

# R&D Outsourcing

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## **The IT and business services market performed better than expected**

According to IDC analysts, global spending on technology services and business services (business consulting and outsourcing of core business processes) decreased by 1.16% in 2020, but remained above \$ 1 trillion, as in the previous year. At the same time, the decline was not as strong as previously expected.

According to IDC forecasts, the global IT and business services market will recover in 2021 and show growth of 4%. Approximately the same dynamics is expected in 2022. In September 2020, researchers predicted industry growth of 2% in 2021 and 3.2% in 2022.

The outlook was improved for several reasons, including improved economic outlook, growing business confidence and the emergence of a new normality in which companies will practice longer-term investments in technology and business services. In addition, the forecast was influenced by the fact that market results in 2020, especially in the third and fourth quarters, were above expectations, the study said.

According to analysts' expectations, spending on such services in the Americas in 2021 will increase by 2.5%, in the United States, in particular, by 2.4%. In Europe, the volume of this market, as calculated by IDC, has grown by more than 3%. Moreover, in Central and Eastern Europe, the dynamics was higher, although in absolute terms the costs of IT and business services in this region are significantly lower than in Western Europe.

The study notes that most technology and business service providers have helped clients introduce telecommuting without serious business implications. With most contributors expecting to keep working remotely throughout 2020 and even 2021, productivity and potential employee burnout remain a top concern and concern for executives.

IDC believes that the problems caused by the coronavirus pandemic are creating colossal business opportunities for ICT vendors. They are, in particular, associated with the development of new digital platforms, contactless payments and Big Data technologies that improve government operations.

Other opportunities lie in online medical services, as the virus is driving the acceleration of the digital transformation of healthcare systems. In addition, new opportunities are being created for the introduction of robots, distance learning and e-commerce, as well as the development of smart cities, according to IDC.

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