

Cloud remains top technology investment priority for ASEAN Organizations

MALAYSIA, July 15th, 2020 - Cloud services are set to remain resilient and maintain a robust growth in ASEAN, with a projected growth by 26% in 2020 for IaaS. As organisations in ASEAN are looking to rebound from the pandemic, there are changes that many businesses are looking to adapt to moving forward. Remote working and distributed workforce will be prominent owing to the prolonged effect of the pandemic, as well as organisations building business continuity and resiliency on cloud technologies. This sets precedence to sustained growth of cloud services in ASEAN for 2020.

IDC forecast a five-year Compound Annual Growth Rate (CAGR) of 19.8% for 2020-2024 in ASEAN for IaaS. In a recent survey conducted by IDC, organisations has indicated a strong sentiment towards increasing investments towards cloud services in 2020. Cloud alleviated woes for many organisations during the lockdown where IT had to scramble in short period of time to support remote working by providing the scalability and elasticity required. This included ensuring applications and data was accessible remotely and proper tools for communications, which included video conferencing were working in a secured environment.

"It is clear that organisations have benefited from cloud technology during this crisis. As ICT spending overall is seeing a decline, we are expecting to see more organisations shift budgets towards cloud based applications and technologies in the near future" said [Duncan Tan](#), a Senior Research Manager at IDC Malaysia.

% YoY Growth	2019	2020	2021
IaaS	+28.4%	+26.0%	+22.7%
PaaS	+39.3%	+38.5%	+37.5%
SaaS	+25.7%	+22.8%	+21.5%
Source: IDC Worldwide Public Cloud Services Spending Guide ASEAN *ID, MY, TH, PH			

As ASEAN countries emerge from their respective “lockdown” periods, organizations are re-looking their cloud strategy from the mid to long-term, and a refocusing on how IT budgets will be allocated will occur. The acceleration around the adoption of digital transformation initiatives in the region is expected to be heavily driven by cloud; automation, business resiliency, continuity, communication and collaboration tools, as well as data analytics will see an uptrend owing towards businesses having to respond in a quicker manner in the future.

IDC has authored a Cloud Implications of COVID19 ASEAN report that covers analysis and findings of cloud implications from the pandemic across enterprises in ASEAN and highlight changes towards the consumption of cloud services. It contains public cloud outlook across the region and focus area for short term and long term for ASEAN organisations towards cloud services.

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For more information about IDC's Spending Guides, please contact Monika Kumar at mkumar@idc.com.

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