Written by Marco Attard
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According to Gartner the global public cloud services market will grow by 18% in 2017 to total $246.8 billion, up from $209.2bn in 2016.



The highest growth in 2017 is set to come from IaaS-- 36.8% to reach $34.6bn. SaaS follows, with growth reaching 20.1% for revenues worth $46.3bn, even if such growth is forecast to slow down "slightly" in later years as SaaS offerings (namely HCM and CRM) mature.

"The overall global public cloud market is entering a period of stabilisation, with its growth rate peaking at 18% in 2017 and then tapering off over the next few years," the analyst remarks. "While some organisations are still figuring out where cloud actually fits in their overall IT strategy, an effort to cost optimise and bring forth the path to transformation holds strong promise and results for IT outsourcing (ITO) buyers. Gartner predicts that through 2020, cloud adoption strategies will influence more than 50% of IT outsourcing deals."

Many buyers are going "cloud first" with their decisions, in support for time-to-value impact via speed of implementation. Other multidimensional values brought about by the cloud include scalability, cost benefits, innovation and business growth, even if not all external-sourcing decisions will lead to a "virtually automatic" move to the cloud.

Gartner also predicts more cloud growth in infrastructure compute service space, as adoption becomes increasingly mainstream. One has to keep in mind the increased demand from compute-intensive workloads (such as AI, IoT and analytics) in both enterprise and startup spaces, as well as the growth of PaaS driving IaaS adoption.

Go Gartner Forecast Analysis: Public Cloud Services WW Q4 2016 Update