

IDC: Public Cloud Services Market to Double by 2023

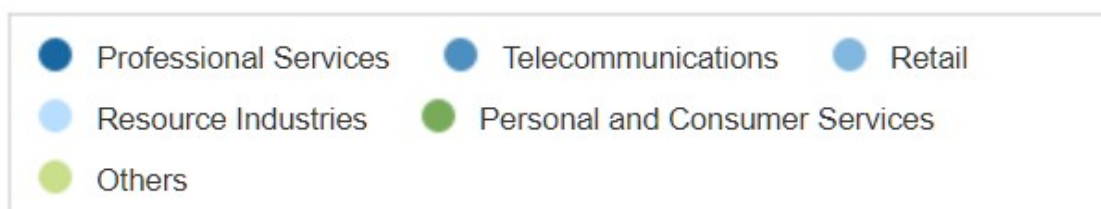
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According to IDC, global spending on public cloud services and infrastructure will "more than double" over the 2019-2023 forecast period, growing from \$229 billion in 2019 to nearly \$500bn in 2023 at a CAGR of 22.3%.

IDC points out W. Europe as the 2nd largest market for public cloud services, following the US with nearly 20% of the worldwide total.



Top Industry Based on 5 Year CAGR (2018 - 2023) (Value (Constant Annual))



Source: IDC Worldwide Semiannual Public Cloud Services Spending Guide 2018H2

"Adoption of public (shared) cloud services continues to grow rapidly as enterprises, especially in professional services, telecommunications, and retail, continue to shift from traditional application software to software as a service (SaaS) and from traditional infrastructure to infrastructure as a service (IaaS) to empower customer experience and operational-led digital transformation (DX) initiatives," the analyst says.

Software as a Service (SaaS) is the largest cloud computing category, capturing over 50% of all public cloud spending throughout the forecast. SaaS spending consists of application and system infrastructure software (SIS) and is dominated by application purchases. The leading SaaS applications are customer relationship management (CRM) and enterprise resource management (ERM). Leading SIS spending are purchases of security software and system and service management software.

Infrastructure as a Service (IaaS) is the 2nd largest public cloud category in the forecast, followed by Platform as a Service (PaaS). IaaS spending comprised of servers and storage devices is the fastest growing category of cloud spending with a 5-year CAGR of 32%. PaaS spending is to grow nearly as fast (29.9% CAGR) led by purchases of data management software, application platforms and integration and orchestration middleware.

Three industries account for over 30% of all public cloud services spending during the forecast-- professional services, discrete manufacturing and banking. While SaaS is the leading investment category for all industries, IaaS should see a significant increase in spending share for industries building data and compute intensive services. For example, IaaS spending will represent over 40% of public cloud services spending by the professional industry in 2023, compared to the less than 30% for most other industries. Professional services will also see the fastest growth in public cloud spending with a 5-year CAGR of 25.6%.

Very large businesses (over 1000 employees) account for over 50% of public cloud spending throughout the forecast, while medium-size businesses (100-499 employees) deliver around 16% of the global total. Small businesses (10-99 employees) will trail large businesses (500-999 employees) by a few percentage points, while spending share from small offices (1-9 employees) will be in the low digits. All company size categories except for very large businesses will experience spending growth greater than the overall market.

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