

Gartner: Public Cloud Revenue Up 17% in 2020

Written by Marco Attard
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According to Gartner, the global public cloud services market is set to grow 17% in 2020 to total \$266.4 billion, up from \$227.8bn in 2019, a sign cloud adoption is all but mainstream at this point.

"The expectations of the outcomes associated with cloud investments therefore are also higher," the analyst adds. "Adoption of next-generation solutions are almost always "cloud-enhanced" solutions, meaning they build on the strengths of a cloud platform to deliver digital business capabilities."

Table 1. Worldwide Public Cloud Service Revenue Forecast (Billions of U.S. Dollars)

	2018	2019	2020	2021	2022
Cloud Business Process Services (BPaaS)	41.7	43.7	46.9	50.2	53.8
Cloud Application Infrastructure Services (PaaS)	26.4	32.2	39.7	48.3	58.0
Cloud Application Services (SaaS)	85.7	99.5	116.0	133.0	151.1
Cloud Management and Security Services	10.5	12.0	13.8	15.7	17.6
Cloud System Infrastructure Services (IaaS)	32.4	40.3	50.0	61.3	74.1
Total Market	196.7	227.8	266.4	308.5	354.6

BPaaS = business process as a service; IaaS = infrastructure as a service; PaaS = platform as a service; SaaS = software as a service

Note: Totals may not add up due to rounding.

Source: Gartner (November 2019)

Software as a Service (SaaS) is the largest market segment. It is forecast to grow to \$116bn in 2020, thanks to the scalability of subscription-based software. Infrastructure as a Service (IaaS) is the 2nd largest segment, reaching \$50bn in 2020 with 24% growth, the highest across all market segments. Gartner attributes such growth to the demands of modern applications and

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workloads, all demanding infrastructure traditional datacentres cannot meet.

Different forms of cloud computing are in the top three areas for investment by global CIOs. As organisations further rely on cloud technology, IT teams are rushing to embrace cloud-built applications and relocate existing digital assets. Thus, the top priority for the near future is building, implementing and maturing cloud strategies.

“The cloud managed service landscape is becoming increasingly sophisticated and competitive. In fact, by 2022, up to 60% of organisations will use an external service provider’s cloud managed service offering, which is double the percentage of organisations from 2018,” the analyst concludes. “Cloud-native capabilities, application services, multicloud and hybrid cloud comprise a diverse cloud ecosystem that will be important differentiators for technology product managers. Demand for strategic cloud service outcomes signals an organisational shift toward digital business outcomes.”

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