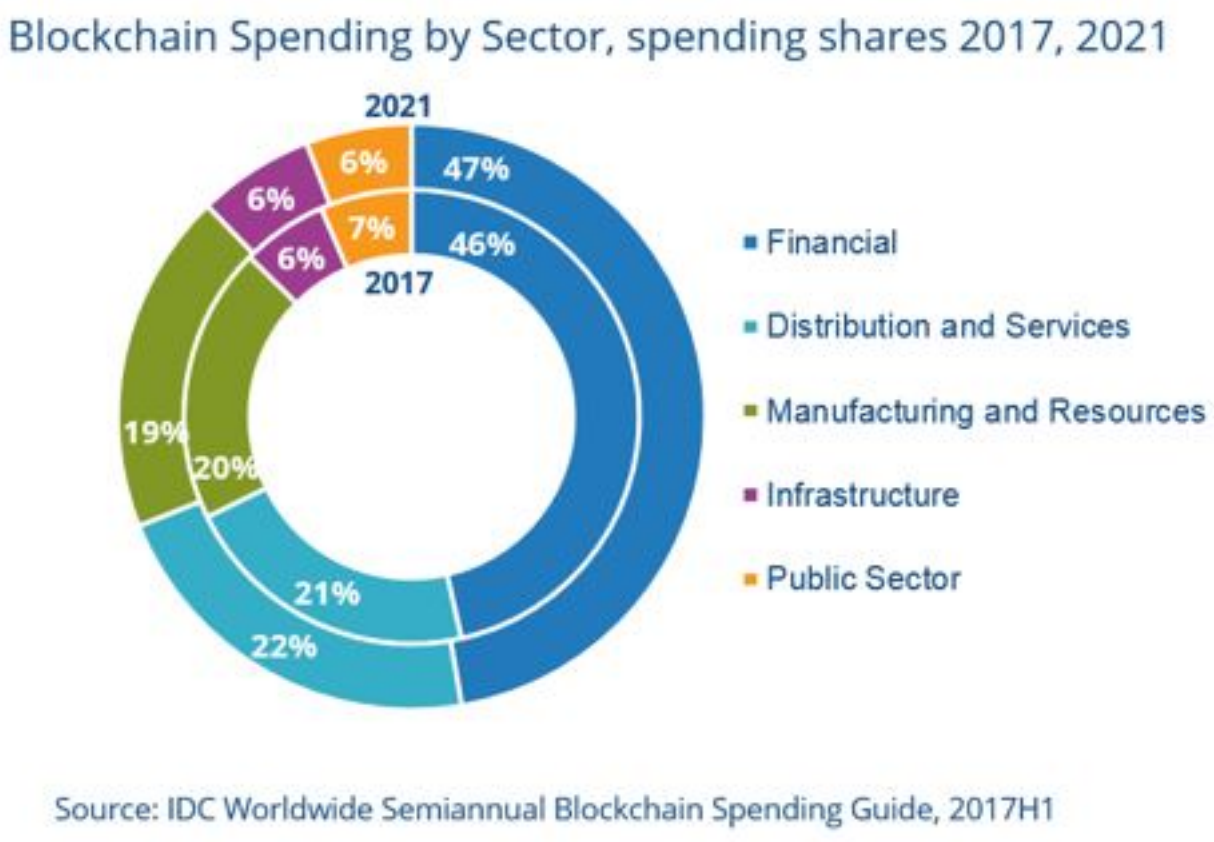
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According to IDC W. Europe will be the 2nd largest global region in terms of spending on the blockchain, starting from around $200 million in 2017 before nearly tripling to $1.8 billion by 2021.



The initial investments include all experimentation projects and proof-of-concept cases. Interest in blockchain runs across industries, bringing about a CAGR of 66.6% for the 2016-2021 period.

"During 2017 many companies across a wide range of industries started to understand the feasibility, sustainability, and potential deployment of blockchain," the analyst remarks. "2018 will be the year of blockchain."

Perhaps predictably the financial sector drives blockchain spending, with 2018 spending making

46.7% of the total. It is lead by a banking industry accounting for around $260m of the total. The second largest spender is distribution and services (nearly $120m in 2018), with retail and professional services as the largest. Driving the manufacturing and resources sector ($112m) are discrete and process manufacturing. IDC predicts the highest growth will come from telecommunications (79.1% CAGR), professional services (77.2% CAGR) and healthcare (76.7% CAGR).

Blockchain use cases are numerous. In the financial sector blockchain finds use in cross-border payments and settlements, custody and asset tracking, identity management, regulatory compliance and trade finance and post-trade/transaction settlements and transaction agreements. In the distribution and services sector and the manufacturing and resources sectors, blockchain finds use in asset/goods management, lot lineage/provenance, and cross-border payments and settlements.

Hardware takes a small share of spending, since most investments (68%) are in services. IDC says the two main components, IT services and business services, are "well balanced" in the forecast, while software accounts for less than 25%, with the blockchain platform and security software as main drivers.

"Blockchain is a great opportunity for many companies to transform inefficient processes into efficient and secure ones. In particular, blockchain is seen as a broad DX enabler that can empower new business outcomes," IDC concludes. "Opportunities are huge, and investments are needed in terms of looking for new use cases, keeping a strategic interaction between vendors and end users, and recruiting blockchain talent."

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