

Defense IT Spending Market Size, Share & Outlook: 5.00% CAGR to USD 145.97 Billion by 2032

Key companies covered in the Defense IT Spending Market are Leidos Holding Inc., Accenture, IBM Corporation, BAE Systems PLC, Microsoft Corporation, & others.

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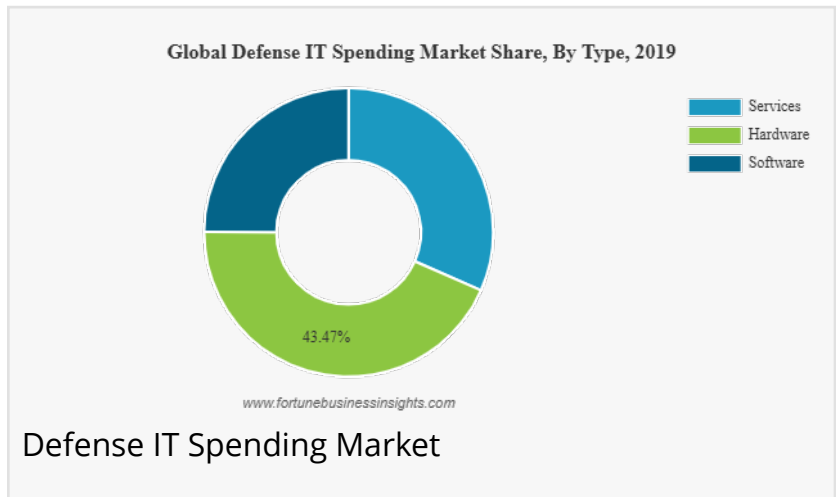
EINPresswire.com/ -- The global [defense IT spending market](#) was

valued at USD 81.28 billion in 2019.

The market is projected to grow from

USD 82.12 billion in 2020 to USD

145.97 billion by 2032, exhibiting a CAGR of 5.00% during the forecast period.



The rising need to enhance combat operation efficiency and the increasing preference for secure communication systems are driving investment in defense IT. Governments are allocating significant budgets to upgrade traditional military equipment with advanced technologies like AI, IoT, and cloud computing to improve situational awareness and security against cyber threats. These factors are aiding market augmentation.

This information is provided by Fortune Business Insights, in its report titled, "Defense IT Spending Market, 2020-2032."

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List of Key Players Profiled in the Report:

Leidos Holding Inc. (The U.S.)

Accenture (Ireland)

IBM Corporation (The U.S.)

General Dynamics Corporation (The U.S.)

BAE Systems PLC (The U.K.)
DXC Technology Company (The U.S.)
Dell Inc. (The U.S.)
Northrop Grumman Corporation (The U.S.)
Unisys Corporation
Atos SE (France)
Capgemini SE (France)
Fujitsu Limited (Japan)
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Market Drivers and Restraints

Rising Demand to Enhance Combat Operation Efficiency to Boost Market Growth

The adoption of IT systems in modern warfare, including combat aircraft, autonomous ships, and C5ISR systems, is strengthening military capabilities. Governments are increasingly focused on military modernization programs that incorporate advanced technologies like AI and IoT to gain a competitive edge and ensure high situational awareness. With global defense budget spending projected to reach USD 2.1 trillion by 2023, significant investment in modernizing defense IT systems is expected to drive market growth.

On the other hand, a lack of awareness regarding quality certifications among small-scale defense companies may limit market growth. These companies often fail to establish strong partnerships and secure long-term government contracts due to a lack of standardized processes. Furthermore, challenges with modernizing existing weapons platforms and limited supply chain networks can restrain market expansion.

Market Segmentation

Hardware Segment to Hold High Market Share Attributable to Increasing Demand for Cloud Infrastructure

By type, the market is classified into services, hardware, and software. The hardware segment is expected to dominate the market, with its growth attributed to the increasing demand for cloud computing infrastructure by the defense departments of several countries. The software segment is anticipated to grow at the highest CAGR during the forecast period due to the rising adoption of IoT and AI technology in different defense IT applications.

IT Infrastructure Segment to Dominate Backed by High Procurement Costs and Modernization Programs

Based on the application, the market is segmented into IT infrastructure, cybersecurity, defense cloud computing, data analytics, IT application, logistics and asset management, and others. The IT infrastructure segment is estimated to hold the major share of the market, as the cost incurred in procurement and installation is high. The cybersecurity segment is expected to be the fastest-growing segment, propelled by rising investment from major governments and companies in security systems.

Regional Insights

North America dominated the market with a value of USD 30.16 billion in 2019, driven by high investment from the U.S. Department of Defense in IT modernization programs and the presence of key industry players.

The Europe market is expected to be driven by the presence of key players such as SAP, Atos SE, and BAE Systems PLC. Germany is anticipated to be the fastest-growing country in the region due to increased defense spending.

The Asia-Pacific market is projected to grow at the highest CAGR, fueled by rising investments in defense cybersecurity in countries like Japan, South Korea, and Australia. India is expected to show the highest CAGR in the region, attributed to the procurement of advanced fighter jets with sophisticated electronic warfare systems.

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Competitive Landscape

Leading Companies Secure Major Contracts to Hold Significant Market Share

Industry leaders are actively securing long-term contracts and engaging in strategic acquisitions to solidify their market position. Key players are focused on providing advanced cloud-based solutions and IT services to defense departments worldwide. For instance, Microsoft Corporation was awarded a ten-year, USD 10 billion JEDI contract by the U.S. Department of Defense to

provide cloud computing infrastructure. Similarly, other major companies are forming strategic partnerships to deliver advanced digital infrastructure for military modernization programs.

Report Coverage

The report provides valuable insights into the drivers, restraints, opportunities, and threats influencing market dynamics. The market is studied exhaustively by dividing it into segments and regions. The market share and valuation of each segment and region are also provided. Moreover, recent developments undertaken by key companies are documented in the report.

Key Industry Developments:

July 2021 - The Department of Defense announced the cancellation of the JEDI contract, planning a new multi-cloud, multi-vendor program to be rebid by competitive bidders.

July 2021 - Atos SE and IBM Corporation jointly announced plans to establish an advanced digital infrastructure for the Dutch Ministry of Defense to support military modernization.

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Ashwin Arora

Fortune Business Insights™ Pvt. Ltd.

+1 833-909-2966

sales@fortunebusinessinsights.com

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