



## **European Spending on Security Solutions Expected to Reach \$27.3 Billion in 2019, Boosted by Investments in Banking, Discrete, and Process Manufacturing, Says IDC**

**MILAN, April 1, 2019** — Spending on security hardware, software, and services in Europe is expected to reach \$27.3 billion in 2019, an increase of 8.3% over 2018. This growth trend is expected to remain constant over the next few years, driven by considerable investments in both emerging and traditional technologies. According to the Worldwide Semiannual Security Spending Guide from International Data Corporation (IDC), spending by European companies on security solutions will reach a compound annual growth rate (CAGR) of 7.2% between 2018 and 2022 to total \$33.6 billion in 2022.

The three industries that will drive security solutions spending in 2019 are banking, discrete, and process manufacturing, with combined investments exceeding \$9 billion — a third of the total. In addition to these historically security-intensive industries, professional services, federal/central government, retail, and state/local government will also invest more than \$1.5 billion each on security. In terms of growth over the past year, the most dynamic industries are healthcare (9.4% increase), discrete manufacturing, and professional services (9% increase each). Over the 2018–2022 forecast period, the fastest-growing industries will be federal/central government (8.0% CAGR) and discrete manufacturing (7.8% CAGR).

Figure 1

**Top Industry, Based on Five-Year CAGR (2017–2022) (Value, Constant Annual)**

Industry	CAGR (5 Years)
Federal/Central Government	+8.0%
Discrete Manufacturing	+7.8%
Utilities	+7.7%
State/Local Government	+7.6%
Banking	+7.6%
Others	+6.7%

Source: IDC Worldwide Semiannual Security Spending Guide, 2018H1

"Regulations like GDPR, PSD2, and the NIS Directive influenced IT security investments in Europe in 2018 and will continue to shape priorities in 2019," said Neli Vacheva, research manager, Customer Insights and Analysis, IDC. "While banking, professional services, government, and retail industries will leverage IT investments primarily to address data loss and leakage prevention, manufacturing, healthcare, and utilities will pay special attention to compliance."

More than half of 2019 security spending in Europe will come from services (\$14.8 billion), followed by software (\$8.6 billion) and hardware (\$3.9 billion). Among services, the most significant by far will be managed security services (\$5.8 billion) and integration services (\$5.4 billion), highlighting the need for access to customized and always-updated security services. Growth in managed security services for 2019 is expected to reach 14.2%, the fastest growth among all technology categories despite the already very high starting values. In addition, security-related consulting services will grow 9.4% over 2018, confirming the importance of services in the security landscape. The other fastest-growing categories for 2019 will all come from software, namely security analytics, intelligence, response, and orchestration software (security AIRO, with an 11.2% increase) and identity and digital trust software (9.8% increase). For 2018–2022, the fastest-growing technology categories remain the same, with managed security services (12.3% CAGR) and security AIRO (10.1% CAGR) leading.

"Rapidly rising investments in key security solution segments are a response to major trends shaping not just the security space but the entire digital business landscape," said Mark Child, research manager, European Security, IDC. "The dynamic threat landscape and the operational security burden are exacerbating the security skills shortage and driving organizations to adopt

managed security services. At the same time, the increasing sophistication of security AIRO software is enabling organizations to make better use of the intelligence generated by both their internal monitoring and external feeds to facilitate automation and enhanced security responses, streamlining incident management. These trends are helping organizations across Europe stay abreast of evolving security challenges as they progress through digital transformations."

More than 90% of the European IT security market in 2019 will be made up of spending in Western Europe (\$24.7 billion), while less than 10% will come from Central and Eastern Europe (\$2.6 billion). The leading countries in terms of security investments will be the U.K. (\$6.4 billion), Germany (\$4.9 billion), and France (\$3.5 billion). Banking will be the leading industry in all of these countries except Germany, where discrete manufacturing will see by far the greatest volume of security investments. On the other hand, Czech Republic (10.0% CAGR) and Russia (8.6% CAGR) will be the fastest-growing countries in information security between 2018 and 2022.

"The 2019 IT security market will still be dominated by Western European countries, driven by the investments in the banking and manufacturing industries. However, Central and Eastern European countries will have the fastest growth over the 2018–2022 period, with only the Nordic countries and the U.K. being able to keep up the pace," said Stefano Perini, senior research analyst, Customer Insights and Analysis, IDC.

Very large (more than 1,000 employees) and large businesses (500–1,000 employees) will contribute to more than 60% of European IT security spending in 2019. These two segments will also be the fastest growing over the 2018–2022 period, with respective CAGRs of 7.5% and 7.4%. While all business spending is expected to grow on average more than 7% in that period, the consumer market will grow at the slowest average pace, at 3.7% a year, with an overall 2019 spending of \$1.5 billion.

The [Worldwide Semiannual Security Spending Guide](#) quantifies the global revenue opportunity for both core and next-generation security purchases. The guide offers detailed forecast data for security spending by 20 industries across nine regions and 43 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 security-related spending today and over the next five years.

### **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.

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