

Media alert: Microsoft Azure's 102% jump boosts Q2 2016 cloud infrastructure services growth

- Cloud infrastructure services up 52.3% year on year to US\$9.5 billion

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Worldwide cloud infrastructure services expenditure grew 52.3% year on year in Q2 2016, reflecting the ongoing adoption by businesses and expanding use of consumer-centric services, such as social media, gaming and video streaming. Amazon's AWS remained the leading cloud infrastructure services provider, accounting for 30.4% of total spend. Its early mover advantage, aggressive pricing, broad geographic coverage and wide range of service offerings are key factors behind its success. But it is under growing pressure from Microsoft Azure, Google Cloud Platform and IBM SoftLayer. Overall, these four providers represented 60.5% of total worldwide cloud infrastructure services spend.

'The need for scalable and on-demand infrastructure is being driven by application testing, development and hosting; content delivery, big data and analytics; machine learning, IoT, disaster recovery and back-up; plus storage,' said Canalys Research Analyst Daniel Liu. 'But not every organization and every workload will migrate to the cloud. Cost is a major issue, but also compliance and regulations, security concerns, and application readiness are determining factors in cloud migration strategies. The adoption of hybrid cloud and on-premises solutions is prevalent as organizations seek to get the best of both worlds.'

The total value of the cloud infrastructure services market was US\$9.5 billion in Q2 2016. North America remained the largest market, representing 55.3% of the worldwide total, followed by EMEA at 24.7%, Asia Pacific at 15.9% and Latin America at 4.0%. For full-year 2016, Canalys predicts that the worldwide market will grow 50.3% to reach US\$37.8 billion. Cloud infrastructure services quarterly estimates, market share information and forecast data is taken from Canalys' Cloud and Data Center Analysis service.

For more information, please contact:

- Canalys EMEA: +44 118 984 0520
Matthew Ball: matthew_ball@canalys.com +44 118 984 0535
Claudio Stahnke: claudio_stahnke@canalys.com +44 118 984 0546
- Canalys APAC (China): +86 21 2225 2888
Daniel Liu: daniel_liu@canalys.com +86 21 2225 2817
- Canalys Americas: +1 650 681 4488
Chris Jones: chris_jones@canalys.com +1 650 450 1513

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Canalys' Cloud and Data Center Analysis service looks at the factors that will accelerate or impede data center investment, as well as the dramatic shifts and disruptions in trends around data center expenditure

and deployments. It provides both qualitative and quantitative analysis, including market sizing and forecasts, vendor profiles, analytical reports and inquiry support.

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Americas: Suite 317, 855 El Camino Real, Palo Alto, CA 94301, US | tel: +1 650 681 4488
APAC: Room 310, Block A, No 98 Yanping Road, Jingan District, Shanghai 200042, China | tel: +86 21 2225 2888
APAC: 133 Cecil Street, Keck Seng Tower, #13-02/02A, Singapore 069535 | tel: +65 6671 9399
EMEA: Diddenham Court, Lambwood Hill, Grazeley, Reading RG7 1JQ, UK | tel: +44 118 984 0520
e-mail: inquiry@canalys.com | web: www.canalys.com