



IT Services Market in Asia Pacific to Grow to US\$55.9 Billion by 2011, Says Springboard Research

India to remain the fastest growing IT Services country in the region, while Greater China will represent the largest regional opportunity by 2011

Sydney/Singapore, March 25, 2008 – The IT Services market in Asia Pacific (excluding Japan) will grow from US\$37.5B in 2007 to US\$55.9B in 2011, representing a compounded annual growth rate (CAGR) of 10.5% from 2006 to 2011, according to the ‘Asia Pacific IT Services Market and Forecast, 2006-2011’ report by Springboard Research, a leading innovator in the IT Market Research industry.

According to the report, the Indian IT Services market with a CAGR of 18.6% will remain the fastest growing in the region, although as a region Greater China will offer the largest market opportunity in dollar terms at the end of the forecast period.

“The Asia Pacific IT Services market is arguably the global leader in terms of growth, supplemented with a mix of mature and emerging markets,” said **Phil Hassey, Vice President – Services Research at Springboard Research**. “The markets of interest are not just the top four – China, India, Australia and Korea – but the emerging ones like Indonesia and Vietnam, which will register significant growth going forward,” Mr. Hassey added.

The report uses Springboard’s Market Attractiveness Index to rank countries and individual IT Services markets on the basis of growth opportunities. According to the Market Attractiveness Index, the top ten countries in the region are:

1. People’s Republic of China
2. India
3. Australia
4. Korea
5. Indonesia
6. Vietnam
7. Malaysia
8. Rest of ASEAN
9. Singapore
10. Philippines

“For India and China, local capabilities, offerings and presence is just the start of a list of essential requirements for success. On the other hand, existing relationships, marquee clients

[^] Springboard Research Market Attractiveness Index uses an index of the market growth alongside the total market view, as well as the total growth in the forecast period, adjacent to the average growth in the forecast period.

and strong partnerships can provide capabilities for expansion in markets such as Hong Kong and New Zealand with relatively limited opportunities,” Mr. Hassey added.

According to the report, Application Hosting with a CAGR of 19.5% between 2007 and 2011, will register the fastest growth during the forecast period, although Enterprise Application Integration at US\$ 7.8billion will continue to be the largest component of the market by 2011. While Enterprise IT Outsourcing is the largest market in 2007, the reluctance of PRC firms to use the Enterprise IT Outsourcing model will reduce its relative size and weighting in the market by 2011.

As part of the report’s overall assessment of the APEJ IT Services market, Springboard Research has several key outcomes and predictions for the industry in 2008. The report predicts that challenges in accessing and retaining IT Skills will accelerate the shift to external services providers, as enterprises will struggle to retain in-house key individuals and skill sets. Also, China will not challenge India as the home of offshore service delivery especially for English language requirements – as skill levels, quality, culture and governance are all more suited to India being a hub of global delivery against the PRC.

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About this report

Springboard Research ‘Asia Pacific IT Services Market and Forecast 2006-2011’ report offers an extensive and insightful perspective on IT Services market across Asia Pacific (excluding Japan) region. It outlines 15 individual IT Services markets – including Infrastructure Support, Desktop Management, Enterprise Application Integration and IT Outsourcing - and 15 countries with respect to market size, key players and growth dynamics and forecasts demand and growth for each of them. The report also contains predictions for the IT Services industry for 2008.

About Springboard Research

Springboard Research is a next-generation IT market research and advisory firm. Springboard leverages its pioneering research model to deliver greater agility and flexibility in IT market research and helps its clients lead rather than follow market trends. Springboard works with the leading IT companies in the world in the software, services, telecommunications and hardware sectors. Founded in 2004, Springboard has a worldwide presence with offices in the United States, Australia, Singapore and Japan, as well as global research centers in India, Pakistan, and Morocco. Springboard has been acknowledged as an emerging leader and was recently named ‘Rising Star’ in the global IT market research industry by Outsell, the leading research and advisory firm for the information industry. For more information, please visit www.springboardresearch.com

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