

## IDC: 2019 Blockchain Spending to Reach \$815m in Europe

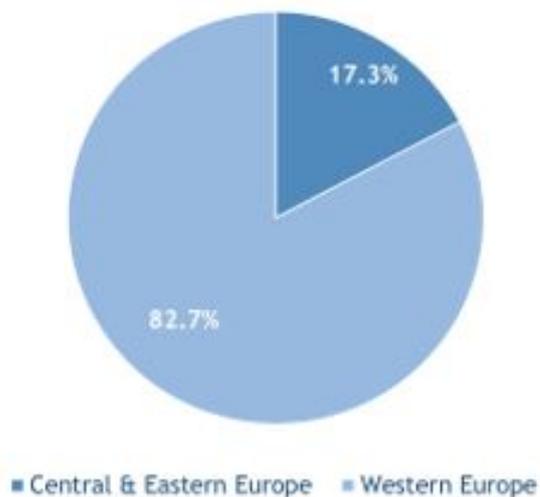
Written by Alice Marshall  
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According to IDC, initially slow European blockchain spending is set to become one of the fastest worldwide, with 2019 spending reaching over \$800 million before growing to \$3.6 billion in 2022 with a CAGR of 73.2%.

A number of factors drive such growth, including enterprises moving blockchain to production and a wave of local startups driving marketing and sales activities. W. Europe account for 83% of 2019 blockchain spending, and CEE makes the remaining 17%.

**Figure 1: Blockchain Spending in Europe to Reach \$815 Million in 2019**



Source: IDC Worldwide Semiannual Blockchain Spending Guide, 1H18

"In terms of technologies, IT services, such as consulting, outsourcing, deployment and support, and education and training, will drive spending, accounting for nearly 63% of European spending in 2019, growing at a 2018–2022 CAGR of 76.6%," the analyst says. "This is because blockchain needs to step up and demonstrate its production-readiness, and businesses need to ensure they take a long-term strategic view of their overarching blockchain initiatives."

Blockchain emerged out of the financial sector, and the technology is now well established as a

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POC or a real deployment in production. Banking leads the industry in terms of European spending. Finance should account for over 30% of 2019 spending, thanks to widespread uses ranging from trade finance and post-trade/transaction settlements to cross-border payments and settlements, as well as regulatory compliance. Insurance is to be the fastest-growing industry over the 2018-2022 forecast period, with a CAGR of 81.3%.

Blockchain is also growing in other industries, as experimentation brings new use cases in areas such as manufacturing and resources (accounting for 19% of total spending) and other supply chain related industries such as retail, wholesale and transport (15% of spending). Blockchain finds use in tracking products, such as lot lineage provenance and asset/goods management. The aim is to reduce paperwork, make processes more efficient, prevent counterfeiting and improve trust and transparency with trading partners.

The growth in blockchain will bring about strong competition among the cloud giants to host and service emerging ecosystems. IBM and Microsoft are the main contenders, although Amazon, Oracle, Google and SAP also want a slice of the pie, together with Alibaba and Huawei in the East. Building consortiums and recruiting leading enterprises in various segments is now a blockchain race, and as a result the number of large pilot projects is on the rise.

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