



## **Worldwide Public Cloud Services Spending Will More Than Double by 2023, According to IDC**

**FRAMINGHAM, Mass., July 3, 2019** – Worldwide spending on public cloud services and infrastructure will more than double over the 2019-2023 forecast period, according to the latest update to the International Data Corporation (IDC) [Worldwide Semiannual Public Cloud Services Spending Guide](#). With a five-year compound annual growth rate (CAGR) of 22.3%, public cloud spending will grow from \$229 billion in 2019 to nearly \$500 billion in 2023.

"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," said [Eileen Smith](#), program director, [Customer Insights and Analysis](#).

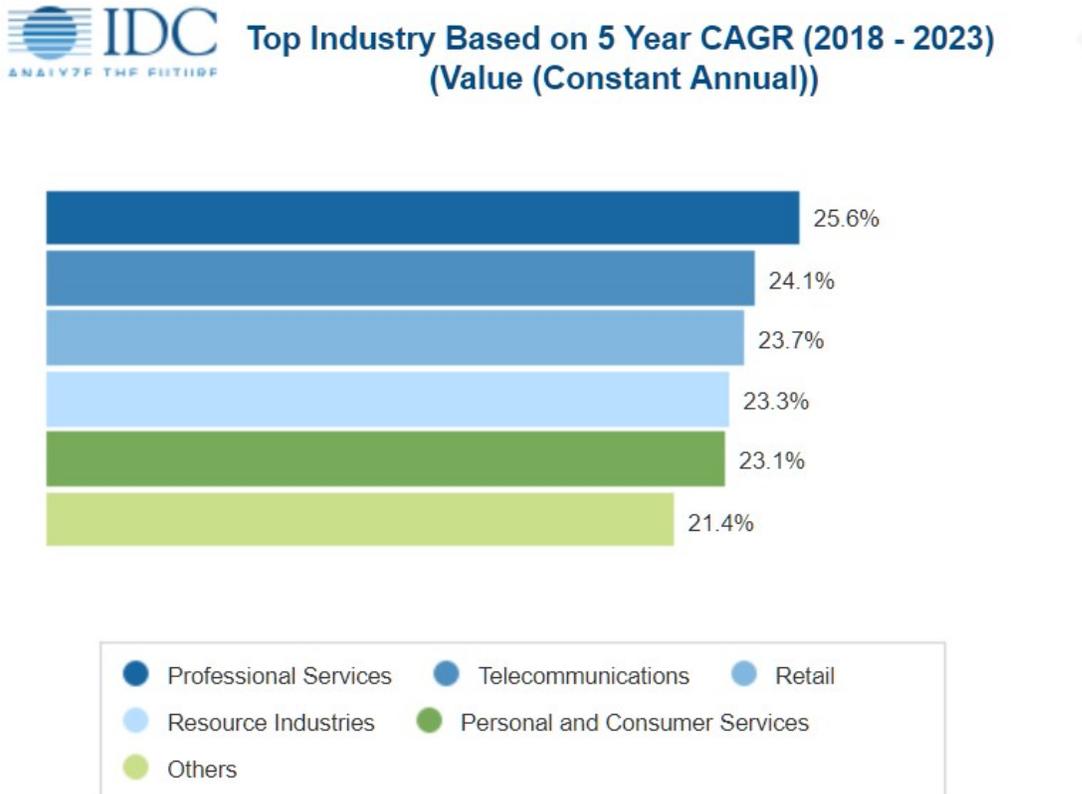
Software as a Service (SaaS) will be the largest category of cloud computing, capturing more than half of all public cloud spending in throughout the forecast. SaaS spending, which is comprised of applications and system infrastructure software (SIS), will be dominated by applications purchases. The leading SaaS applications will be customer relationship management (CRM) and enterprise resource management (ERM). SIS spending will be led by purchases of security software and system and service management software.

Infrastructure as a Service (IaaS) will be the second largest category of public cloud spending throughout the forecast, followed by Platform as a Service (PaaS). IaaS spending, comprised of servers and storage devices, will also be the fastest growing category of cloud spending with a five-year CAGR of 32.0%. PaaS spending will grow nearly as fast (29.9% CAGR) led by purchases of data management software, application platforms, and integration and orchestration middleware.

Three industries – professional services, discrete manufacturing, and banking – will account for more than one third of all public cloud services spending throughout the forecast. While SaaS will be the leading category of investment for all industries, IaaS will see its share of spending increase significantly for industries that are building data and compute intensive services. For example, IaaS spending will represent more than 40% of public cloud services spending by the professional services industry in 2023 compared to less than 30% for most other industries.

Professional services will also see the fastest growth in public cloud spending with a five-year CAGR of 25.6%.

Figure 1



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

On a geographic basis, the United States will be the largest public cloud services market, accounting for more than half the worldwide total through 2023. Western Europe will be the second largest market with nearly 20% of the worldwide total. China will experience the fastest growth in public cloud services spending over the five-year forecast period with a 49.1% CAGR. Latin America will also deliver strong public cloud spending growth with a 38.3% CAGR.

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

The [Worldwide Semiannual Public Cloud Services Spending Guide](#) quantifies public cloud computing purchases by cloud type for 79 technologies, 20 industries, and five company sizes across nine regions and 53 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 public cloud services spending today and over the next five years.

### **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.

For more information about IDC's Spending Guides, please contact Monika Kumar at [mkumar@idc.com](mailto:mkumar@idc.com).

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