



# Gartner Forecasts Global Government IT Spending to Decline 0.6% in 2020

Government Spending on IT Services and Software Still a Priority During COVID-19

6 August 2020 — Worldwide government IT spending is forecast to total \$438 billion in 2020, a decrease of 0.6% from 2019, according to the latest forecast by Gartner, Inc.

Global government IT spending will represent 16% of total enterprise IT spending across all industries, which is forecast to total \$2.7 trillion in 2020, a decrease of 8% year over year.

“Government organisations are accelerating IT spending on digital public services, public health, social services, education, and workforce reskilling in support of individuals, families and businesses that are heavily impacted by the COVID-19 pandemic,” said Irma Fabular, senior research director at Gartner. “To sustain economic viability, government organisations also deployed government recovery assistance programs which assist small businesses and allow workforce reskilling.”

## Software Sector to Experience Strongest Growth in 2020

The only segments on pace to show growth in 2020 will be IT services and software (see Table 1). IT services will continue to be the largest IT spending segment among governments in 2020, while software spending will experience the strongest growth, with an increase of 4.5% in 2020.

Table 1. Government IT Spending Forecast by Segment, 2019-2021, Worldwide (Millions of U.S. Dollars)

2019
Spending
2019
Growth (%)
2020
Spending
2020
Growth (%)
2021 Spending
2021
Growth (%)
IT Services
152,685
4.5

152,692

0.0

158,220

3.6

Software

99,344

9.4

103,768

4.4

112,246

8.2

Telecom Services

64,117

0.3

62,545

-2.4

64,549

3.2

Internal Services

63,305

-0.1

62,740

-0.9

60,462

-3.6

Devices

32,495

4.7

29,786

-8.3

29,742

-0.1

Data Centre

28,191

-0.2

26,168

-7.2

27,084

3.5

Total

440,136

3.9

437,698

-0.5

452,303

3.3

Source: Gartner (August 2020)

As government organisations globally begin to ease stay-at-home policies, some practices relevant to public health and wellness will persist, including options for telecommuting," said Ms. Fabular. "Many government organisations will also introduce measures to build community and national resilience, including improving disease and other threat surveillance systems. An example is the \$500 million in aid designated by the U.S. federal government in public health data surveillance and infrastructure modernisation to help states and local governments develop COVID-19 tools.

Important but less urgent IT projects, such as enterprise resource planning (ERP) and robotics process automation (RPA), will be delayed to make room for immediate and critical spending in digital workplace support, public health response and economic growth. Adoption of cloud services will continue to accelerate while spending on in-house servers and storage will continue to decline."

Government IT spending in North America will be the largest globally, reaching \$191 billion in 2020, followed by Western Europe (\$94 billion) and Greater China (\$39 billion). Digital government services, data and analytics, cybersecurity as well as citizen engagement and experience will continue to be spending targets for the public sector. In addition, as illustrated by an EU policy recommendation, building health system resilience to combat future pandemics will dominate some leadership priorities. These priorities will include spending on supply chain predictability, medical research and IT infrastructure security solutions.

Gartner clients can get more information in "Forecast: Enterprise IT Spending by Vertical Industry Market, Worldwide, 2018-2024, 2Q20 Update" and

“Forecast: Enterprise IT Spending for the Government and Education Markets, Worldwide, 2018-2024, 2Q20 Update.”

Learn how to lead organisations through the disruption of coronavirus in the Reset your business strategy section on [gartner.com](https://www.gartner.com). Complimentary research, insights and webinars are offered to help leaders build resilience on their path to business recovery.

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