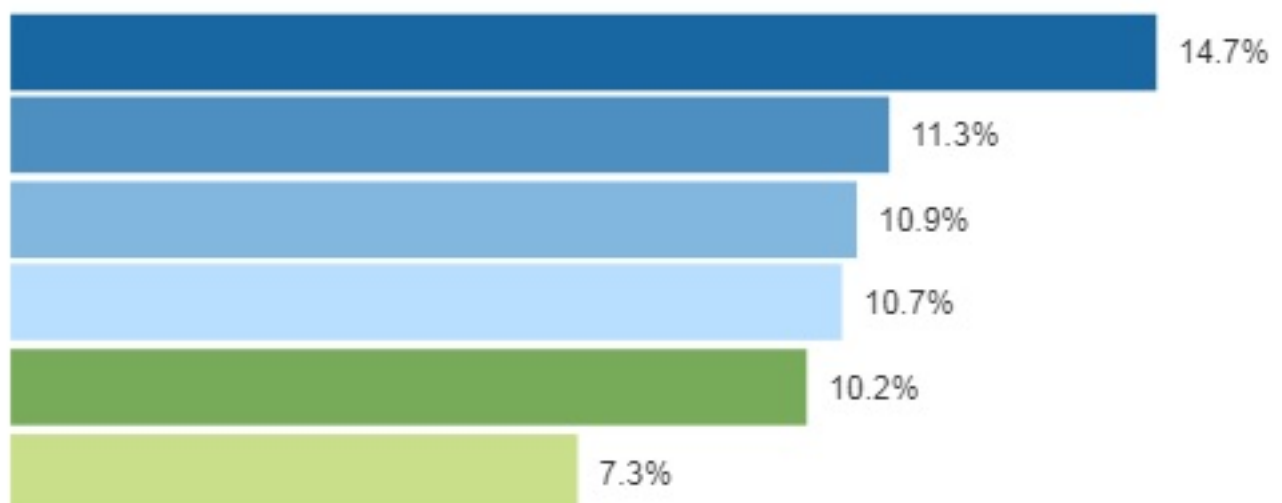


Global security-related hardware, software and services software will reach \$91.4 billion in 2018, IDC reports-- a 10.2% increase over 2017, with such growth set to continue over the next few years.

Security spending should reach a CAGR of 10% over the 2016-2021 forecast period, growing to a total of \$120.7bn in 2021.



### Top Technology Category Based on 5 Year CAGR (2016 - 2021) (Value (Constant Annual))



- Managed Security Services
- Network Security
- Security and Vulnerability Management
- Network Security Software
- Consulting Services
- Others

Source: IDC Worldwide Semiannual Security Spending Guide, 2017H1

"Banks, discrete manufacturers, especially within the high-tech sector, and the federal government are spending the most on security to avoid large scale cyber-attacks and adhere to regulatory compliance," the analyst adds. "Looking ahead to 2021, as the need to protect IoT connected devices and infrastructure becomes paramount, industries like telecom and state and local government will drive growth in worldwide security spending."

Three industries will spend the most on security in 2018-- banking, discrete manufacturing and governments, with combined spending reaching over \$27bn. The process manufacturing, professional services, consumer and telecommunications industries will see spending worth over \$5bn in 2018. As for the fastest growing industries, IDC points out telecommunications (13.1% CAGR), education and state/local government (11.6% CAGR each), banking (11.4% CAGR) and the resource industries (11.3% CAGR).

Managed security services will be the largest technology category in 2018, with spending reaching \$18bn. Managed security services will also be the largest spending category for each of the top 5 industries. The 2nd largest technology category of 2018 is network security hardware, followed by integration services and endpoint security software. The technology categories seeing the fastest spending growth over the 2016-2021 period are managed security spending (14.7% CAGR), network security hardware (11.3% CAGR), security and vulnerability management software (10.9% CAGR) and network security software (10.7% CAGR).

When it comes to company size, large and very large businesses (with over 500 employees) make around 66% of 2018 spending. Large (500-999 employees) and medium (100-499 employees) see the strongest spending growth over the forecast with CAGRs of 11.8% and 11% respectively. Very large businesses (over 1000 employees) will see a CAGR of 10.1%, while small businesses (10-99 employees) will see a "solid" CAGR of 9.9%.

"By 2020, 30% of security spending will be on vendors that provide an integrated platform approach to security," IDC concludes. "This shift will happen partly because of budget, but mostly because of complexity. Reducing complexity by moving to integrated platforms, whether in the cloud or on-premises, supporting a hybrid environment, also provides the potential for enhanced security as companies will make gains in manageability and automation."

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