Increase in IT spending marks quantum leap towards digital transformation

By Jamil Ezzo
Director General, ICDL GCC Foundation

The world is increasingly steering, at the turn of the 21st century, towards what is known as digital transformation to establish an information society that heavily depends on the Information and Communication Technology (ICT) sector, which in turn is undergoing continuous change. It has become imperative for all countries today to take real action in promoting the sustainable

development of their economies and their knowledge societies amidst aggressive competitiveness to keep pace with the rapid development worldwide. Countries in the Middle East have made significant steps towards knowledge transformation, where GCC countries, in particular, have been able to reach a leading position in the region by adopting a knowledge-based approach and following effective strategies that have helped in the development of IT infrastructure, the engagement of human resources able to address all improvement needs, and adoption of technological advancements in laying the solid foundation for an integrated knowledge-based society.

Perhaps the increase in ICT spending was one of the key strategies adopted by GCC governments to lead the move towards digital transformation, as studies show that these countries will drive the growth of the Middle East's ICT spending volume, which is expected to reach USD20 billion this year. Several other factors equally support the ongoing digital transformation, including ongoing government investments, economic recovery with improved infrastructure and credit environment, and a growing trend among ICT operators to provide more integrated and comprehensive IT services.

It is expected for the UAE, KSA and Qatar to be leaders in terms of ICT spending in the Middle East over the next few years, accounting for 60 per cent of the total spending volume. UAE currently leads in this category with an expected AED 18.4 billion in ICT expenditure this year, reflecting a growth of more than 15 per cent according to recent studies by IDC. This consolidates the UAE's position as a major hub for technology re-export and a leader in e-governance and digital transformation.

Indeed, the increase in ICT spending in GCC countries will particularly contribute to the deployment of emerging technologies, while helping define market trends, including the adoption of cloud computing technologies, smart technology systems and virtualization IT services.

With the expected growth in IT markets of GCC countries and the Middle East region in general, comes the significant role of IT organizations in driving digital transformation, raising

competitiveness and keeping pace with developed countries around the world. Through our role as an organization concerned with promoting digital competence based on global standards endorsed by governmental, academic and economic institutions, the importance of joint efforts among IT organizations should be emphasized to leverage the opportunities arising from the increase in ICT spending, particularly by encouraging digital literacy, raising IT awareness among all segments of the society and encouraging them to optimally use various IT services, applications, smart systems and others.

Having a strong IT culture is also a key indicator of a country's readiness in e-governance. The results of the 2010 UN Global e-Government Readiness Report revealed that GCC countries are well ahead among other Arab countries, some of which have progressed while others have been left behind in the global rankings. The UAE was ranked 49th down from 32nd in the 2008 Report; Qatar ranked 62nd, down by six points; while KSA came in at 58th, rising by 12 points since 2008. It is noteworthy that the prospects of growth in ICT spending in GCC countries will create several promising opportunities, which in turn will contribute to socioeconomic development. Here lies the importance of cooperation to tap these opportunities by creating IT awareness initiatives that focus on enhancing the educational system and developing IT rehabilitation and training programs to bridge the gap between education and job market requirements, as well as encouraging innovation and creativity. We aim to further enhance the strategic partnerships between the government and private sector in the region to launch awareness campaigns in response to the urgent need of raising awareness among all segments of the society on the importance of establishing a strong digital culture as one of the most important issues facing societies and governments today.

We cannot but point out the fact that having a digital culture has become a key component of socioeconomic development. The strategic plans set to enhance ICT investment in the GCC and Middle East countries are best proof of the importance of an information society, which requires ongoing development across diverse areas, including infrastructure, economy, education, and awareness, in order to bring forth radical changes that will keep the region in pace with the rapid digital transformation worldwide.

-Ends-