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According to Gartner IT spending in EMEA will total $1.25 trillion with 1.9% growth in 2017--something of an improvement after a 2016 of almost flat growth of just 0.6%.

Leading to such slowdown is a decrease in devices spending consistent across all countries making the region. On the other hand software and IT services contribute most to overall growth in 2017, thanks to growing spending on digitalisation as organisations look to modernise core IT systems as part of their digital transformation.

Table 1. EMEA IT Spending Forecast (Millions of Constant U.S. Dollars)

	2016 Spending	2016 Growth (%)	2017 Spending	2017 Growth (%)
Data Center Systems	58,163	1.6	58,953	1.4
Software	112,244	6.0	119,842	6.8
Devices	206,238	-3.7	204,660	-0.8
IT Services	327,676	3.8	341,133	4.1
Communications Services	526,782	-0.9	530,397	0.7
Overall IT	**1,231,103**	**0.6**	**1,254,986**	**1.9**

Source: Gartner (November 2016)

However, while normally datacentre spending would grow as spending on software increases, the effect is more muted in 2017 due to the growing adoption of cloud-based offerings such as SaaS.

Gartner also points out the effects of Brexit, the most pronounced of which is the decline of the pound sterling causing price increases for many IT products in the UK in 2016.

"When the prices of goods increase, consumers and businesses shift their buying patterns, and the simple reaction is to buy less well-featured products," the analyst says. "But now that there are viable cloud offerings in the UK, organisations are also able to shift their spending into different areas-- to buy computing as a service, instead of servers. These shifts will play out further in 2017. Banks in France and Germany have increased their spending on software and consulting in 2016 to attract, or at least be ready for, any banking activity shifting away from London."

Table 2. Western Europe IT Spending Forecast (Millions of Constant U.S. Dollars)

	2016 Spending	2016 Growth (%)	2017 Spending	2017 Growth (%)
Data Center Systems	42,274	1.8	42,679	1.0
Software	91,952	5.3	97,641	6.2
Devices	113,701	-5.5	110,899	-2.5
IT Services	292,265	3.8	304,281	4.1
Communications Services	250,521	-3.1	248,021	-1.0
Overall IT	**790,712**	**0.2**	**803,521**	**1.6**

Source: Gartner (November 2016)

In the meantime W. Europe should see 2017 spending total $803.5 billion, a 1.6% increase. IT services remain the largest segment in terms of spending, with 2017 growth reaching 4.1%, while the devices and communications services segments are forecast to decline for "at least" the next 3 years.

The W. European PC market is to drop by 3% in 2017, with PC prices in the UK increasing by less than 10% in 2017 as vendors "de-feature" PCs to keep prices down and take advantage of the single-digit decline in component costs. On the other hand smartphone sales are projected to increase by 4.7% in 2017 (after the -1% decline of 2016) thanks to more Chinese players aggressively targeting the "affordable" premium segment, helping replacement volumes.

Go [Gartner Forecasts IT Spending in EMEA Will Grow 1.9 Percent in 2017]