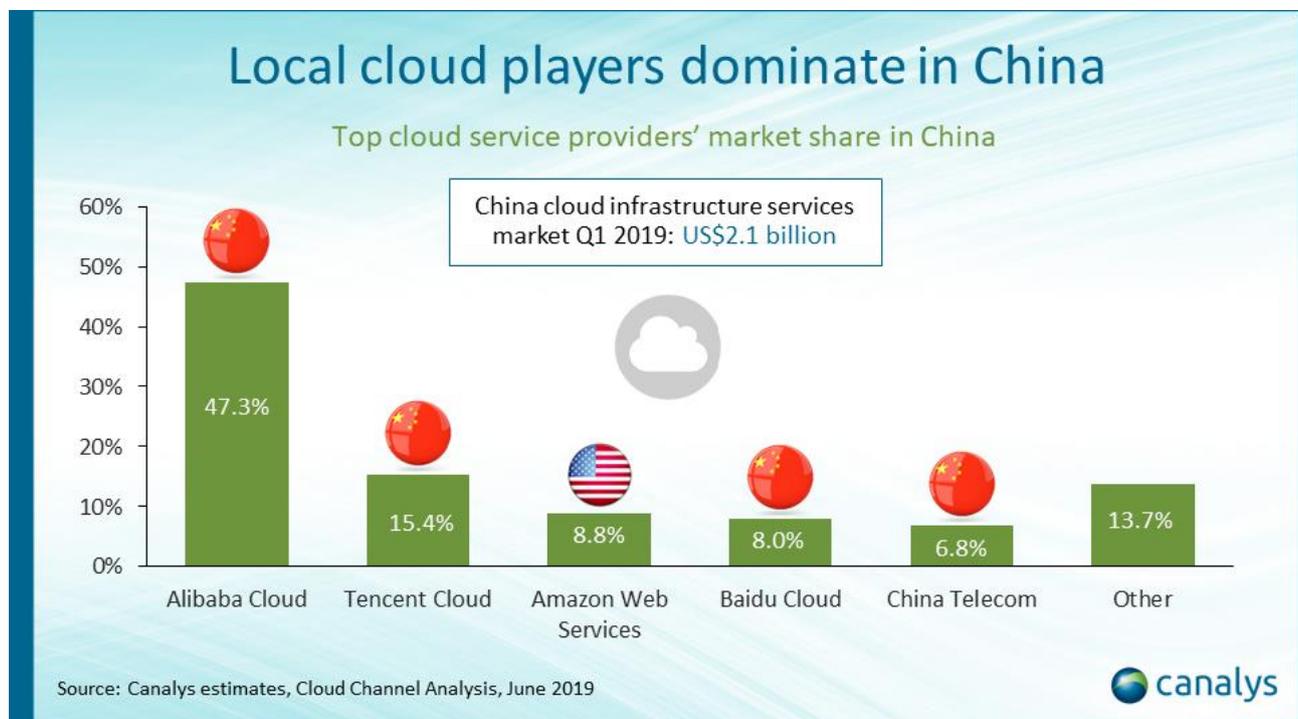


Canalys: Cloud infrastructure services spend in China exceeds US\$2 billion in Q1 2019

Portland (US), Shanghai, Singapore and Reading (UK) – Thursday, 20 June 2019

The latest research from Canalys' Cloud Channels Analysis service shows that the total spend on cloud infrastructure services in China reached US\$2.1 billion for the first time in Q1 2019. China accounted for 9.2% of the worldwide total, making it the second largest market behind the US at 48.4%. Amazon Web Services (AWS), Microsoft Azure and Google Cloud dominate globally but this is not the case in China. Government initiatives and regulations mean cloud service providers headquartered in China account for four of the top five. Alibaba Cloud led in Q1 with 47.3% of the market, followed by Tencent Cloud with 15.4%. AWS was third, accounting for 8.8%, closely followed by Baidu Cloud (8.0%) and China Telecom (6.8%).



Cloud infrastructure services spending in China has benefited from the largest population of Internet and smartphone users worldwide, fueling use of digital consumer services. "Chinese startups have rapidly grown over the last decade to become large global players with a focus on

providing innovative online-based services in video streaming, gaming, ecommerce, social media and digital finance,” said Daniel Liu, Canalys Research Analyst. “Alibaba is the leading ecommerce platform in the country, while Tencent leads in social media with WeChat, and Baidu is the leader in online search, all underpinned by cloud computing. This has driven significant investment in distributed data centers across the country to support increasing customer demand and the launch of new services, and to maintain high levels of availability.”

Government organizations have been active cloud adopters, valuing it as a core component to support data-intensive projects, such as secure and smart cities and egovernment services. “The combination of cybersecurity policies and requirements for data localization, as well as the China Telecommunications Regulation, have helped to accelerate the growth of home-grown cloud service providers.” added Liu. “The current trade issues between China and the US will amplify this further. Internationally, the Chinese providers continue to expand, especially in Southeast Asia, the Middle East and parts of Europe. If the US-China relationship worsens, countries around the world will not only be forced to decide between Chinese or non-Chinese infrastructure for 5G networks, but also for the roll-out of cloud infrastructure services.”

For more information, please contact:

Canalys EMEA

Matthew Ball: matthew_ball@canalys.com +44 7887 950 505

Alastair Edwards: alastair_edwards@canalys.com +44 7901 915 991

Canalys APAC (Shanghai)

Daniel Liu: daniel_liu@canalys.com +86 158 0075 6471

Canalys APAC (Singapore)

Sharon Hiu: sharon_hiu@canalys.com +65 9777 9015

Yih Khai Wong: yih_khai_wong@canalys.com +65 6671 9384

Canalys Americas

Alex Smith: alex_smith@canalys.com +1 650 799 4483

About the Cloud Channels Analysis service

Canalys' [Cloud Channels Analysis](#) is a global service assessing the rapidly evolving cloud business models and go-to-market strategies for cloud services, including tracking the value of IaaS and SaaS cloud services. It includes worldwide market coverage, with a focus on how cloud providers

are working with the channel. Canalys' channels expertise and research programs also support this service.

About Canalys

Canalys is an independent analyst company that strives to guide clients on the future of the technology industry and to think beyond the business models of the past. We deliver smart market insights to IT, channel and service provider professionals around the world. We stake our reputation on the quality of our data, our innovative use of technology and our high level of customer service.

Receiving updates

To receive media alerts directly, or for more information about our events, services or custom research and consulting capabilities, please [contact us](#) or email press@canalys.com.

[Please click here to unsubscribe](#)

Copyright © Canalys 2019. All rights reserved.

Americas: 319 SW Washington #1175, Portland, OR 97204 US

APAC: Room 310, Block A, No 98 Yanping Road, Jingan District, Shanghai 200042, China

APAC: 133 Cecil Street, Keck Seng Tower, #13-02/02A, Singapore 069535

EMEA: Diddenham Court, Lambwood Hill, Grazeley, Reading RG7 1JQ, UK

email: contact@canalys.com | web: www.canalys.com