



Public Cloud Services Spending in Central and Eastern Europe to Almost Double Between 2018 and 2022, According to IDC

FOR IMMEDIATE RELEASE, Prague — Overall spending on public cloud services and infrastructure in Central and Eastern Europe (CEE) is forecast to reach \$2.30 billion in 2019, representing an annual increase of 21.7%, according to the latest update to the *Worldwide Semiannual Public Cloud Services Spending Guide* published by International Data Corporation (IDC). Annual spending growth is expected to slow somewhat over the 2018-2022 forecast period. However, the market is forecast to post a five-year compound annual growth rate (CAGR) of 20.13%, with public cloud services spending totaling \$3.80 billion in 2022.

In global terms, the CEE region will continue to account for the lowest share of public cloud services spending among all geographic regions next year, as adoption is still lagging behind more developed markets.

Russia will continue to be the largest country market for public cloud services in 2019, with more than 34% of CEE spending. However, the country's regional share is predicted to decline slightly during the forecast period and will reach 29.5% in 2022. The Czech Republic will be the second-largest market in the region throughout the forecast period, with share reaching 18.4% in 2022, following a CAGR of 31.5% (the highest growth of all CEE countries).

“Evolving business environments require companies to adapt their operations and adjust their use of resources, including IT,” says Petr Zajonc, program manager for cloud computing, IDC CEMA. “The agility and flexibility of cloud services make them especially applicable to changing market conditions.”

Good economic indicators in many CEE countries will encourage companies from various industries to invest in new technologies, but such investments will be contingent on rapid and tangible ROI. As a result, organizations will turn to cloud as a way to access the most up to date technologies quickly and affordably.

Professional services and retail industries are predicted to have the highest cloud services spending levels in CEE over the forecast period, with banking placing third. Combined spending in these three industries will account for roughly one third of all regional public cloud services spending.

As a high level of customer care is critical for professional services and retail business, companies from these industries will choose cloud solutions to support enhanced customer experience in various areas. Competitive advantage among most professional services and retail organizations is often the result of automation and the leveraging of technologies to create efficiencies.

Adoption of cloud is often related to regulations and legal compliance, which applies to financial organizations in particular. Regulatory constraints in the financial sector represent a key inhibitor to moving core applications or live databases to cloud, although banks and other organizations will continue to migrate their non-critical systems to cloud models.

Fueled by continuing economic growth in CEE countries and increasing awareness among businesses, cloud deployments will continue to increase across the region, especially among larger businesses (for which such decisions are frequently made by regional/central management. In terms of company size, medium-sized organizations (100-499 employees) will retain to invest in cloud, although their share of spending will decline slightly over the forecast period (from 36.6% in 2018 to 35.2% in 2022). The highest growth rates are expected in the segments of large (1,000+ employees) and medium-large (500-999 employees) businesses, which will post CAGRs of 23.6% and 20.8%, respectively.

The [Worldwide Semiannual Public Cloud Services Spending Guide](#) quantifies public cloud computing purchases by cloud type for 20 industries and five company sizes across nine regions and 49 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.

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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.

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