

Professional Services Powering CEE Public Cloud Services Spending, Says IDC

Prague, FOR IMMEDIATE RELEASE — International Data Corporation (IDC) predicts that the Central and Eastern European (CEE) public cloud services market is poised to nearly double in size over the next four years, rising to a value of nearly \$5.5 billion in 2023.

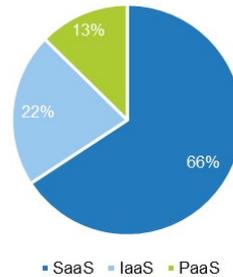
IDC's new Worldwide Semiannual Public Cloud Services Spending Guide projects market spending to record a five-year compound annual growth rate (CAGR) of 20.4% during 2019–2023, driven by high rates of cloud uptake in Russia, the Czech Republic, and Poland.

Professional services, retail, and banking are the sectors expected to be responsible for one-third of spending. The healthcare industry, however, is expected to be the fastest-growing adopter, with a five-year CAGR of 26%. Healthcare organizations increasingly regard cloud as an enabler of streamlined operations, lower costs, and positive patient outcomes.

Software as a service (SaaS) is by far the most popular public cloud deployment type in CEE. SaaS has been driven recently by rapid uptake in the securities and investment services industry. Manufacturing and healthcare have spearheaded growth in infrastructure as a service, which is projected to have a market share of 22% in 2020. Platform-as-a-service deployments are growing, but this category holds just 13% of the market.

Figure 1

Public Cloud Services Market Shares in Central and Eastern Europe (2020 Forecast)



Source: IDC Public Cloud Services Spending Guide (H1 2019)

Nearly two-thirds (61.5%) of the CEE public cloud services market in 2020 will be represented by Russia, the Czech Republic, and Poland. Russia's current 31% share of the market is expected to decline through 2023, while the Czech Republic and Poland markets are expected to continue expanding.

Poland is seeing both hyperscalers and domestic cloud operators investing in cloud infrastructure locally," says Ewa Zborowska, senior research manager at IDC Poland. "The growing number of applications that are shifting from traditional to cloud-only availability is boosting SaaS adoption. IoT developments will further push demand."

In terms of company size, very large businesses (1,000+ employees) are driving CEE public cloud services growth, followed by large businesses (500–999 employees). However, medium-sized businesses (100–499

employees) still hold the largest market share, at more than 37%. Small offices (1–9 employees) continue to account for a low single-digit market share.

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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. For more information, contact Monika Kumar at mkumar@idc.com.

About IDC

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