LONDON, December 10, 2021 — The European public cloud market continues to grow at double digits, with European organizations investing in public cloud solutions to support their innovation strategies and digital business objectives, according to a new report from International Data Corporation (IDC).

Filippo Vanara, research analyst, European cloud and multicloud management, IDC, said over the past five years, the public cloud market has significantly changed the IT industry and grown like no other segment of the European IT market. He said the COVID-19 pandemic has accelerated the adoption of cloud services in Europe as cloud computing is seen as a crucial enabler of business resilience, agility, innovation, and efficiency.

But cloud not only benefits users and cloud service providers. There is a whole ecosystem around cloud users and cloud providers that also gains from the growth in the cloud services market. When assessing the effect of public cloud solutions on a country's or region's economy, the broader ecosystem must be considered, mostly outside the organizations implementing the solution, to assess the impact from a macroeconomic perspective.

The report, Public Cloud's Contribution to the European Economy: A Macroeconomic Approach (IDC #EUR148331621, November 2021), provides an overview of the impact the public cloud services market has on the European economy in terms of contribution to both GDP and employment.

According to IDC estimates, the public cloud supply chain contributed almost $500 billion to European GDP — 2.7% of total European GDP. IDC says this has significantly increased
over the past two years, with a spike in 2020, due to the digitization journey that many organizations undertook during the pandemic.

Providing public cloud services requires a significant number of employees along the whole supply chain. IDC estimates that this chain accounts for roughly 1.3 million employees, or 0.9% of the total European workforce. This is even more interesting when compared with the percentage of total GDP generated along the supply chain, giving a rough estimate of the high productivity of the sector.

"Understanding the impact of the cloud services market on value creation and employment in the European economy is important for cloud providers and policy makers alike as they formulate their strategies for the European cloud market," said Carla La Croce, senior research analyst, European Customer Insights and Analysis, IDC Europe.

"We expect public cloud providers to start considering new evaluation frameworks, identifying new metrics to increase clients' awareness of the role of new solutions adopted, which goes beyond the mere improvement of business processes," said Luca Butiniello, research analyst, European Customer Insights and Analysis, IDC Europe.
For more information, please refer to the following IDC reports: How Cloud Boosts Digital Transformation Use Cases: A European View (IDC #EUR148231121, September 2021), European Artificial Intelligence Software Platform Use Cases: The Importance of Cloud Computing in the AI Market (IDC #EUR147581620, April 2021), Western Europe Public Cloud Market Shares, 1H20: Cloud Providers Accelerated Their Growth due to COVID-19 (IDC #EUR147098620, December 2020), Public Cloud Is a Key Enabler for IoT Use Cases and Innovation in Europe (IDC #EUR146715420, July 2020).

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