



Worldwide Blockchain Spending Forecast to Reach \$2.9 Billion in 2019, According to New IDC Spending Guide

FRAMINGHAM, Mass., March 4, 2019 – Worldwide spending on blockchain solutions is forecast to be nearly \$2.9 billion in 2019, an increase of 88.7% from the \$1.5 billion spent in 2018, according to a newly updated [Worldwide Semiannual Blockchain Spending Guide](#) from International Data Corporation (IDC). IDC expects blockchain spending to grow at a robust pace over the 2018-2022 forecast period with a five-year compound annual growth rate (CAGR) of 76.0% and total spending of \$12.4 billion in 2022.

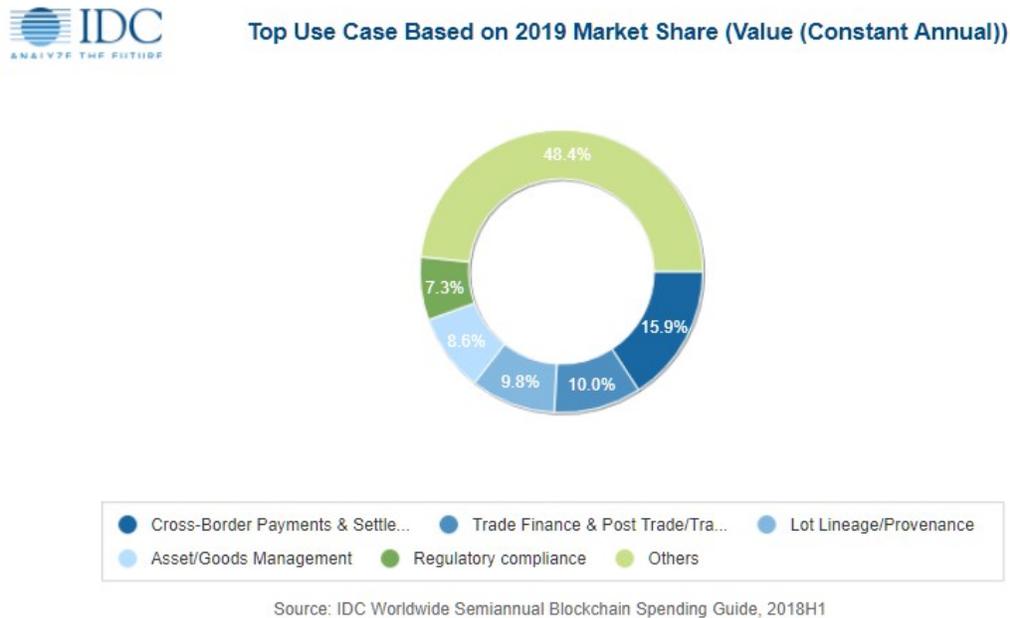
"Blockchain is maturing rapidly, and we have reached an inflection point where implementations are moving quickly beyond the pilot and proof of concept phase. That is why data on the actual spend on the technology is so vital: it provides the context in which blockchain is evolving. Understanding how and where enterprises are investing their money gives vendors a better sense of where they need to deliver products and services as well as offering technology buyers insight into how their peers are adopting blockchain. It also provides a snapshot of where we can expect to see this new technology disrupt the way enterprise software is delivered," said [James Wester](#), research director, [Worldwide Blockchain Strategies](#).

Global blockchain spending will be led by the financial sector, where the banking, securities and investment services, and insurance industries will invest more than \$1.1 billion (combined in blockchain solutions this year. 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 \$653 million and \$642 million respectively this year. The manufacturing and resources sector will see the fastest growth in blockchain spending over the 2018-2022 forecast with a five-year CAGR of 77.6%, followed closely by the distribution and services sector with a CAGR of 77.1%.

Cross border payments & settlements and trade finance & post-trade/transaction settlements are the two blockchain use cases that will receive the most investment (\$453 million and \$285 million, respectively) in 2019. The banking industry will be the largest investor in both use cases. Manufacturing will focus much of its blockchain investment in lot lineage/provenance use cases and asset/good management use cases while identity management use cases will receive significant investments from the banking, government, and healthcare provider industries.

"The use cases that comprise the blockchain opportunity are developing as swiftly as the technologies enabling it. While spending for more developed use cases in the financial sector like trade finance and cross-border payments is still healthy and growing strong, relative to six months ago we've seen an acceleration in spending across a variety of other areas, such as energy settlements and warranty claims. We are continuing to monitor and measure these developments on a regular basis and are inspired by the various forms of innovation blockchain delivers," said [Jessica Goepfert](#), program vice president, [Customer Insights & Analysis](#).

Figure 1



From a technology perspective, IT services and business services (combined) will account for nearly 70% of all blockchain spending in 2019 with IT services receiving additional new investment over the forecast period. Blockchain platform software will be the largest segment of spending outside of the services category and the second fastest growing category overall with a five-year CAGR of 81.2%, following IT services with a CAGR of 82.8%.

The United States will be the geographic region that will see the largest blockchain spending in 2019 (\$1.1 billion), followed by Western Europe (\$674 million) and China (\$319 million). All nine regions covered in the spending guide will see phenomenal spending growth over the 2018-2022 forecast period led by Japan and Canada with five-year CAGRs of 110% and 90%, respectively.

"The blockchain space has seen considerable hype, but blockchain has proven to remove a layer of uncertainty from a multifaceted ecosystem built on trust. In many use cases, incorporating blockchain into the mix has been better than the status quo. With enterprises trying to find a balance between decentralizing their business processes while bringing common standards to the blockchain space, the future state of the blockchain world relies on collaboration and

building bridges between organizations and communities. With a number of breakthroughs in 2018, ranging from mainstream acceptance by large enterprises to regulators recognizing their governance role in the blockchain world, blockchain has come a long way since 2017, the year of blockchain experimentation and awareness. 2019 will be a year of mainstream adoption, but will rely heavily on reshaping the ideology of a blockchain revolution," said [Stacey Soohoo](#), research manager, [Customer Insights & Analysis](#).

The [Worldwide Semiannual Blockchain Spending Guide](#) quantifies the emerging blockchain market by providing spending data for ten technologies across 19 industries and 15 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.

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

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