
Gartner: IT Spending Will Drop, but Some Areas Grow



Worldwide IT spending is projected to drop significantly in 2020, with all market segments experiencing a decline, says Gartner, an IT research and advisory firm. But there are some exclusions.

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According to Gartner's [latest projection](#), global IT spending will decline by 8% in 2020 due to the COVID-19 pandemic, totalling €3.1 trillion (\$3.4 trillion). In January, this number was expected to reach €3.6 trillion (\$3.9 trillion), a 3.4% increase from 2019.

While expenditure in all segments will decrease in 2020, devices and data-centre systems are forecast to see the largest drops in spending (-15.5% and -9.7%, respectively).

"CIOs have moved into emergency cost optimisation which means that investments will be minimised and prioritised on operations that keep the business running, which will be the top priority for most organisations through 2020," Gartner's distinguished research vice president John-David Lovelock said in the study. He continued with a warning that recovery patterns would have to adjust and "a change in mindset" would be required for most organisations.

The remote work will, however, grow, which will cause growth in subsegments, eg spending for public cloud services (which falls into multiple categories) is projected to increase by 19% this year, cloud-based telephony and messaging by 8.9% and cloud-based conferencing by 24.3%. In other words, Gartner's projections on the overall cloud spending levels for 2023 and 2024 may realise as early as 2022, according to Mr Lovelock.

In a separate [survey](#) conducted in early May among chief financial officers (CFOs), Gartner found out that while CFOs are generally preparing to optimise their costs through structural cuts, spending will increase for specific technologies. Thus, 24% anticipate more spending on robotic process automation (RPA), 20% on cloud-based enterprise resource planning (ERP) technologies, and 19% on advanced analytics.

Speaking to [NetworkWorld](#), Cisco CEO Chuck Robbins pinpointed some technology areas that continue to attract investment. One of them is telehealth, which has seen explosive growth since the beginning of the pandemic, and medical organisations will keep investing in more solid infrastructure development. Another is enhancement of cyber research infrastructure by the pharmaceutical firms and drug manufacturers.

Source: [NetworkWorld](#)

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