

# Gartner Forecasts Worldwide Public Cloud End-User Spending to Grow 18% in 2021

STAMFORD, Conn. November 17, 2020

## Proportion of Enterprise IT Spending on Public Cloud Computing Continues to Increase

Worldwide end-user spending on public cloud services is forecast to grow 18.4% in 2021 to total \$304.9 billion, up from \$257.5 billion in 2020, according to Gartner, Inc.

“The pandemic validated cloud’s value proposition,” said [Sid Nag](#), research vice president at Gartner. “The ability to use on-demand, scalable cloud models to achieve cost efficiency and business continuity is providing the impetus for organizations to rapidly accelerate their digital business transformation plans. The increased use of public cloud services has reinforced cloud adoption to be the ‘new normal,’ now more than ever.”

The proportion of [IT spending](#) that is shifting to cloud will accelerate in the aftermath of the [COVID-19](#) crisis, with cloud projected to make up 14.2% of the total global enterprise IT spending market in 2024, up from 9.1% in 2020.

Although software as a service (SaaS) remains the largest market segment and is forecast to grow to \$117.7 billion in 2021, application infrastructure services (PaaS) is anticipated to grow by a higher margin at 26.6% (see Table 1). The increased consumption of PaaS is driven by the need for remote workers to have access to high performing, content-rich and scalable infrastructure to perform their duties, which largely comes in the form of modernized and cloud-native applications.

**Table 1. Worldwide Public Cloud Services End-User Spending Forecast (Millions of U.S. Dollars)**

	2019	2020	2021	2022
Cloud Business Process Services (BPaaS)	45,212	44,741	47,521	50,336
Cloud Application Infrastructure Services (PaaS)	37,512	43,823	55,486	68,964
Cloud Application Services (SaaS)	102,064	101,480	117,773	138,261
Cloud Management and Security Services	12,836	14,880	17,001	19,934
Cloud System Infrastructure Services (IaaS)	44,457	51,421	65,264	82,225
Desktop as a Service (DaaS)	616	1,204	1,945	2,542
<b>Total Market</b>	<b>242,696</b>	<b>257,549</b>	<b>304,990</b>	<b>362,263</b>

*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 2020)

“The COVID-19 pandemic forced organizations to quickly focus on three priorities: preserve cash and optimize IT costs, support and secure a remote workforce, and ensure resiliency,” said Mr. Nag. “Investing in cloud became a convenient means to address all three of these needs.”

In fact, recent Gartner survey data indicates that almost 70% of organizations using cloud services today plan to increase their cloud spending in the wake of the disruption caused by COVID-19.

As enterprises increase investments in mobility, collaboration, and other remote working technologies and infrastructure, Gartner expects growth in public cloud to be sustained through 2024. The rising trend of cloud service providers partnering with telecommunications companies to extend their reach into the edge and support a hybrid workforce may also lead to further market growth.

“As [CIOs](#) think more strategically about how to lay the foundations to support a return to growth, it is clear that the move to digital and associated services will play a big role for organizations in the future,” said Mr. Nag. “Cloud adoption therefore becomes a significant means to stay ahead in a post-COVID-19 world focused on agility and digital touchpoints.”