



Asia/Pacific Spending on Blockchain Solutions to Reach USD 3 Billion by 2023, According to Latest IDC Report

SINGAPORE, September 3rd, 2019 – Asia/Pacific* excluding Japan spending on blockchain solutions to reach USD 522.7 million by 2019, an increase of 81% over 2018 (USD 289.48 million), according to the latest IDC [Worldwide Semiannual Blockchain Spending Guide](#). IDC expects Asia/Pacific* blockchain spending to grow rapidly throughout the 2018-23 forecast period with five-year compound annual growth rate (CAGR) of 59.8% with a total spending of USD 3 billion by 2023.

“Blockchain will revolutionize business, but it’s going to take bit longer, because blockchain is not a ‘disruptive’ technology, which can attack the traditional business models with a low-cost solution and overtake the incumbent firms quickly. Blockchain on the other hand is a foundational technology: It has a potential to create new foundation for our economic and social system. But while the impact will be enormous, it will take decades for blockchain to seep into our economic and social infrastructure,” says [Ashutosh Bisht](#), Senior Research Manager at IDC Asia/Pacific. “The process of adoption will be gradual and steady, not sudden, as waves of technological and institutional change gain momentum.”

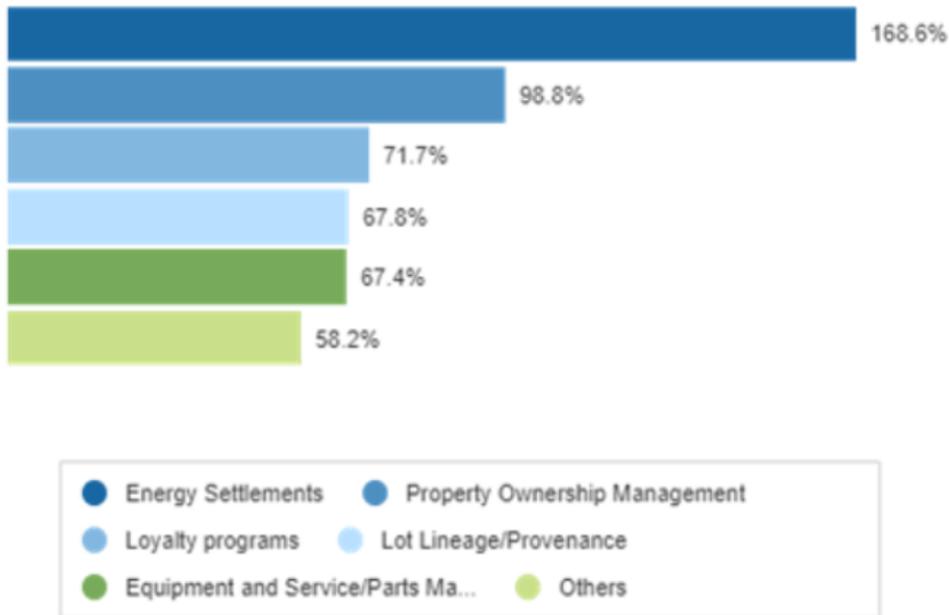
From the financial sector’s perspective, IDC sees banking, securities & investment services, and insurance industries will invest USD 296.3 million combined in blockchain solutions this 2019. The manufacturing and resources sector, driven by the discrete and process manufacturing industries, and the distribution and services sector, led by the retail and professional services industries, are forecast to see blockchain spending of USD 91.7 million and USD 89.4 million respectively this year. The infrastructure sector will see the fastest growth in blockchain spending over the 2018 - 2022 forecast with a five-year CAGR of 81.2%, followed closely by the Public Sector with a CAGR of 73.6%.

The top use cases that receives most of the investments over the forecast period are trade finance & post-trade/transaction settlements, cross-border payments & settlements and regulatory compliance. Together, these use-cases will make more than 40.3% of the all blockchain spending. All the use cases identified by IDC will see strong spending growth over the forecast period, among them energy settlements and property ownership management will see the fastest spending growth (CAGR).

Figure 1



Top Use Case Based on 5 Year CAGR (2018 - 2023) (Value (Constant Annual))



Source: IDC Worldwide Semiannual Blockchain Spending Guide 2018H2

From a technology perspective, IT services and business services (combined) will represent 60% of the blockchain spending in 2019 with IT services receiving slightly more investment over the forecast period. Blockchain platform under software will be the second largest technology category, accounting for 27.3% of the overall spending in 2019.

Asia/Pacific* contribute around 19.3% of the overall worldwide spending on blockchain in 2019 and is ranked third in terms of spending, topped by US and Western Europe. Over the forecast period, People’s Republic of China (PRC) will see phenomenal spending growth with five-year CAGRs of 65.7%, while Asia/Pacific* will record 50.3% CAGR, respectively, with PRC contributing to about 68% of all blockchain spending in APeJ.

“The blockchain trend has been erratic for the past couple of years. With the hype of cryptocurrencies saturating, we can expect to see the underlying technology being utilized. In the next months, we will be unveiling in our IDC FutureScapes predictions how and where blockchain technologies will be heading for the next 5 years,” says [Jeff Xie](#), Senior Market Analyst, IDC Asia/Pacific.

The [Worldwide Semiannual Blockchain Spending Guide](#) quantifies the emerging blockchain market by providing spending data for ten technologies across 19 industries and 17 use cases in nine geographic regions. IDC defines blockchain as a digital, distributed ledger of transactions or records. The ledger, which stores the information or data, exists across multiple participants in a peer-to-peer network. There is no single, central repository that stores the ledger. Distributed ledgers technology (DLT) allows new transactions to be added to an existing chain of transactions using a secure, digital or cryptographic signature. Spending associated with various cryptocurrencies that utilize blockchain and distributed ledgers technology, such as Bitcoin, is not included in the spending guide. 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 blockchain spending today and over the next five years.

For additional information about this IDC Spending Guide, please contact Ashutosh Bisht abisht@idc.com. For media inquiries, contact Tessa Rago trago@idc.com or Alvin Afuang aafuang@idc.com. To learn more about IDC's Customer Insights & Analysis Group, visit www.idc.com/promo/customerinsights

In the coming months, IDC will be publishing its IDC FutureScape: Worldwide Blockchain 2020 Predictions – APeJ implications. IDC FutureScapes are used to shape IT strategy and planning for the enterprise by providing a basic framework for evaluating IT initiatives in terms of their value to business strategy now and in the foreseeable future. IDC's FutureScapes are comprised of a set of decision imperatives designed to identify a range of pending issues that CIOs and senior technology professionals will confront within the typical 3-year business planning cycle. To know more about IDC FutureScapes, visit www.idc.com/ap/event/futurescapes2020.

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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.

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. With more than 1,100 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly-owned subsidiary of International Data Group ([IDG](#)), the world's leading

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