



Asia/Pacific* Spending on Security Solutions Projected to Reach USD 16.4 Billion in 2019, IDC Reports

SINGAPORE, November 19th, 2019 – According to the latest [IDC Worldwide Semiannual Security Spending Guide](#), spending on security hardware, services, and software in Asia/Pacific* is expected to reach USD 16.4 billion in 2019, an increase of 20.01% over previous year. IDC expects investment on security related products and services to grow at a five-year CAGR of 20.1% over the forecast period (2018-23) and reach USD 34 billion by 2023.

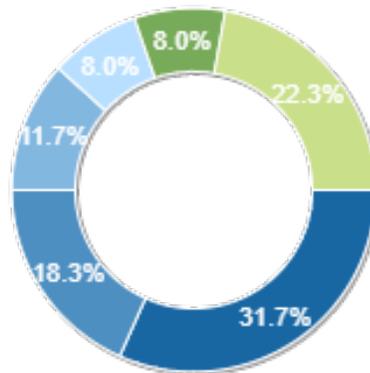
Services will be both the largest (39.4% in 2019) and the fastest growing (22.8% CAGR) category of Asia/Pacific* security spending. The most significant among services will be managed security services – delivering more than 46% of the technology category throughout the forecast period (2018-23) with a CAGR of 23.6%. Security hardware is the second largest category which receives 37.4% of the overall security spending in 2019. Network security hardware will be the largest hardware segment throughout the forecast period. Software spend accounts for 23.2% of the overall security spend in 2019 and is expected to grow at five-year CAGR of 13.1% over the forecast period.

Banking, telecommunications, federal/central and state/local government are the industries expected to drive security spending in 2019 – with a total investment of almost half of the total security spending (USD 8.03 billion) combined. The industries that will see the fastest growth in security spending will be State/Local Government (24.1% CAGR) and Resource Industries (21.5% CAGR) over the forecast period (2018-23).

From a technology category perspective, network security and managed security services will account for more than half of all security spending in 2019 and throughout the forecast as well. Network Security will be led by unified threat management and firewall technologies. Together, these two technologies will account for 80% of the network security spending. Furthermore, integration services and consulting services will receive around 20% of the overall security spending in 2019. The technology categories that will see the fastest spending growth over the forecast period (2018-23) will be, Managed Security Services (23.6% CAGR), Integration Services (22.7 % CAGR), and Content Management (22.4% CAGR).

Figure 1

Top Technology Category Based on 2019 Market Share (Value (Constant Annual))



Source: IDC Worldwide Semiannual Security Spending Guide 2018H2 (For Internal Use Only)

"Security capabilities and data protection are the prime concerns of enterprises and governments in their digital transformation pathway. In Asia/Pacific*, Banking, Telecommunications, and Manufacturing, are emphasizing on the security strategies and investing on efficient security solutions that can integrate with the existing system to protect assets & processes. Governments in the region have increased spending on security solutions as they have to tackle various factors to make e-governance services and digital platforms more sustainable and secure," says [Sharad Kotagi](#), Associate Market Analyst at IDC Asia/Pacific.

From a company size perspective, large (500-1000 employees) and very large businesses (more than 1000 employees) will be responsible for two thirds of all security-related spending in 2019. These two segments will also see the strongest spending growth over the forecast period (2018-23) – large businesses (20.6% CAGR), and very large businesses (20.9% CAGR). Moreover, medium (100-499 employees), and small businesses (10-99 employees), will spend nearly \$4 billion combined on security solutions in 2019.

From a geographical perspective, China alone will account for 44.8% of total Asia/Pacific* security solutions spending in 2019, and the country spending is projected to take off at a 25.1% CAGR during the forecast period (2018-23). Telecommunications, and State/Local Government are the two leading drivers of Chinese market for security related solutions – accounting to 35%

share from overall China spend in 2019. Australia and India are the next two largest countries in terms of security spending, accounting to 27% of the overall spending in 2019.

“We at IDC have been predicting the rise in managed security services, driven both by a need to refocus internal IT teams into core competitive technologies that drive business opportunity, as well as a lack of available skills in the markets,” says [Simon Piff](#), Vice President for ICT Practice at IDC Asia/Pacific.

The IDC Worldwide Semiannual Security Spending Guide quantifies the global revenue opportunity for both core and next-generation security purchases. The guide offers detailed forecast data for security spending by 20 industries across nine regions and 43 countries. Unlike any other research in the industry, the comprehensive spending guide was designed to help IT decision makers to clearly understand the industry-specific scope and direction of security-related spending today and over the next five years.

For additional information about this IDC Spending Guide, please contact Simon Piff spiff@idc.com. For inquiries, contact Alvin Afuang aafuang@idc.com or Charles Tamayo cjtamayo@idc.com.

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About IDC Spending Guides

IDC's Spending Guides provide a granular view of key technology markets from a regional, vertical industry, use case, buyer, and technology perspective. The spending guides are delivered via pivot table format or custom query tool, allowing the user to easily extract meaningful information about each market by viewing data trends and relationships.

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For more information contact:

Charles Cedric Joshua V. Tamayo (cjtamayo)

cjtamayo@idc.com

+63918 926 9072

Alvin Afuang (aafuang)

aafuang@idc.com

+63917 797 4586

Sharad Kotagi (skotagi)

skotagi@idc.com

+91 80 6699 1000

Simon Piff (spiff)

spiff@idc.com

+65 6226 0330