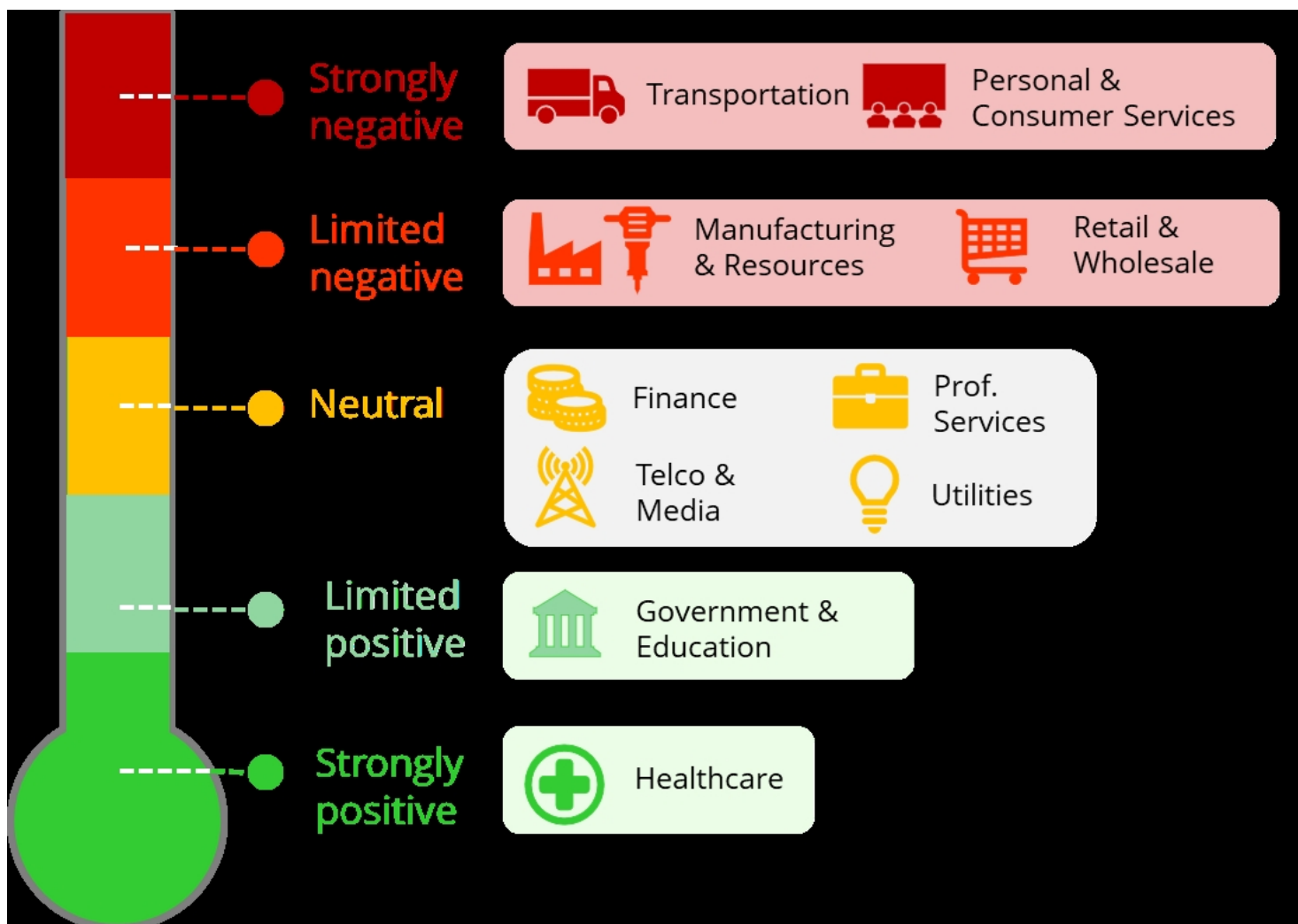


According to IDC, European IT spending-- including software, hardware and services-- is set to drop by -4.7% to reach \$487 million in 2020, as the coronavirus (aka Covid-19) pandemic continues to loom over the European economy.



Many countries are relaxing lockdown restrictions, but businesses will continue to face "strong" challenges, with industries such as transportation and personal and consumer services being among the most affected. According to the analyst, the combined industries will face a decrease of -11.6% in IT spending in 2020. After all, airlines have drastically cut flight numbers, while many hotels, restaurants, bars and pubs remain were shut down following government guidelines. Some businesses are reopening, leading to some mild improvement for the months ahead, but rebound will be "very slow" for the two industries.

On the other side of the spectrum is the public sector. Governments, educational institutes and healthcare providers are using technology to address issues such as the monitoring of social distancing compliance, distance learning and remote patient consultations, leading to a less significant slowdown in technology investments for 2020.

"During the Covid-19 pandemic, many businesses had to adapt quickly to a new normal," the analyst says. "Technology has helped in many areas, from smart working to distance learning, remote asset control, and automation. Emerging technologies such as AI, blockchain, AR/VR, robots and drones have helped businesses adapt to a new normal. On one hand, COVID-19 has created a challenging environment for business to invest in innovation and that has caused a drop in IT spending. On the other hand, emerging technologies represent a way to help both businesses and society respond to the crisis response."

Go [IDC: How has Covid-19 Changed Industry ICT and Emerging Technology Investments in Europe?](#)