, and the disruption it can mitigate," said [Shari Lava](#), research director, [Small and Medium Business Markets](#). "Digitally determined SMBs, defined as those that are making investments in digital transformation related technology, are almost twice as likely to report double-digit revenue growth versus their technology indifferent peers."

IDC's [Worldwide ICT Spending Guide Industry and Company Size](#) is IDC's flagship all-in-one data product capturing IT spending across more than 120 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 three million data points.

The [Worldwide Small and Medium Business Spending Guide](#) provides detail on small and midsize business IT spending across 40 technology categories in nine geographic regions and 53 countries. Spending details are also provided for four company size categories: 1–9 employees, 10–99 employees, 100–499 employees, and 500–999 employees. Unlike any other research in the industry, the comprehensive spending guide was designed to help IT decision makers to clearly understand the direction of SMB spending today and over the next five years.

[Click here](#) to learn about IDC's full suite of data products and how you can leverage them to grow your business.

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For more information contact:

Serena Da Rold
sदारold@idc.com
+39 349 1806229
Michael Shirer
press@idc.com
508-935-4200