

\$30.9 billion spending expected in Saudi Arabia on ICT in 2021

Research commissioned by Microsoft Arabia and conducted by International Data Corporation (IDC) on Saudi Arabia's ICT spending in 2021

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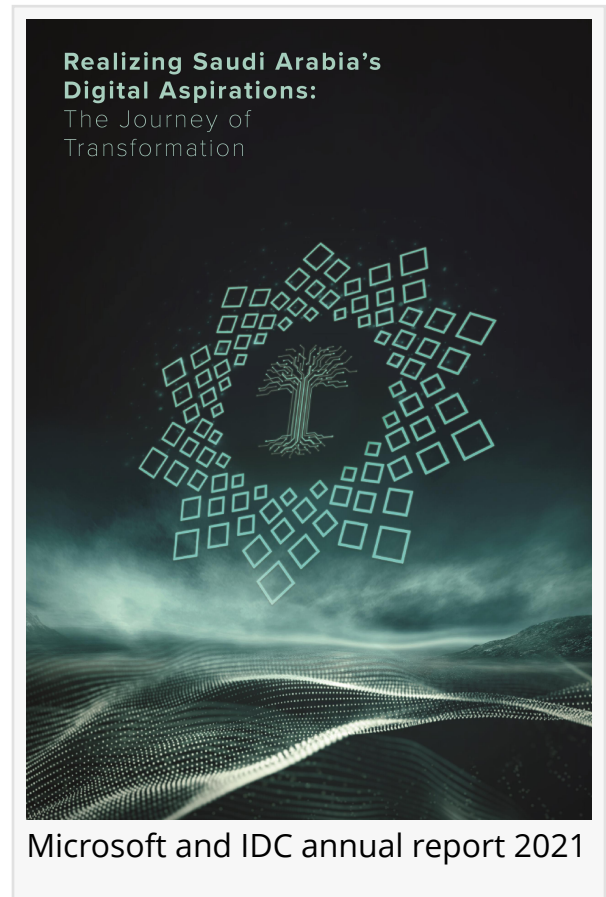
/EINPresswire.com/ -- Sponsored by Microsoft Arabia, International Data Corporation (IDC), the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets, launched its latest report, titled "Realizing Saudi Arabia's Digital Aspirations: The Journey of Transformation."

With the digital transformation now strongly influencing the executive-level agenda across industries and sectors, new business practices and trends have gained considerable momentum. The IDC report provides an in-depth analysis of Saudi Arabia's digital transformation journey, which is one of the cornerstones of Vision 2030's ambitious plan, aimed at achieving a diverse and automation-enabled economy driven by strong, world-class next-gen infrastructure, in line with the national transformation program.

The information and communications technology (ICT) industry is one of the essential factors enabling Vision 2030 and to improve it, Saudi has demonstrated a significant commitment by investing in technology. An increased focus on advancing digital transformation and its three elements, infrastructure hardware, software, and ICT services, has played a vital role in improving the formation of diverse digital solutions for some of the most demanding business challenges faced by various sectors in the Kingdom.

Saudi Digital Transformation

IDC examined the state of digital transformation in Saudi Arabia and estimated that the spending in the ICT industry in Saudi Arabia is set to reach \$30.9 billion and public sector spending will reach approximately \$3 billion by the end of this year. The Saudi government has been steadily driving the national digital agenda and increasing its investment in the new



Microsoft and IDC annual report 2021

economy and reinforcing its commitment to providing world-class government services. The Government of Saudi Arabia, in partnership with the private sector, is also working to improve and expand the coverage, capacity, and quality of high-speed broadband services, which have positioned the Kingdom among the world's leading countries in terms of providing fiber optic communication services, deploying 5G technologies, and creating a smooth transition of mobile networks to the next-gen platforms.

What is significant in IDC's assessment in this report, is that despite a marked decline in budgets across all industries and an increased flow of economic stimulus initiatives, spending in the ICT industry in Saudi Arabia continues to grow throughout 2021, driven by accelerated digital transformation initiatives and the increased reliance on emerging technologies.

The report also predicted that the ICT spending will recover between now and 2025 due to an increased reliance on cloud services, artificial intelligence, IoT, and cybersecurity. According to the survey conducted by IDC in 2020, 33% of IT executives in Saudi Arabia expected to increase their spending on ICT by more than 10%, and nearly half by more than 5%.

The growth in ICT spending by at least 5% in 2021 shows that despite pressure on corporate budgets in general, spending on technology remains a key priority for higher efficiency by increasing business diversification.

The relationship between digitization and the Pandemic

The Covid-19 pandemic revealed the extent of digital transformation across industries and the state of its maturity to Saudi Arabia's CIOs. The data showed that more than half of the CIOs surveyed indicated that they had accelerated the facilitation of digital capability by a year or more in response to challenges faced last year.

The IDC survey identified the most important issues of digital transformation faced by IT leaders in Saudi Arabia: outdated key performance indicators used by organizations to measure their digital efforts (28%), siloed digital transformation initiatives (26%), short-term digital plans (34%), isolated, rather than organized innovation strategies (34%), and a lack of digital capacity, which was the most common of all of the challenges (38%).

IDC's associate vice president for Saudi Arabia and Bahrain, Hamza Naqshbandi, said, "The Saudi government has been steadily increasing its focus on digital transformation over the last few years, which positions the Kingdom well for the post-pandemic, new normal."

He added, "The focus on digital transformation is expected to intensify as the Kingdom accelerates its drive to attract new domestic and international investors, bridge the digital divide, further enhance citizen experience and build trust, while meeting the needs of a rapidly evolving economy, balancing costs, driving innovation, and optimizing efficiency."

Thamer Alharbi, President of Microsoft Arabia, said digital transformation is effectively one of the key components of achieving the objectives of the national transformation program, as it is directly related to enriching the customer's experience as a citizen or resident in dealing with government services, increasing the efficiency of government work in various fields, as well as enhancing Saudi Arabia's economic competitiveness, attracting foreign investment, and strengthening its global position.

On Microsoft's role in driving the adoption of emerging technologies and accelerating digital transformation across the Kingdom, Alharbi said that "Microsoft's various digital transformation solutions and tools have not only proven to be effective in the public sector, for individuals and

the society at large, they have also played an important role in addressing the effects of the pandemic, by harnessing the ability of digital technology to enhance productivity and operational competencies, resulting in an increase in business flexibility, sustainability, and continuity in all circumstances."

Microsoft will continue to help the public and private sectors achieve digital empowerment, support fast-paced adaptive measures, and respond quickly to major disruptions while strengthening its conviction to bridge the gap of digital skills for employees and serving its customers.

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