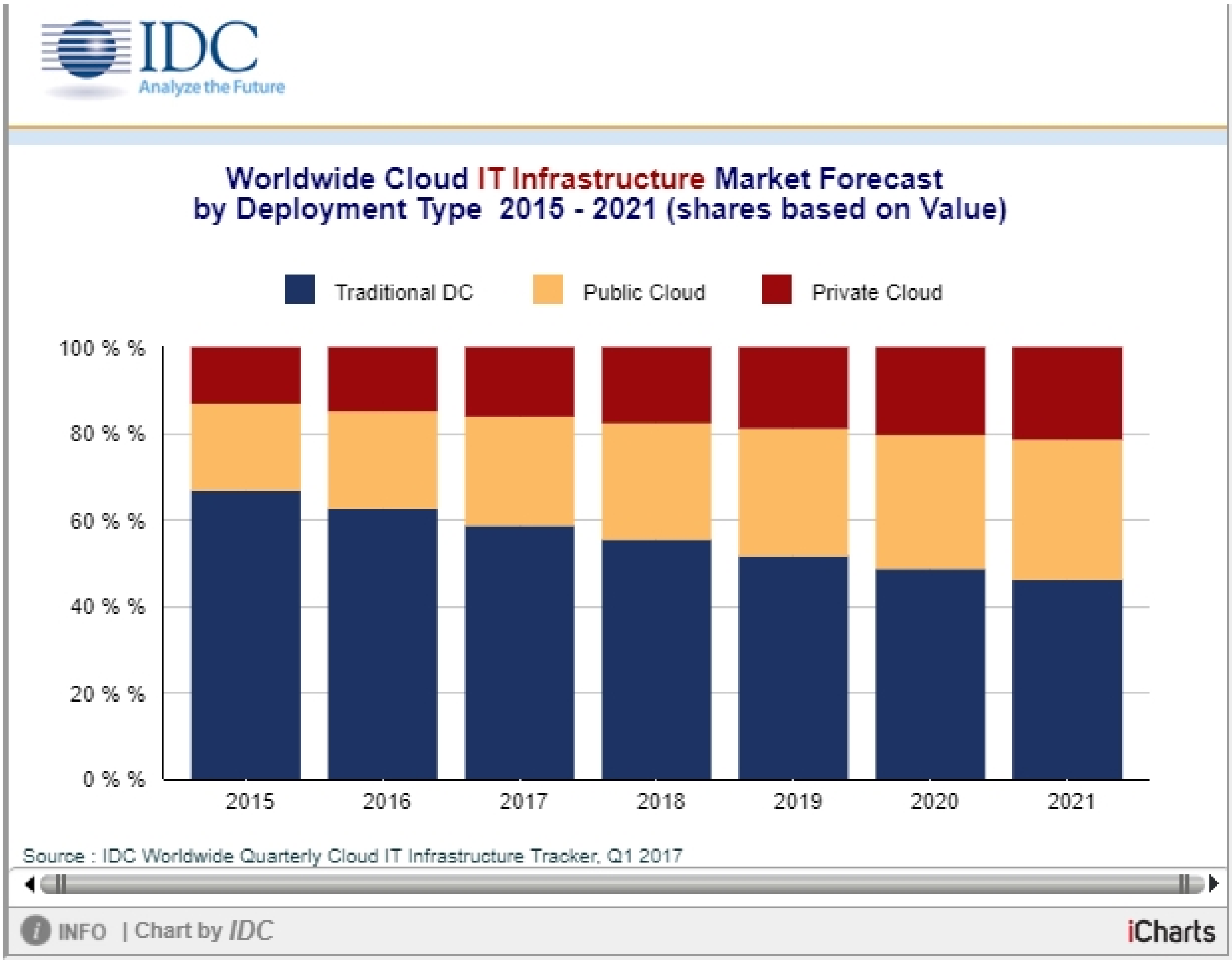
According to IDC total infrastructure (servers, enterprise storage and ethernet switches) spending for cloud deployment will increase by 12.4% in 2017 to reach $40.1 billion, with public cloud accounting for most of said spending.



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.

Increased spending on cloud infrastructure and decreasing investments in non-cloud infrastructure is a "common theme" for all regions-- global spending on non-cloud infrastucture 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 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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