

IDC: "Tremendous Growth" for EMEA Cloud Infrastructure

Written by Marco Attard
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According to IDC total public and private cloud infrastructure (covering server, disk storage and ethernet switch) spending totals \$1.5 billion in EMEA, a 19.5% Y-o-Y increase.

Cloud makes 24.9% of overall EMEA revenue from servers, disk storage and ethernet switches, and represents 44.8% of total storage capacity in the region (an 8.6% Y-o-Y increase). When seen in euros, EMEA user value growth in public and private cloud across servers, storage and switches clocks at 19.1%.

EMEA Cloud IT Infrastructure Value (\$B)

Deployment Model (\$B)	3Q16	3Q16	3Q15	3Q15	3Q16
		Segment Shares		Segment Shares	YoY Growth
Private cloud (on- and off-premise)	\$0.9	14%	\$0.7	10%	24.8%
Public cloud	\$0.7	11%	\$0.6	9%	13.9%
Traditional IT	\$3.9	59%	\$4.7	64%	-14.5%
Grand total	\$6.7	100%	\$7.3	100%	-8.0%

"IDC expects this market to reach a value of \$10.9bn by 2020, from the 5-year forecast, or 35.4% of the total market expenditure," the analyst remarks. "Fueled by increasing maturity and adoption rates of many new cloud-dependent technologies such as the Internet of Things, cloud continues to represent an area of tremendous growth for the European infrastructure sector."

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In terms of specific regions, W. Europe sees an increase in innovative solutions combining multiple technologies to harness "unique values." For example, several industry clouds in the region combine data from IoT edge devices with real-time and Big Data analytics in subverticals such as building automation, manufacturing asset management and predictive maintenance.

However regulatory compliance remains an important inhibitor for W. European cloud adoption. We are currently approaching the end of the 2-year transition period for the EU General Data Protection Regulation, and enterprises are looking into ways to mitigate such issues. One means is the application of blockchain technology (from financial transactions) to the automation of policy compliance in cloud environments.

Meanwhile Q3 2016 CEMA cloud infrastructure revenue totals \$214.14 million, a 17.8% Y-o-Y increase. Driving growth is investment in networking functionalities, since ethernet switches see the fastest growth. MEA has the strongest growth in MEA, as many organisations are investing in private cloud to consolidate and optimise resources.

Cloud infrastructure in CEMA makes 19% of the total addressable server, storage and networking hardware market, with public cloud accounting for 47% of the share.

"Private cloud deployments have been driving growth in the CEMA region as organizations that are consolidating their IT infrastructure seek greater flexibility, lower capex, and faster implementation over traditional IT infrastructure," IDC concludes.

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