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IT Spending Forecast, 1Q22 Update: The Russian Invasion of Ukraine



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Distinguished VP Analyst, Chief Forecaster



Polling Question 1 of 1

What is the status of your corporation's activity in Russia

- A. We don't have operations in Russia**
- B. We have withdrawn from Russia**
- C. We have suspended operations in Russia**
- D. We have scaled back operations in Russia**
- E. We are continuing business-as-usual in Russia**

How to participate in our polling

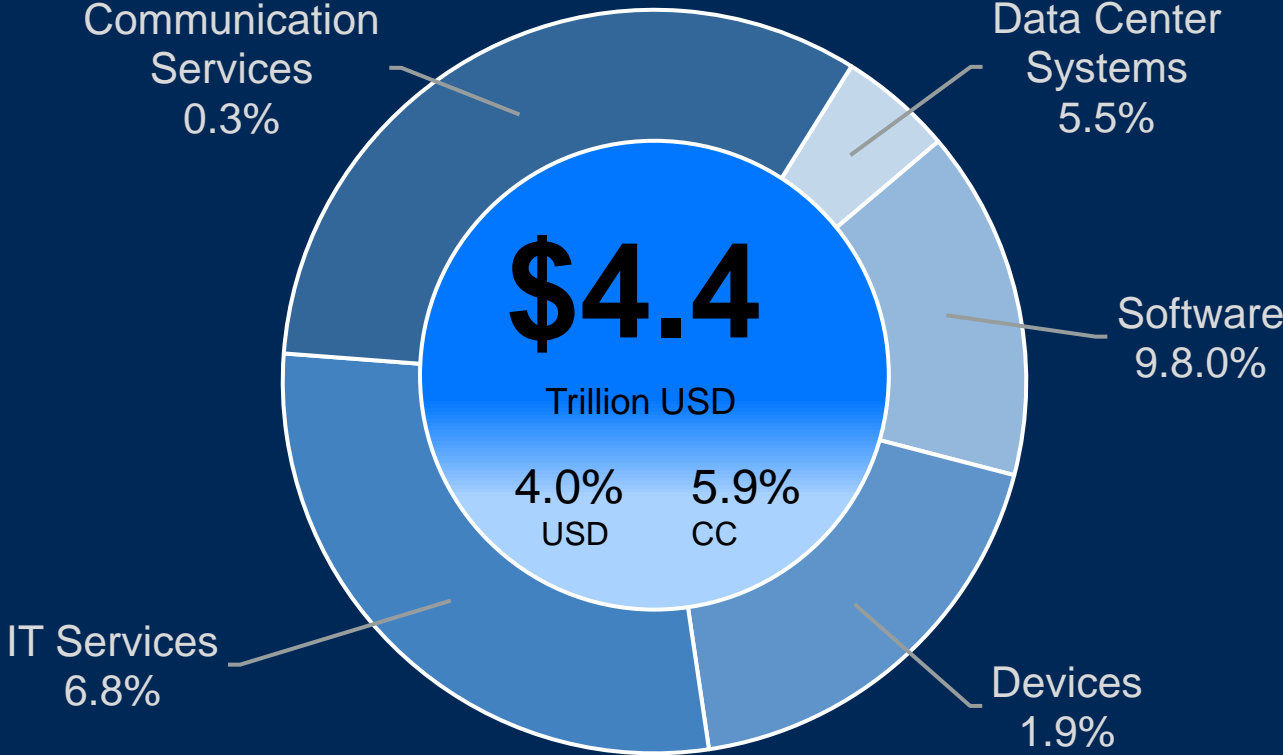
If you are in full screen mode – click Esc
The poll question is on the “Vote” tab.
Please click the box to make your selection.
Upon voting you will see the results.

Thank you!

The screenshot shows a navigation bar with five tabs: 'Ask a question', 'Attachments', 'Vote', 'Rate this', and 'Details'. The 'Vote' tab is highlighted with a green circle. Below the tabs, the question text reads 'Q. Polling Question (please choose 1 answer)'. There are five rows of answer options, each with a text label and a checkbox:

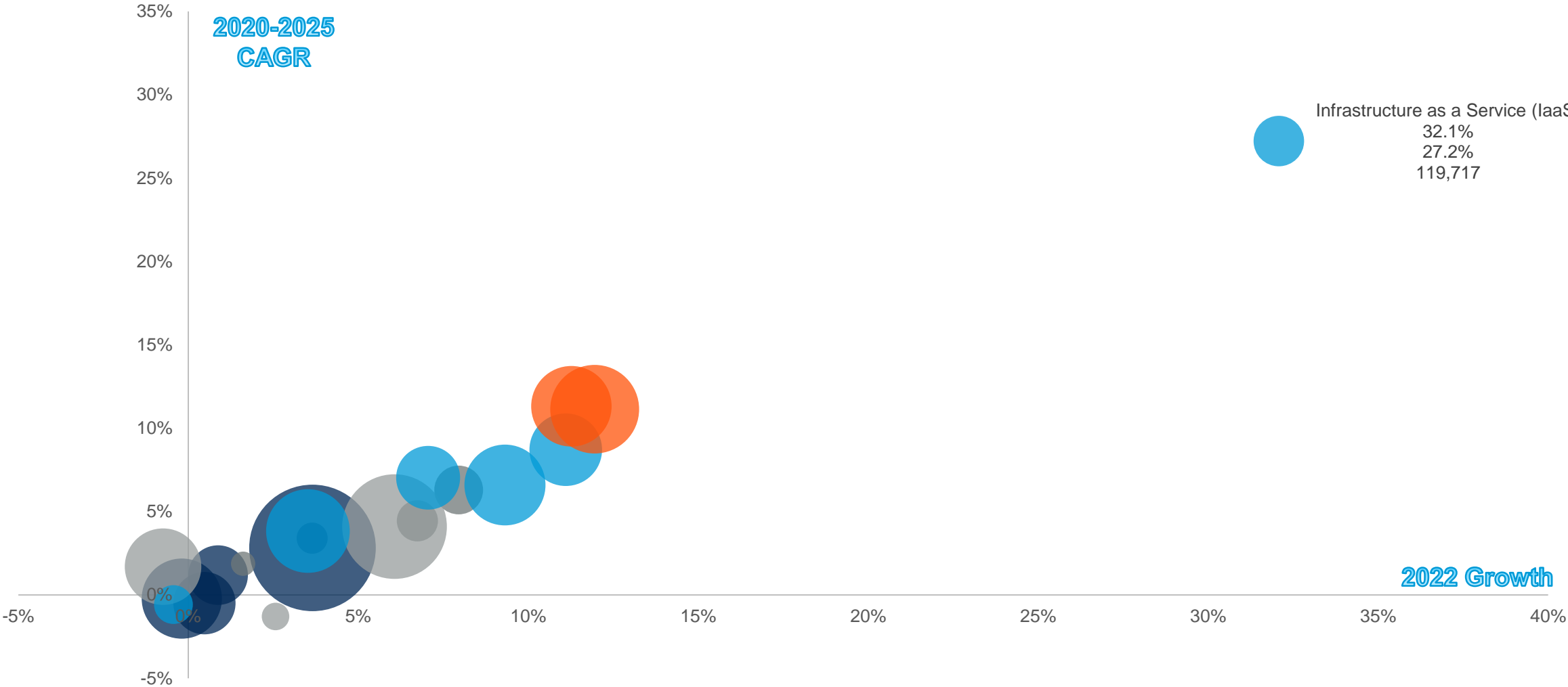
A. Answer	<input type="checkbox"/>
B. Answer	<input type="checkbox"/>
C. Answer	<input type="checkbox"/>
D. Answer	<input type="checkbox"/>
E. Answer	<input type="checkbox"/>

Global IT Spending & Growth for 2022

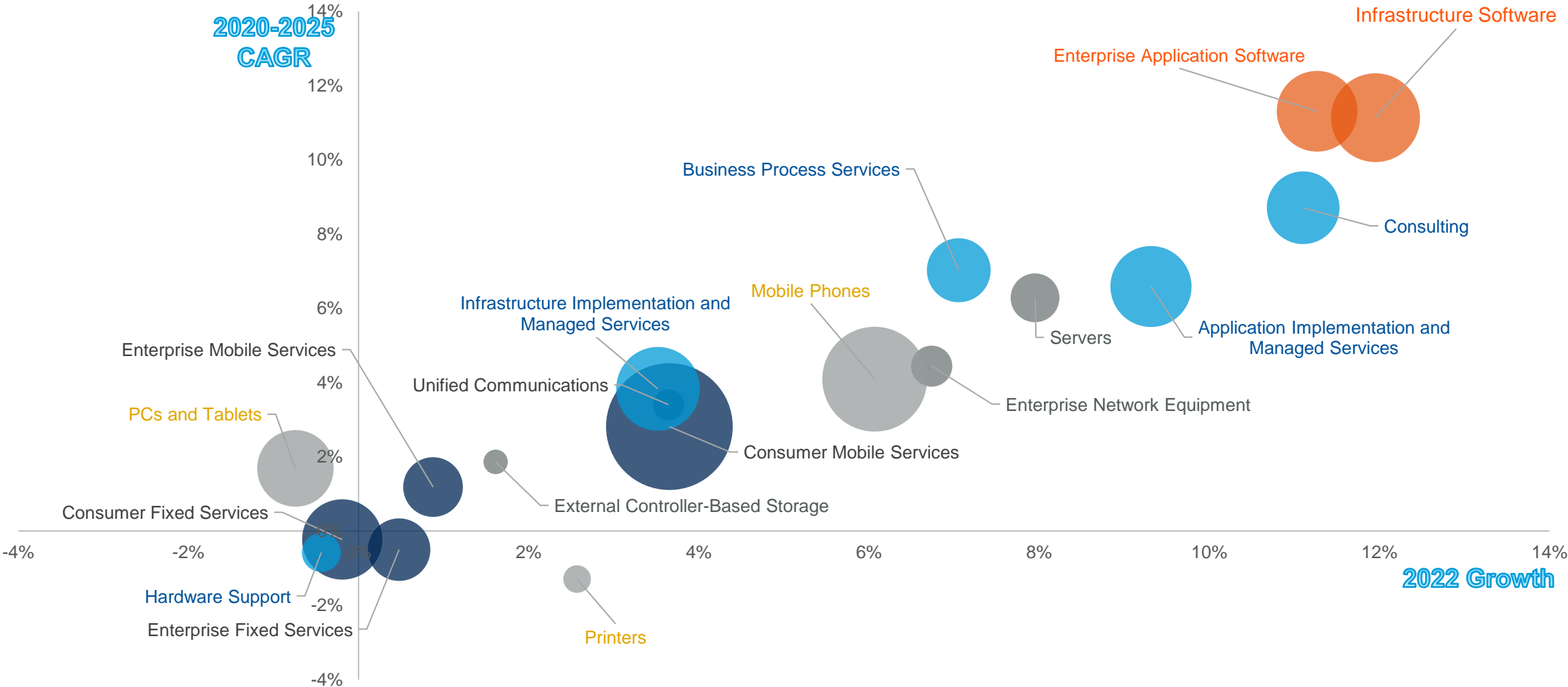


Source: "Gartner Market Databook, 1Q22 Update", October 2021

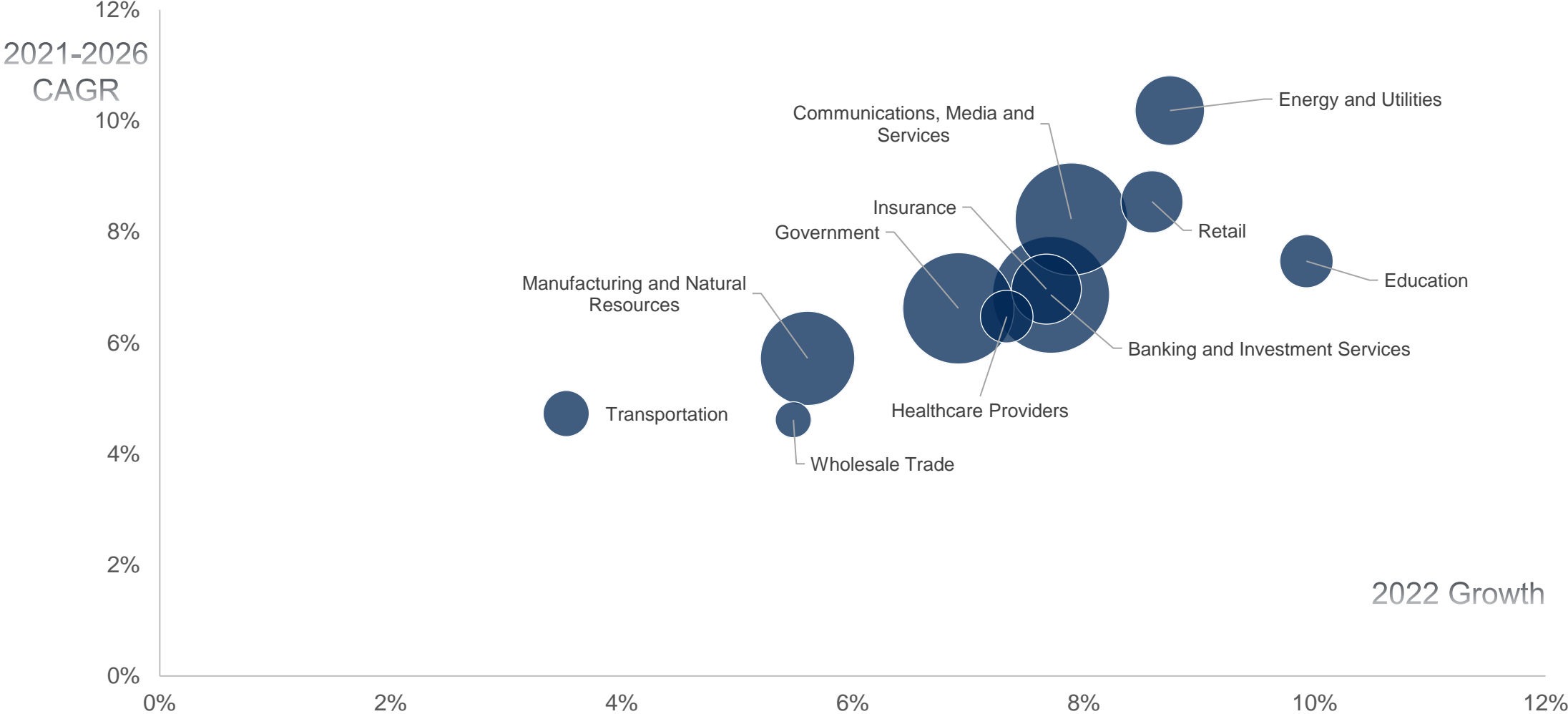
IT Databook Market Growth



IT Databook Market Growth



IT Spending by Vertical Industry



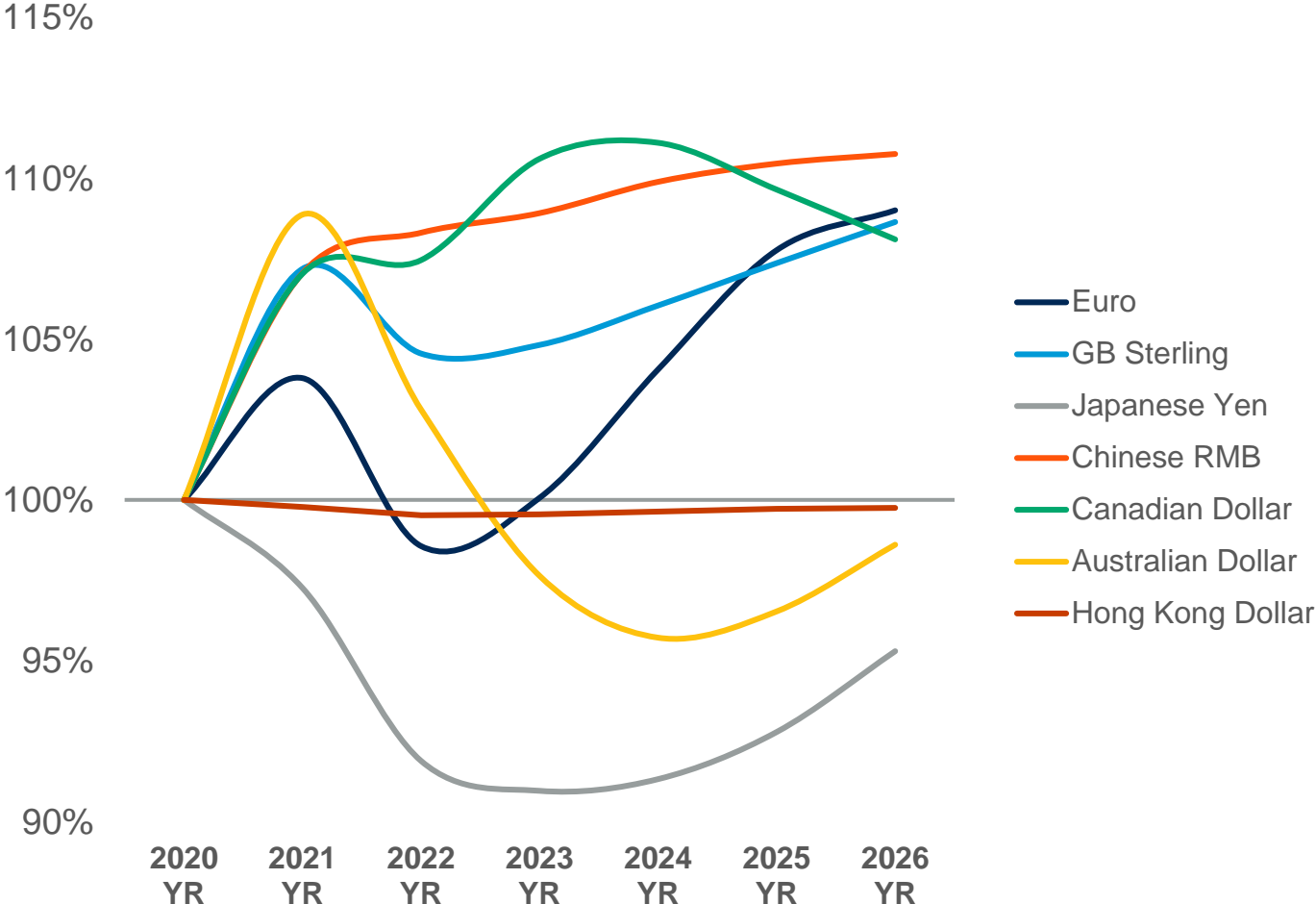
No Direct Impact



Source: 1Q22 Databook

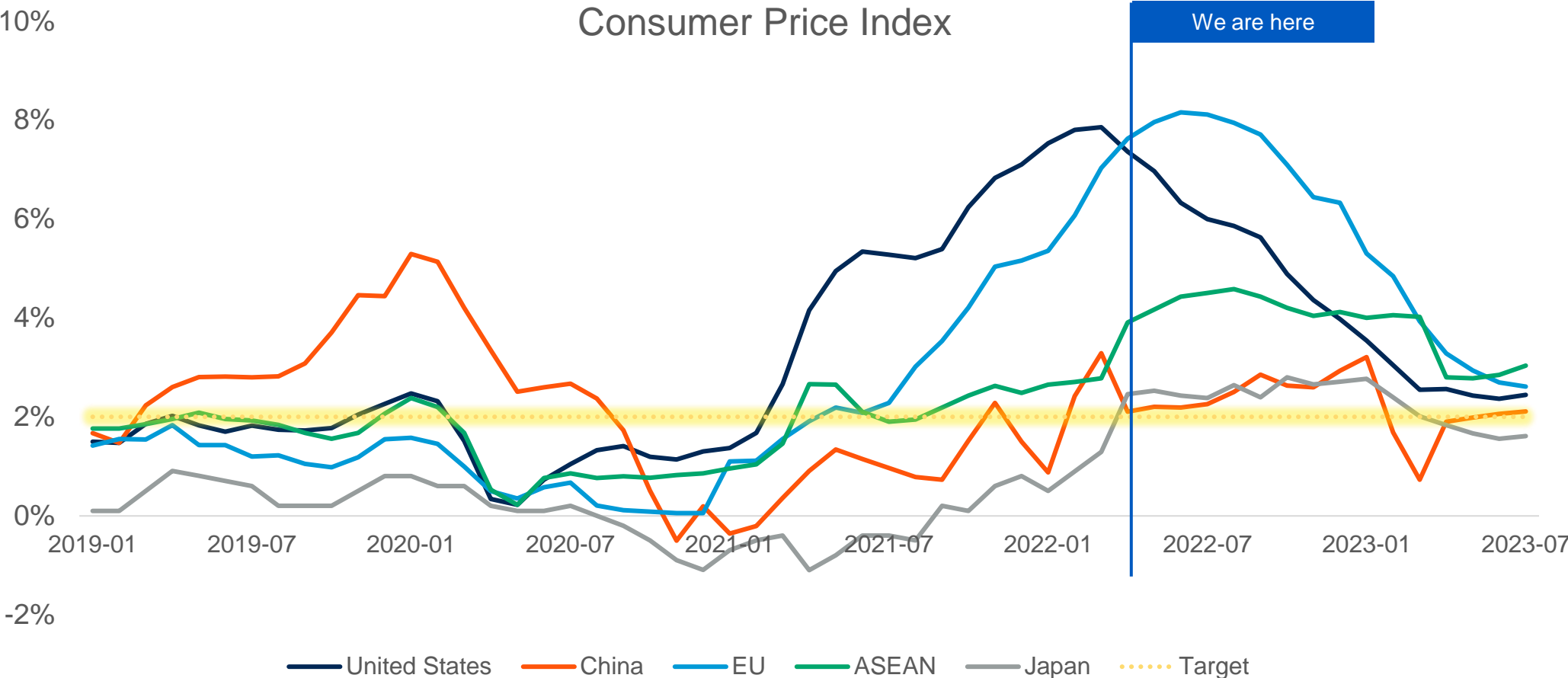
FX overview: higher volatility through 2025

USD / LCU Exchange Rate Trends, 2020 price = 1



1Q22 USD
headwind:
≈2% for 2022
Tailwind 0.5% for
5Y CAGR

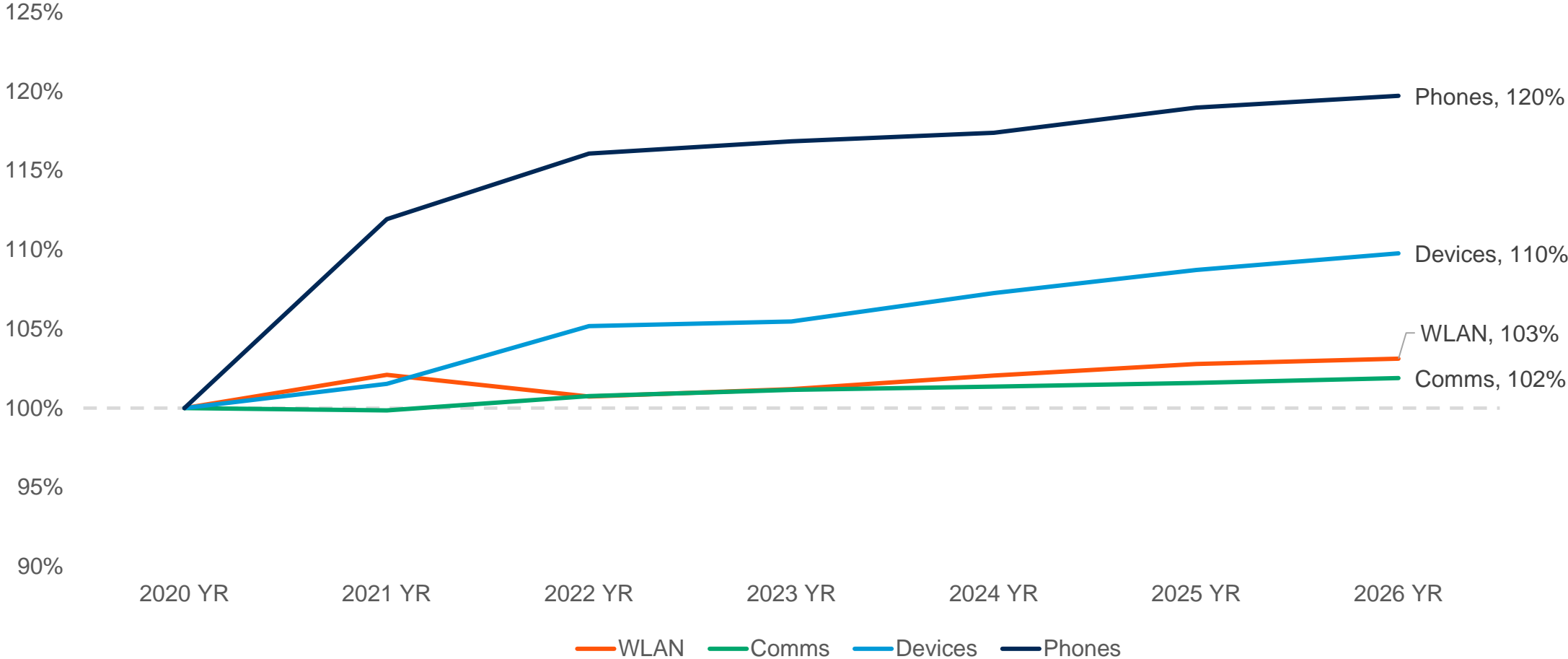
Country and Region Inflation Levels



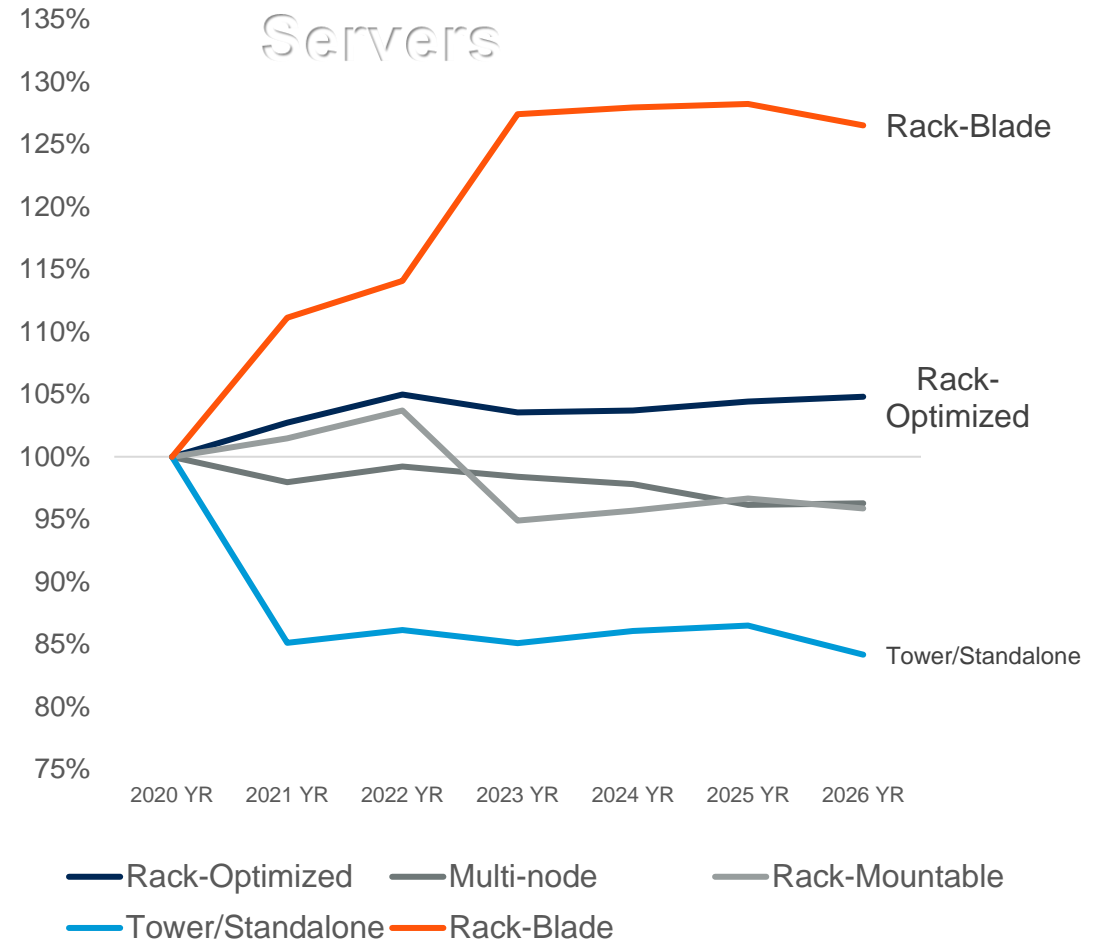
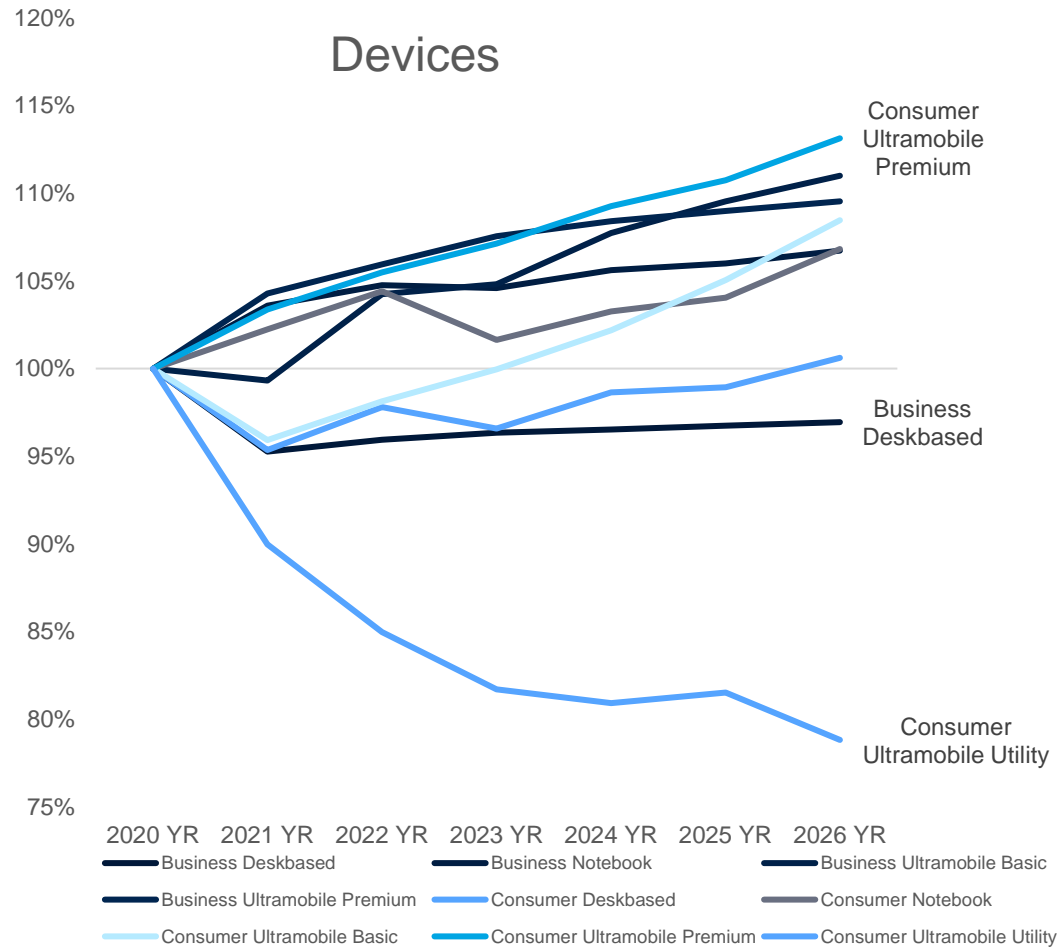
Source: IHS Markit, OECD

Global IT Price Inflation

Prices Normalized to 2020 Level



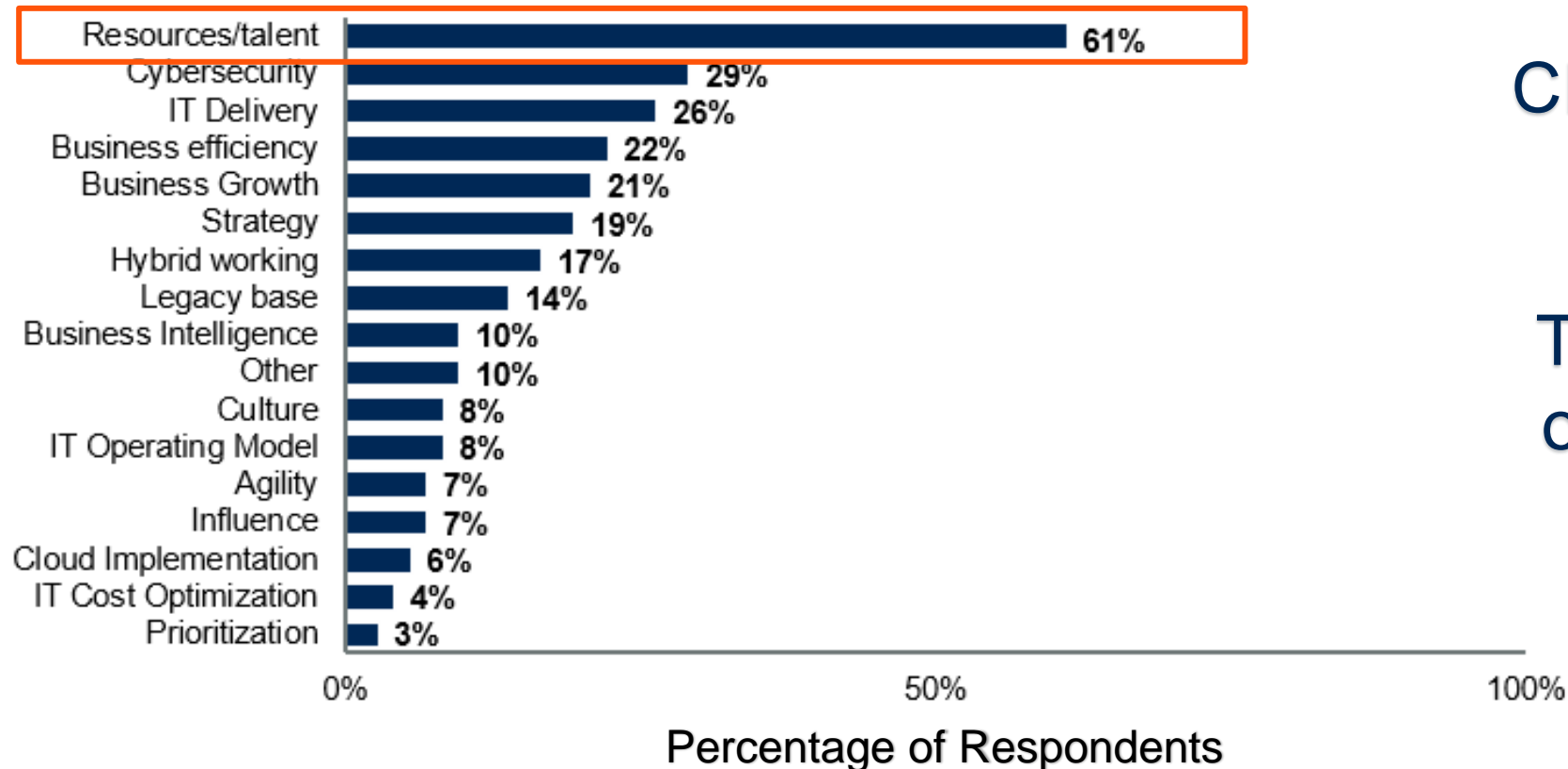
Average Sales Price Change from 2020



...Leaving CIOs Struggling w/ Resourcing/Talent...

Most Demanding Work Problems

Coded Verbatim Responses, Up to Three Responses Allowed



CIO's have not lost any problems

Talent is now the overwhelming #1

n =72 members of Gartner's CIO Research Circle

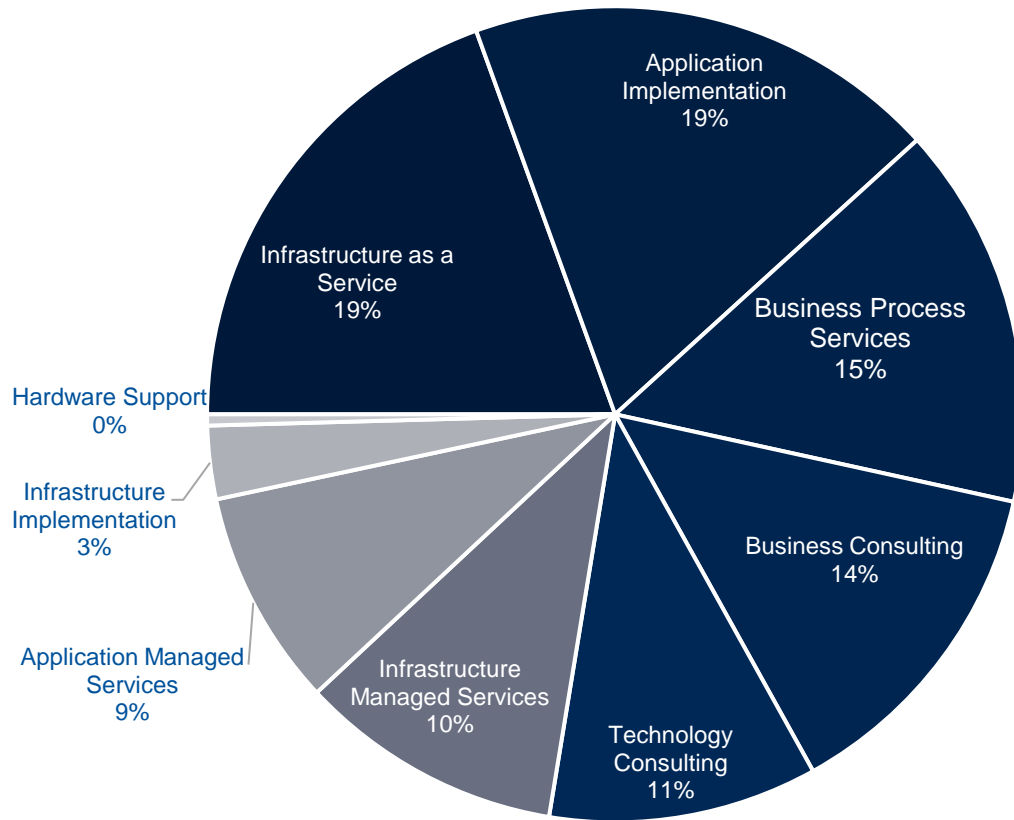
Q. Thinking about the next 18 months, what are your top three most demanding work problems?

Source: 2022 Gartner CIO Research Circle January Poll

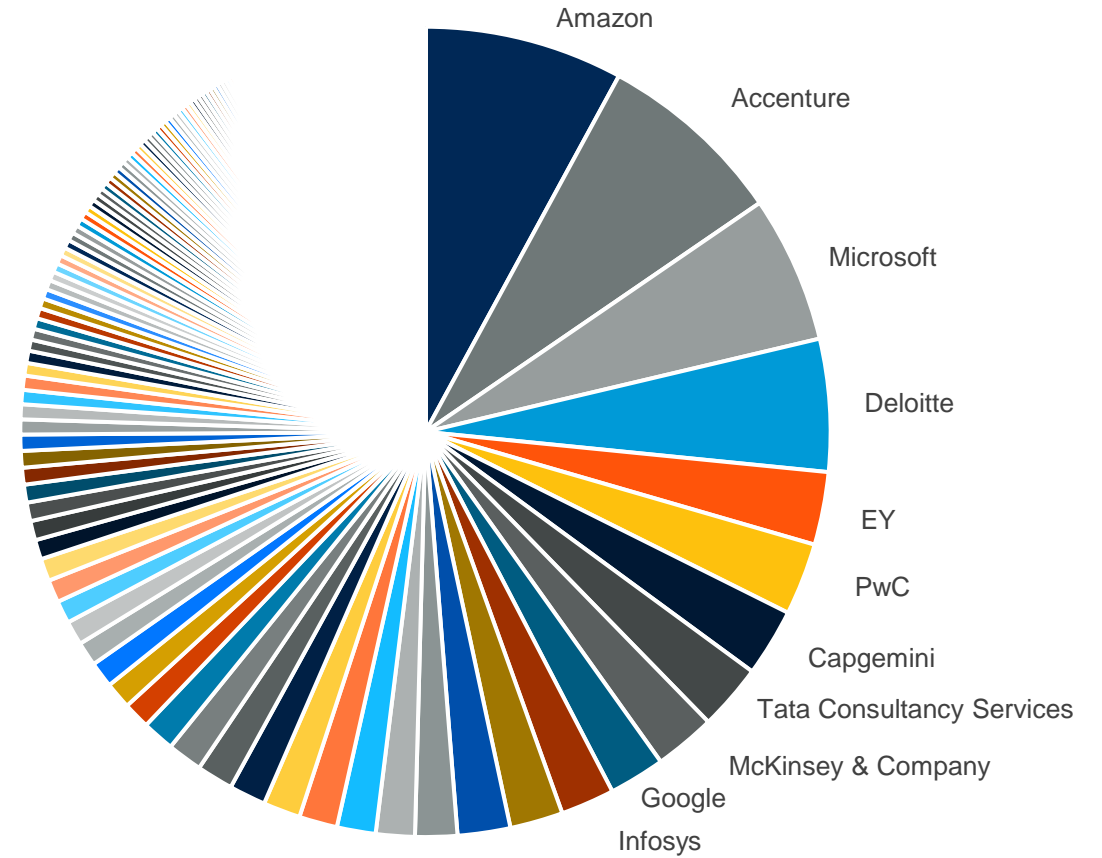
ID:

IT Services Spend increased \$137B in 2021

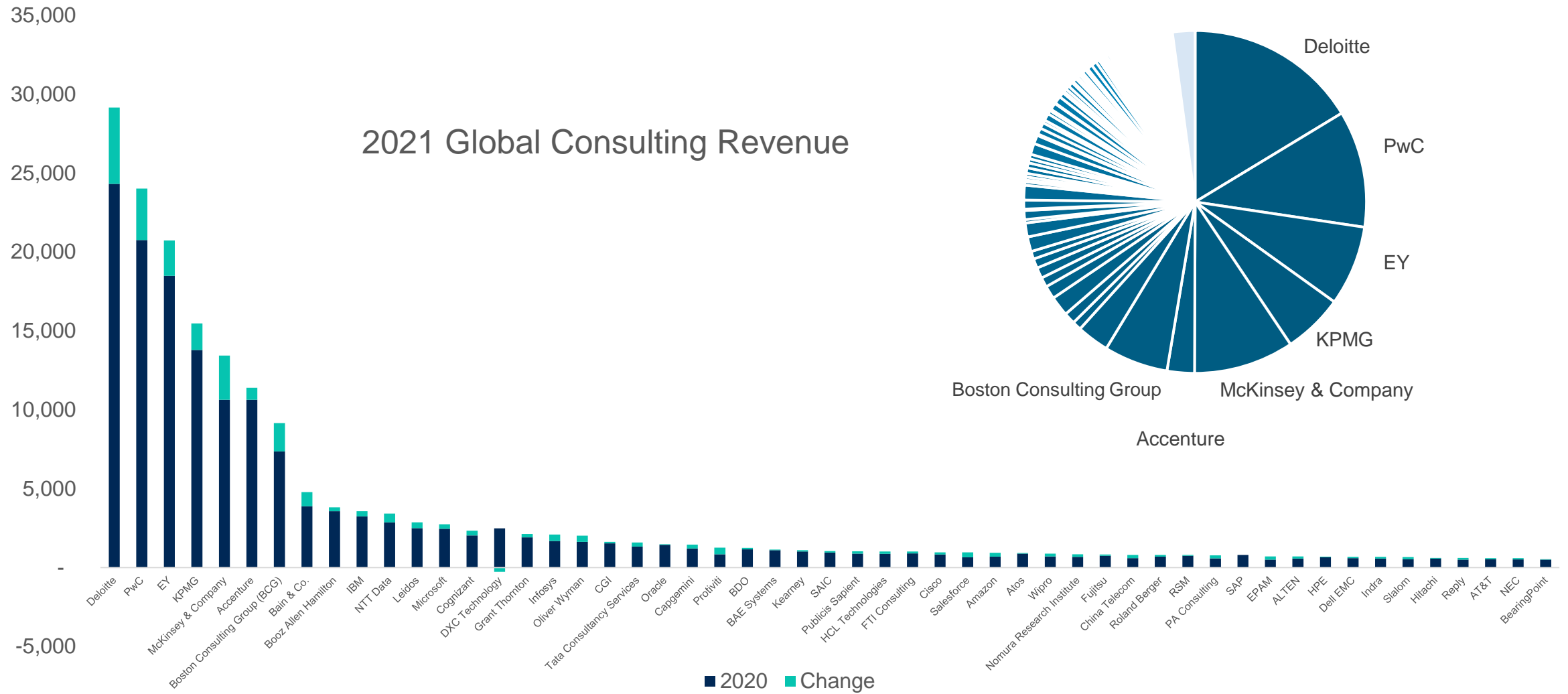
Even Spread by Markets



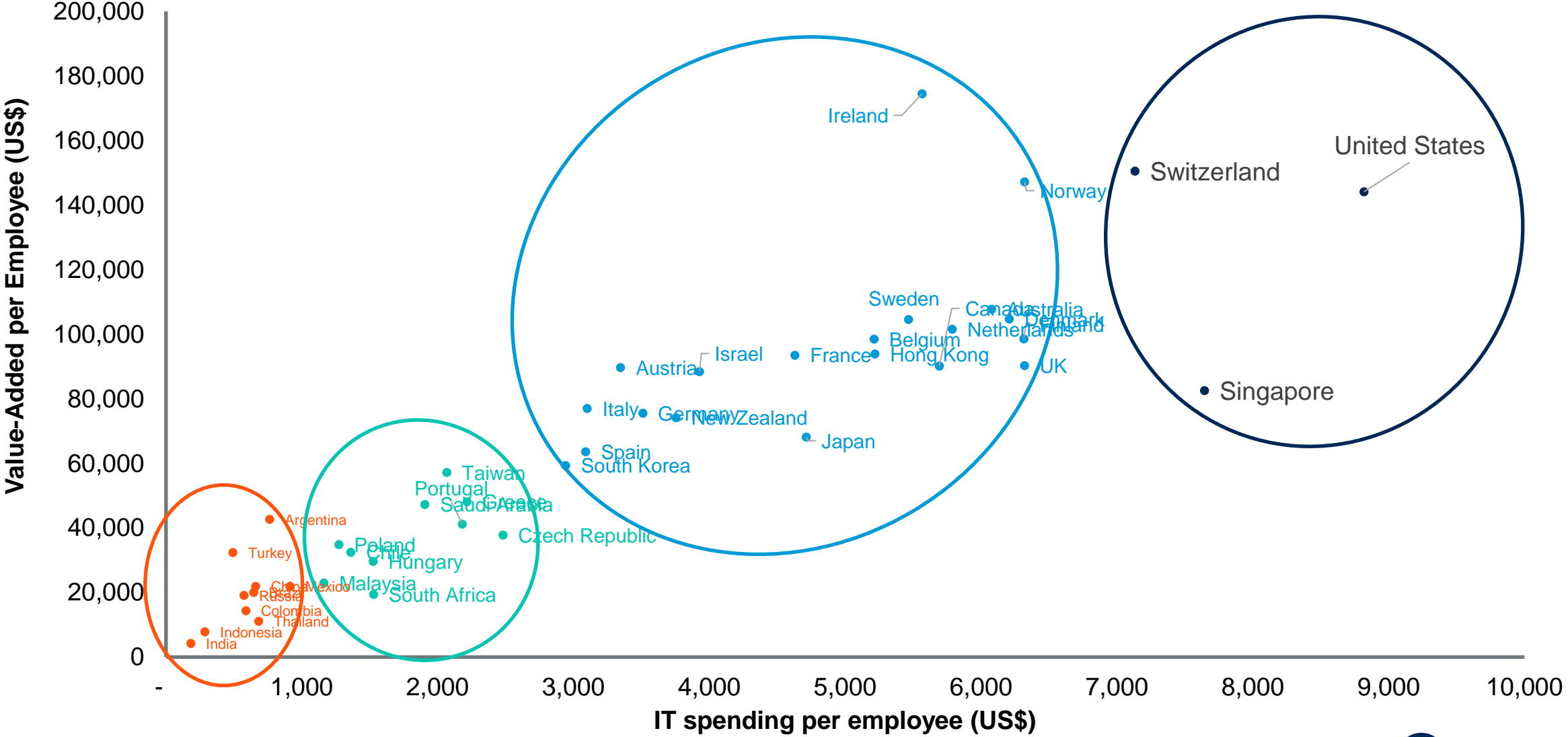
10 Vendors Accrued 40%



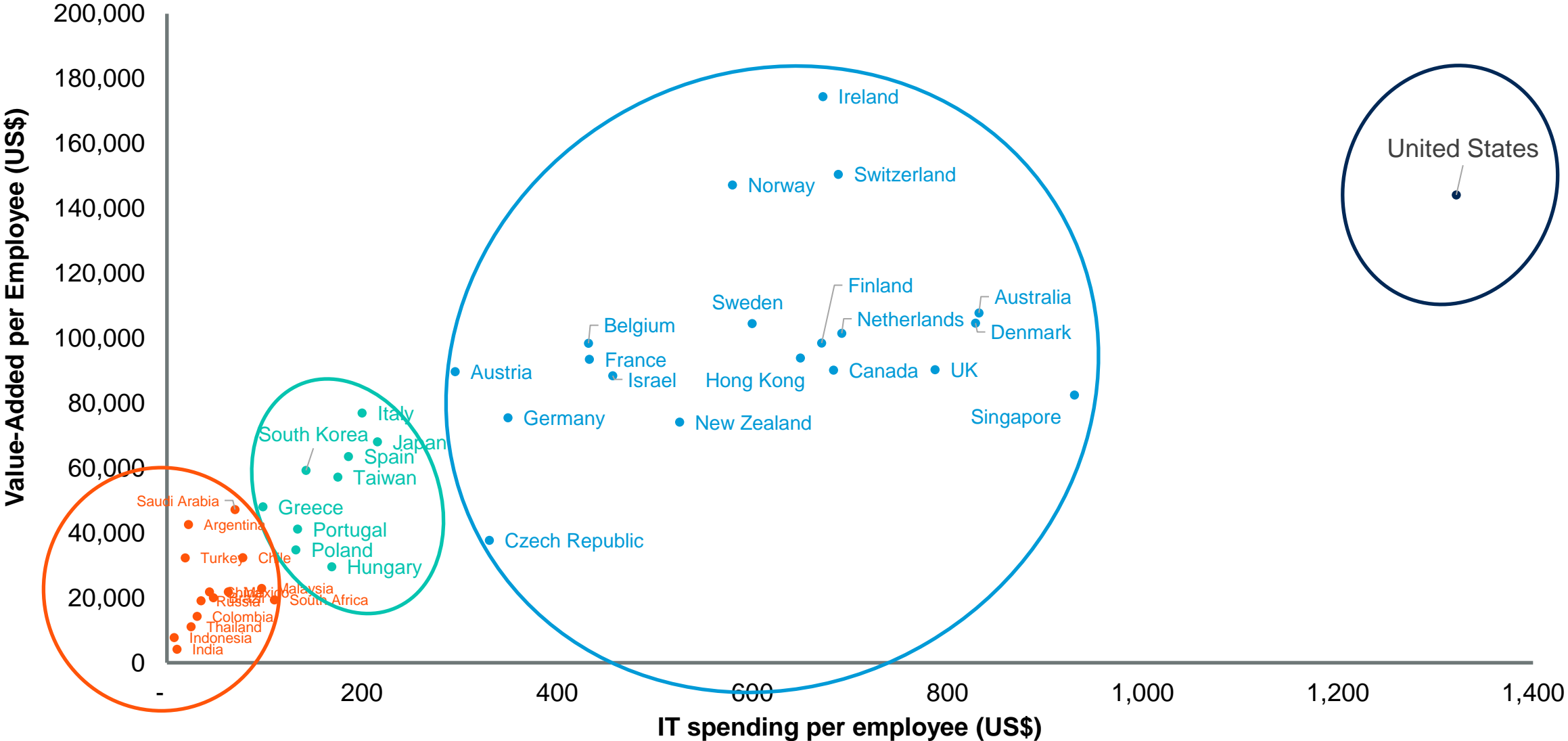
57% of Consulting Spending Increase to top 7 Vendors



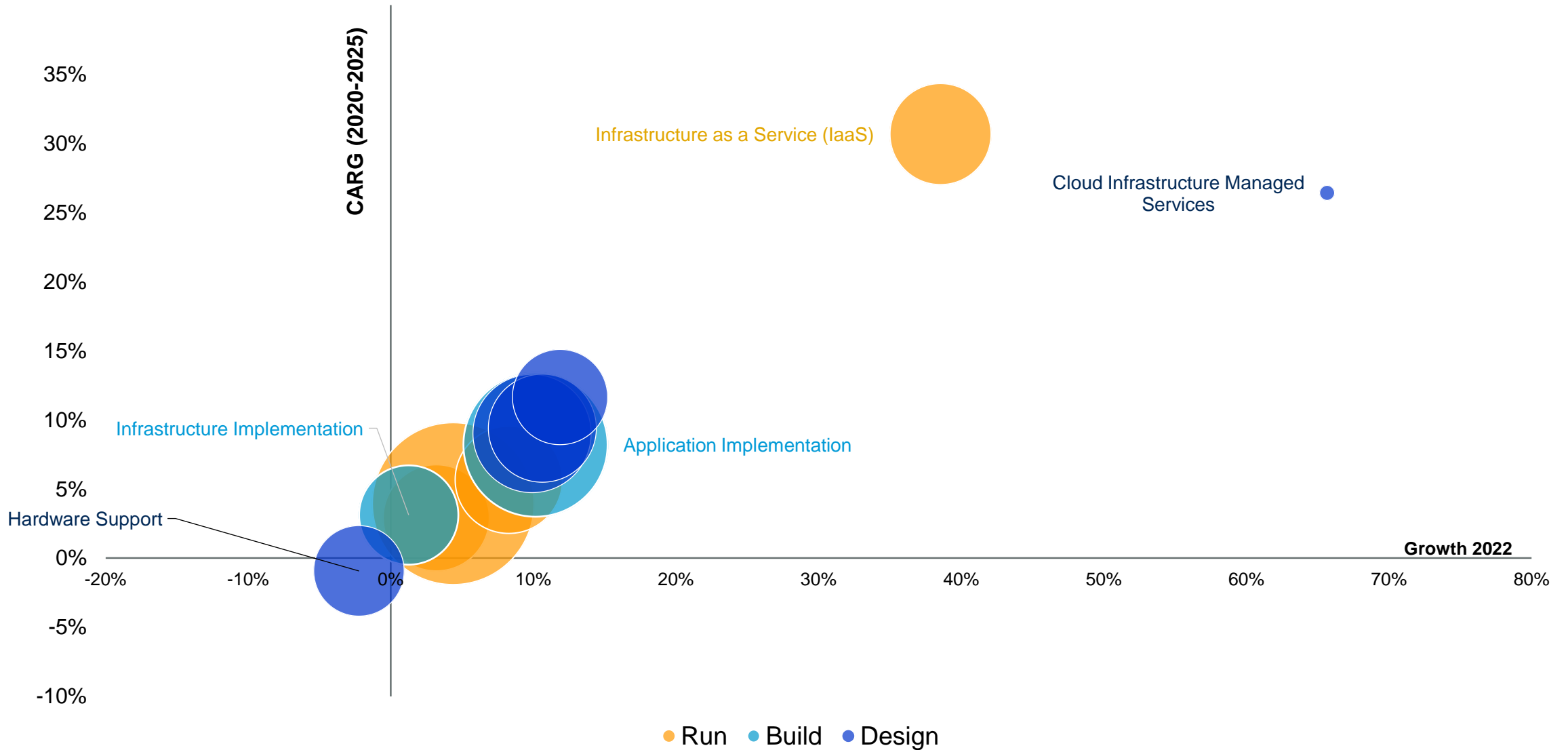
Country Level IT Intensity



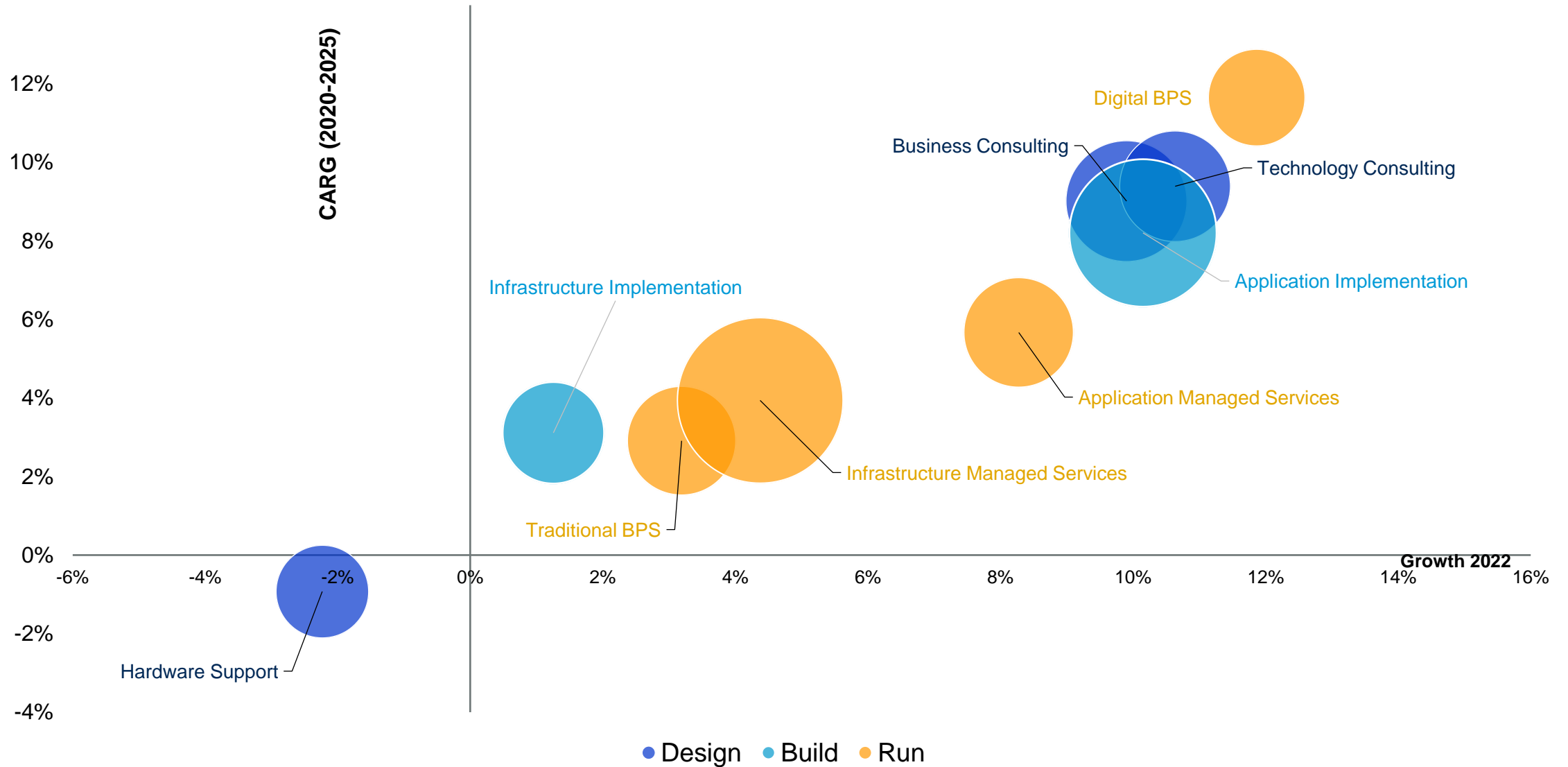
Country Level Cloud Intensity



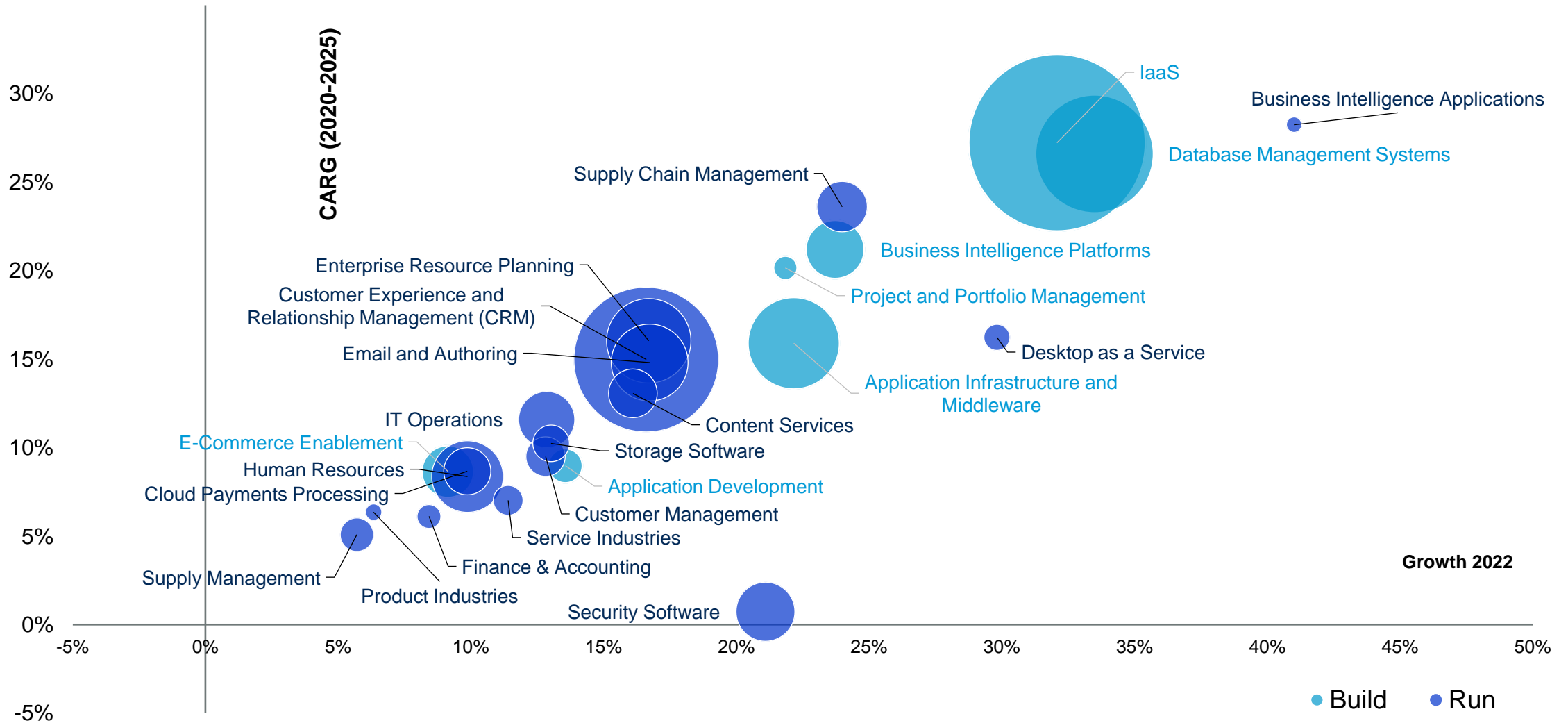
From On-Prem to Cloud



From Buy to Build



From Buy to Build



Total IT Spending is 4.4 Trillion US Dollars in 2022

	2019	2020	2021	2022	2023	2024	2025	CAGR (%) 2020-2025
Data Center Systems								
Spending (\$B)	194	207	219	230	244	257	269	5.35%
Annual Growth (%)		6.74%	5.46%	5.37%	5.97%	5.35%	4.61%	
Devices								
Spending (\$B)	697	809	825	838	875	911	944	3.13%
Annual Growth (%)		16.10%	1.87%	1.61%	4.39%	4.15%	3.67%	
Software								
Spending (\$B)	530	614	675	755	846	946	1,051	11.32%
Annual Growth (%)		15.92%	9.83%	11.84%	12.06%	11.86%	11.04%	
IT Services								
Spending (\$B)	1,071	1,185	1,265	1,373	1,498	1,636	1,778	8.45%
Annual Growth (%)		10.63%	6.75%	8.52%	9.15%	9.21%	8.66%	
Communication Services								
Spending (\$B)	1,396	1,443	1,448	1,478	1,510	1,541	1,571	1.71%
Annual Growth (%)		3.37%	0.34%	2.03%	2.19%	2.07%	1.93%	
All IT								
Spending (\$B)	3,889	4,260	4,432	4,674	4,973	5,292	5,613	5.67%
Annual Growth (%)		9.53%	4.03%	5.46%	6.41%	6.41%	6.07%	

Source: "Gartner Market Databook, 3Q21 Update", July 2021

Ask your questions



The image shows a user interface for asking a question. At the top, there is a navigation bar with four tabs: 'Ask a question', 'Attachments', 'Rate this', and 'Details'. The 'Ask a question' tab is highlighted with an orange border and an orange arrow pointing to it from the left. Below the tabs, the text 'Ask a question' is displayed. Underneath is a large text input field with the placeholder text 'Type your question here...'. At the bottom right of the form, there is a 'Send Question' button, which is also highlighted with an orange border and an orange arrow pointing to it from the left.

Complimentary Resource Center:

The screenshot shows a Gartner webpage with a navigation bar at the top containing 'Gartner', 'Insights', 'Expert Guidance', 'Tools', and 'Connect with Peers'. A blue button labeled 'Become a Client' with an external link icon and the phone number 'or call 1 855 434 0735' is in the top right. The main heading is 'Resources for Executives and Their Teams Amid Russia's Invasion of Ukraine' in large, bold, dark blue text. Below it is the subtitle 'Safety First, Then Other Key Actions for Business Leaders'. On the left side, there is a vertical menu with categories: 'Executive Leadership', 'Human Resources', 'Cybersecurity', 'CIOs and Technology Officers', 'Supply Chain', 'Enterprise Risk Management', 'Finance', 'Legal', 'Marketing', and 'Technology and Service Providers'. Below the menu is a section for 'Complimentary Gartner Webinars Related to the Russian Invasion of Ukraine' with social media icons for Twitter, LinkedIn, Facebook, and Email. The main content area features a section titled 'A Note from Gartner Chief of Research' with three paragraphs of text.

Resources for Executives and Their Teams Amid Russia's Invasion of Ukraine

Safety First, Then Other Key Actions for Business Leaders

A Note from Gartner Chief of Research

The Russian invasion of Ukraine is a tectonic disturbance exacting an immediate toll on people in the region and throughout the world. Many of our associates have family and friends living in Ukraine and Russia. Like many of you, we also have associates in Russia who we care about deeply. Thousands of those based in Europe express stress and anxiety about being so close to the front lines of this Russian aggression.

Our responsibility as leaders is, first and foremost, to ensure the safety and well-being of our employees and their families. Only then can we address the range of business issues that we also face.

As we **work actively to help organizations navigate these troubling times**, our clients have found it helpful to access insights and tools for a range of leaders, who must work closely together to set immediate- and longer-term strategies to protect the health and welfare of both their people and their organizations.

We don't yet know how extensive or protracted the impacts of Russia's invasion of Ukraine will be. Depending on your functional responsibilities, your focus may be on employee welfare, risk exposure, costs, investments, revenue disruptions, supply-chain struggles or value-chain partners. You may be grappling with other operational changes, too.

<https://www.gartner.com/en/topics/russia-ukraine-executive-response>

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Our Gartner for High Tech LinkedIn page is dedicated to providing you with the latest insights, best practices, and strategic views into the most important topics impacting tech and service providers.

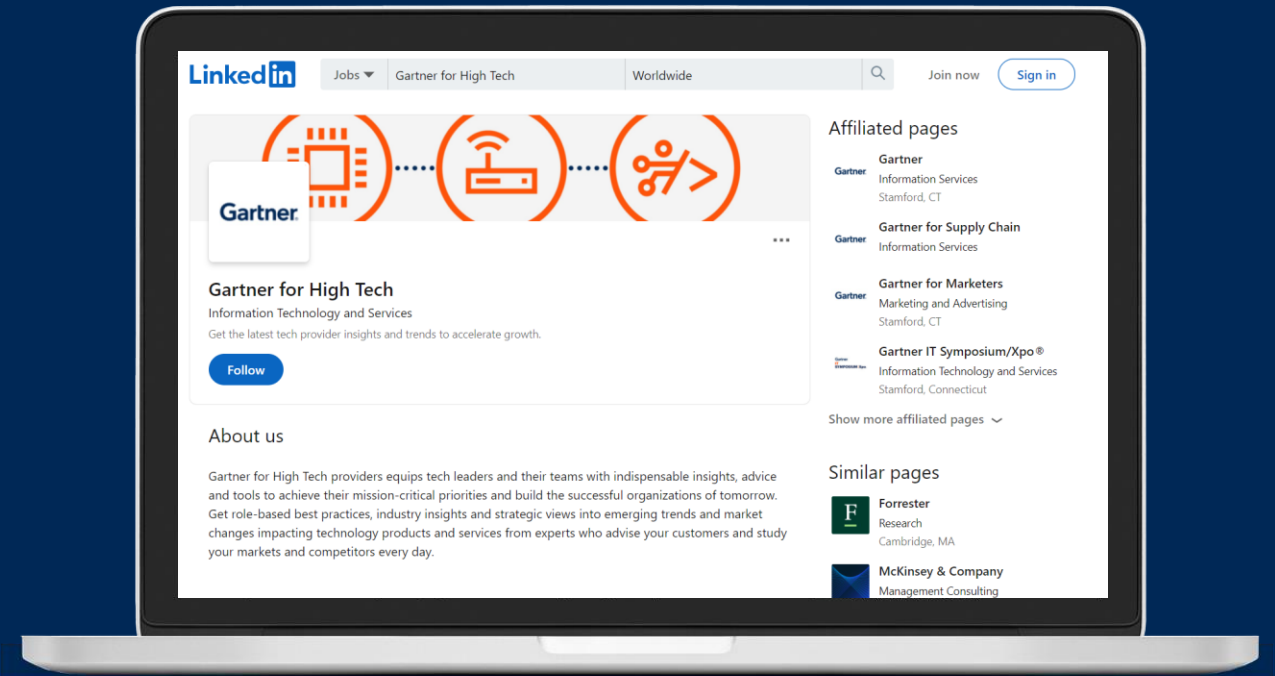
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