|  |  |
| --- | --- |
| *PRESS RELEASE* | *FOR IMMEDIATE RELEASE* |

dotted lines

**IDC Forecasts Public IT Cloud Services Spending Will Approach $100 Billion in 2016, Generating 41% of Growth in Five Key IT Categories**  
11 Sep 2012

**IDC Press Center** — Worldwide spending on public IT cloud services will be more than $40 billion in 2012 and is expected to approach $100 billion in 2016, according to a new forecast from International Data Corporation (IDC). Over the 2012–2016 forecast period, public IT cloud services will enjoy a compound annual growth rate (CAGR) of 26.4%, five times that of the IT industry overall, as companies accelerate their shift to the cloud services model for IT consumption.

"The IT industry is in the midst of an important transformative period as companies invest in the technologies that will drive growth and innovation over the next two to three decades," said Frank Gens, senior vice president and chief analyst at IDC. "By the end of the decade, IDC expects at least 80% of the industry's growth, and enterprises' highest-value leverage of IT, will be driven by cloud services and the other 3rd Platform technologies."

By 2016, public IT cloud services will account for 16% of IT revenue in five key technology categories: applications, system infrastructure software, platform as a service (PaaS), servers, and basic storage. More significantly, cloud services will generate 41% of all growth in these categories by 2016. "Quite simply, vendor failure in cloud services will mean stagnation," Gens added.

Software as a service (SaaS), which is the combination of applications as a service and system infrastructure software as a service, will claim the largest share of public IT cloud services spending over the next five years. But other categories, notably basic storage and platform as a service, will show faster growth. Accelerating PaaS rollouts over the next 12-18 months will be critical to maintaining strong cloud momentum.

Geographically, the United States will remain the largest public cloud services market, followed by Western Europe and Asia/Pacific (excluding Japan). But the fastest growth in public IT services spending will be in the emerging markets, which will see its collective share nearly double by 2016 when it will account for almost 30% of net-new public IT cloud services spending growth.

IDC defines public IT cloud services as those offerings designed for, and commercially offered to, a largely unrestricted marketplace of potential users. The forecast does not include revenue from private cloud deployments, which are dedicated to a specific customer. While private clouds provide the customer with the ability to specify access limitations and the level of resource dedication beyond what is currently available in public cloud offerings, IDC's expectation is that public clouds will mature and eventually incorporate many of the capabilities (particularly security and availability) that make private clouds an attractive option today.

The IDC study, *Worldwide and Regional Public IT Cloud Services 2012-2016 Forecast* (IDC #236552) forecasts revenue growth from public IT cloud services through 2016, segmented by five functional categories within eight regions/countries. The forecast data, driven by IDC's key assumptions for public IT cloud services development and adoption, lead to this document's key conclusions regarding cloud offerings' revenue and growth impacts on the IT industry, customer adoption shifts among the five IT cloud services categories, and shifting adoption patterns among the eight regions/countries. For more information, please contact Evangelos Karanikas at 0030 210 7473 676 or ekaranikas@idc.com.

**About IDC**

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. IDC helps IT professionals, business executives, and the investment community to make fact-based decisions on technology purchases and business strategy. More than 1,000 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. For more than 48 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. You can learn more about IDC by visiting www.idc.com.

###