



Worldwide Public Cloud Services Revenue Grows to Nearly \$183 Billion in 2018, Led by the Top 5 Service Providers and Accelerating Public Cloud Services Spending in China

FRAMINGHAM, Mass., July 31, 2019 – The worldwide public cloud services market grew 27.4% year over year in 2018 with revenues totaling nearly \$183 billion, according to results from the 2H 2018 release of the International Data Corporation (IDC) [Worldwide Semiannual Public Cloud Services Tracker](#). This growth rate, which is more than 4.5 times that of the IT industry overall, showed a modest drop from 2017, not unexpected given the growing base of comparison in the public cloud services market, which has more than doubled over the preceding three years.

The top 5 public cloud service providers accounted for 46.3% of all spending growth in 2018 and 35% of all 2018 spending, up 3 points from 2017. This continues a consolidation trend in the overall public cloud services market among the leaders, most pronounced in the combined Infrastructure as a Service (IaaS) and Platform as a Service (PaaS) segments, in which the top 5 vendors accounted for a 63% share of spending.

"Our latest public cloud data continues to show robust growth – headed toward almost \$500 billion by 2023 – and consolidating power positions across the board," said [Frank Gens](#), senior vice president and chief analyst at IDC. "The most intense and strategic consolidation – in the combined IaaS and PaaS segments – is being driven by developers' and enterprises' bets on which vendors will sustainably deliver tech innovation for the next decade and beyond."

"Software as a Service (SaaS) continued to be the most highly deployed cloud segment, representing a commanding 62.4% of the total cloud market revenues, including system infrastructure software (SIS). Adoption of cloud enterprise business applications like ERP, SCM, and HCM also accelerated across all segments with most buyers taking a SaaS-first or SaaS-also posture for new applications," said [Frank Della Rosa](#), research director, Software as a Service at IDC.

"The continued demand for applications and the shortage of professional developers fueled the demand for PaaS solutions," said [Larry Carvalho](#), research director, Platform as a Service at IDC. "Cloud native infrastructure grew demand for platform tools to accelerate application development and deployment powered by abstracted container workloads. Although the Asia/

Pacific region had just about 11% of total share, the revenue grew faster than the rest of the world."

"The public cloud IaaS market reversed its trend of slowing growth with a robust jump in its year-over-year growth rate," said [Deepak Mohan](#), research director, Cloud Infrastructure Services at IDC. "This shift is notable – given the \$24 billion base of this market in 2017 – and was driven heavily by growth among the global market leaders and in the Asia/Pacific (excluding Japan) (APeJ) region, particularly China. Revenue growth for Amazon Web Services and in the APeJ region jointly accounted for 80% of all the spending growth in 2018."

Worldwide Public Cloud Services Revenue and Year-Over-Year Growth 2019 (revenues in US\$ millions)				
Segment	2018 Revenue	2017 Revenue	Year-over-Year Growth	Share of Public Cloud Market
IaaS	\$35,975	\$24,810	45.0%	22.1%
PaaS	\$25,257	\$18,050	39.9%	15.5%
SaaS (including SIS)	\$121,306	\$100,383	20.8%	62.4%
Total	\$182,538	\$143,242	27.4%	100.0%
Source: IDC Worldwide Semiannual Public Cloud Services Tracker, 2H18				

IDC's [Worldwide Semiannual Public Cloud Services Tracker](#) provides total market size and vendor share for more than seventy segments of the global public cloud services market. Measurement for this Tracker is public cloud services revenue, which includes SaaS, PaaS, and IaaS subscription revenues. The Tracker exposes 500 cloud services companies across a total of 49 countries globally. Annual five-year market forecasts for this Tracker are updated semiannually and include five-year annual market projections. Forecasts are available at worldwide, regional, and country levels.

For more information about IDC's [Worldwide Semiannual Public Cloud Services Tracker](#), please contact Kathy Nagamine at 650-350-6423 or knagamine@idc.com.

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