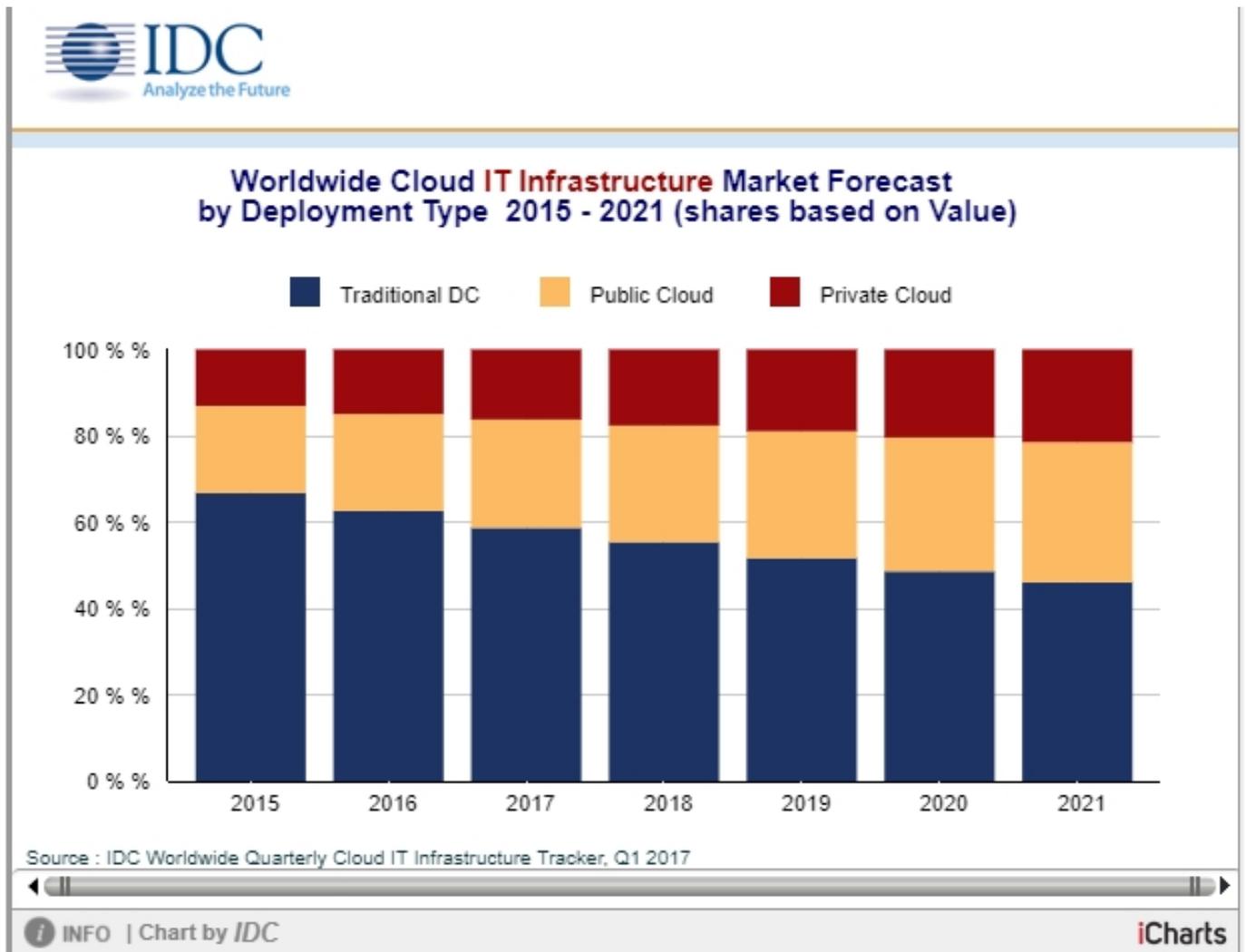


## IDC: Public Cloud Infrastructure Spending is Fastest Growing

Written by Marco Attard  
07 July 2017

According to IDC total infrastructure (servers, enterprise storage and ethernet switches) spending for cloud deployment will increase by 12.4% in 2017 to reach \$40.1 billion, with public cloud accounting for most of said spending.



In fact, the analyst says public cloud datacentres make 60.7% of 2017 cloud infrastructure spending. The segment also sees the fastest growth at 13.8%. In comparison, off-premises private cloud environments make 14.9% of overall spending and have 11.9% growth. On-premises private clouds account for 62.2% of private cloud infrastructure, and will grow 9.6% in 2017.

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Increased spending on cloud infrastructure and decreasing investments in non-cloud infrastructure is a "common theme" for all regions-- global spending on non-cloud infrastructure is to decline by -4.6% in 2017, accounting for 58.7% of overall end-user spending on infrastructure products across the 3 segments, down from 62.6% in 2016.

Ethernet switches are the fastest growing technology in cloud environments, with 25.8% growth in 2017. Server spending is to grow by 9.1%, while storage will grow by 12%. Such growth rates include double counting between server and storage to fully represent each segment. In all 3 segments, off-premise infrastructure spending will grow, while on-premise spending will decline.

Over a 5-year forecast period, IDC predicts spending on off-premises cloud infrastructure will have a CAGR of 11%, reaching \$45.7bn in 2018. Public cloud datacentres will account for 79.8% of the sum with 11% CAGR, while off-premises private cloud infrastructure grows at a 11.3% CAGR. Combined with on-premises private cloud, overall cloud infrastructure spending should have a 5-year CAGR of 10.9%, and by 2020 will surpass spending on non-cloud infrastructure.

On-premises private cloud spending is to grow at a 10.5% CAGR, while spending on non-cloud (on-premises and off-premises combined) will decline at a -3.1% CAGR during the 5-year period.

"The overall profile of spending on IT infrastructure in various deployment/location scenarios seen in 2016 will continue in 2017 with some differences in specific technology segments," IDC concludes. "Enterprise adoption of hybrid and multi-cloud IT strategies and the proliferation of cloud-native applications and areas such as the Internet of Things (IoT), which embrace a cloud-first approach to supporting IT resources, will fuel further increases in end-user spending on services-based IT. In turn, this move will be reflected in a shift of the overall spending on IT infrastructure from on-premises to off-premises deployments and from traditional IT to cloud IT."

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