

IDC: Blockchain Opportunity Spreading Across Europe

Written by Frederick Douglas
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Blockchain growth is set to be continuous in Europe, IDC predicts, growing from \$800 million in 2019 to \$4.9 billion in 2023 at a CAGR of 65.1% for the 2018-2023 forecast period.

Top 5 Industry 5-Year CAGR



According to the analyst, such growth is the result of knowledge about opportunities in the blockchain spreading from big enterprises to emerging startups looking to ensure secure and reliable management for money, personal data and assets, a must in a digitalised and data-driven market. After all, perception of blockchain is moving away from being solely a cryptocurrency tool and a financial-only technology, even if the banking still accounts for 31% of total 2019 spending. Cross-border payments and trade finance are the fastest-growing banking use cases.

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Seeing how blockchain is well established in banking, other industries are taking part in the digital transformation. Manufacturing, professional services, retail, and banking show the greatest promise in future blockchain investments with above average CAGRs, hoping to improve transparency and assured authenticity in business. New use cases are also emerging, the result of growing awareness of what blockchain is and what it can do.

A new use case on the rise in Europe is identity management implemented in insurance, banking, government and personal and consumer services. Data is emerging as one of the most valuable resources, and as such it is crucial for companies to have an effective and safe way to store, secure and use consumer personal data. Blockchain offers a decentralised and encrypted system to do so, and can be applied to purposes such as i-voting (internet/electronic voting) and IP management.

"Companies are beginning to view blockchain not only for its cryptographic means, but rather as a management tool that can keep track of items, information, and customer data. This is something that can be used by the transportation industry to track shipments, by top-quality luxury goods retailers to track provenance, or by real-estate professionals for transparent property management," IDC says. "As spending continues to grow, the market will most likely adapt and security and validity will become a customer standard, with more companies turning to blockchain for a safe and reliable solution."

The analyst does point out some challenges for the future of blockchain. For instance rules and regulations are lacking, and getting small producers of goods such as farmers and fishermen to use such enterprise platforms is challenging. However the European Commission recognises the importance of blockchain to a single digital market, and the work by big cloud blockchain service providers in creating simple mobile apps for smaller consortium members is "very promising."

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