

Gartner projects global public cloud services will reach \$208.6 billion in 2016, a 17.2% increase (from \$178bn in 2015)-- with the highest growth coming from cloud systems infrastructure services (IaaS).



The analyst says cloud systems infrastructure services are to grow by 42.8% in 2016, while cloud application services (SaaS) will grow by 21.7% to reach \$38.9bn.

"Growth of public cloud is supported by the fact that organizations are saving 14% of their budgets as an outcome of public cloud adoption, according to Gartner's 2015 cloud adoption survey," Gartner remarks. "However, the aspiration for using cloud services outpaces actual adoption. There's no question there is great appetite within organisations to use cloud services, but there are still challenges for organisations as they make the move to the cloud. Even with the high rate of predicted growth, a large number of organisations still have no current plans to use cloud services."

The main public cloud adoption driver is IT modernisation, followed by cost savings, innovation, agility and other benefits. The focus on modernisation suggests a more sophisticated and strategic use of public cloud, through the laying down of a foundation for future applications and digital business processes.

However adoption remains inhibited by security and privacy concerns, despite the strong security track record and increased transparency of leading providers. Gartner insists public cloud services are secure, and the challenge actually lies in secure use, something providers should focus on when working with clients.

Gartner: Public Cloud Services to Grow 17% in 2016

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The analyst also says the use of private cloud and hosted private cloud services should also increase at least through 2017, particularly since organisations already use a combination of different cloud services from different providers, bringing a need for hybrid scenarios for the coordination of multiple cloud usage.

"Of course in the case of hybrid cloud, these top concerns also highlight some of the top opportunities for providers," Gartner concludes. "We know that public cloud services will continue to grow. We also know that private cloud services (of various types) will become more widely used. Therefore, providers must focus on the top hybrid cloud challenges to be successful in meeting the growing demand for hybrid cloud solutions."

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