



Forrester: Mixed Economic Outlook Shifts Technology Demands

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CAMBRIDGE, Mass., Jan 10, 2011 (BUSINESS WIRE) --

Global IT purchases will rise 7.1 percent in 2011 to \$1.7 trillion, according to new forecast data from [Forrester Research, Inc.](#) (Nasdaq: FORR). While the 2011 global tech market will look similar to the 7.2 percent market growth experienced in 2010, there are significant differences between the two years in terms of both products and geographies. The computer restocking and replacement boom that propelled the tech market in 2010 is coming to an end, with hardware growth slowing to 7.4 percent. However, software purchases are starting to accelerate, leading to increased demand for the IT consulting and systems integration services to help implement that software. Communications equipment purchases will lag the overall tech market growth, with enterprise demand for wireless, unified communications, and videoconferencing strong, while equipment sales to carriers will be more measured. IT outsourcing will match the overall market growth.

"Our forecast of 7.1 percent for IT purchases is still a bullish one, given the economic weakness in Europe, the questions about the US recovery, and the potential slowdowns in Asian economies," said Forrester Research vice president and principal analyst [Andrew Bartels](#). "The projected growth of 7.2 percent in 2010 was a rebound from depressed levels in 2009, but our forecast of similar growth in 2011 is actually more impressive because it comes on top of the good growth in 2010."

By geography and calculated in US dollars, the Latin America and Eastern Europe, Middle East, and Africa (EEMEA) regions will have the highest growth rates in 2011, both at 9.8 percent. IT purchases in Asia Pacific will grow by 8.5 percent, with slow-growing Japan offsetting faster growth in China and India. The US tech market will grow slightly faster than the total global market, with 7.5 percent growth, as investments in cloud and Smart Computing solutions allow companies to grow profits despite weak revenue increases. IT purchases in Canada will rise by 4.9 percent. Western Europe and Central Europe will have the lowest growth rate, at four percent, with the combination of weak economic growth and a depreciating euro combining to hold dollar-denominated growth down.

Forrester's quarterly global and US market forecasts are designed to help vendor strategists predict and quantify growth and change in the information and communications technology industry (ICT). The 45-page "2010 To 2012 Global Tech Industry Outlook" Forrester report provides a more detailed breakdown of the IT market (excluding telecommunications services) by region and sector and is currently available to select Forrester clients.

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