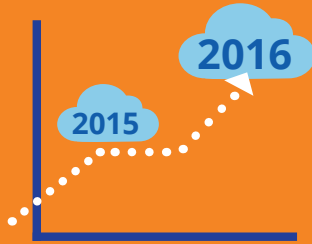


# 10 things to know about cloud in China

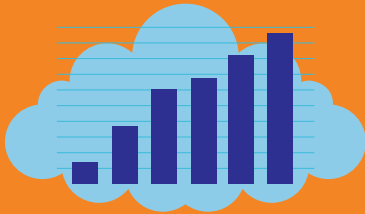
**79%**

According to IDC<sup>1</sup> the astounding increase in cloud adoption in China from 2015 to 2016, bringing the total percentage of Chinese organizations that use some form of cloud to 82%.



## Compelling reasons

Forbes<sup>2</sup> says China is embracing cloud for three primary reasons:



**1**

The Chinese government encourages cloud adoption, as the sector has received significant interest from investors, and M&A is at an all-time high.

**2**

In 2015, the majority (41%) of global cloud computing jobs were in China. Today China continues to prioritize investment in cloud talent.

**3**

The country's "Made in 2025" plan and Internet Plus initiatives are enabling growth in cloud computing.

## Open source

Of APAC organizations surveyed by IDC<sup>3</sup>, 67% said OpenStack is critical to their cloud strategy. Meanwhile, Chinese solution providers are increasingly deploying and contributing to open source projects.

China Telecom has been involved in several open source groups working on network virtualization and was a member of the Open-O management and network orchestration (MANO) project, now known as the Open Networking Automation Platform (ONAP).



**\$62**  
billion  
growth



By 2019 China aims to increase the scale of its cloud computing industry by more than 2.5 times 2015 levels.

According to the Ministry of Industry and Information Technology<sup>3</sup>, the size of the cloud computing market is expected to reach US\$62 billion in 2019.

## IaaS on the rise



Data backup and disaster recovery are fuelling demand for IaaS in China, where the government is driving development of cloud infrastructure services. Statista<sup>4</sup> report that the size of the Chinese public IaaS market is expected to reach \$1.26 billion in 2018 from \$754.4 million in 2016.

China Telecom offers a suite of competitively priced cloud compute, storage, virtual private cloud and network options.

**73%**

## want private cloud

Public cloud services have garnered considerable attention, but private cloud is preferred by enterprise customers who can afford it. Of Chinese IT decision makers surveyed by Forrester<sup>5</sup>, 73% say building a private cloud will be a high priority for their organization in the next 12 months.

## Cloud regulations

China has developed rules regulating both domestic and foreign-based cloud providers, especially concerning PaaS and IaaS.

According to the Ministry of Industry and Information Technology<sup>6</sup>, cloud service platforms must be located in China, and connections to overseas networks can only be made via China's approved international internet gateways.

**86%**  
using  
hybrid  
cloud



Of Chinese companies that use cloud technology, IDC<sup>1</sup> reports that 86% deploy some combination of on-premises, private, and public cloud services with IT assets and workloads dispersed across onsite and offsite data centers.

## Cloud connectivity fuels SD-WAN growth

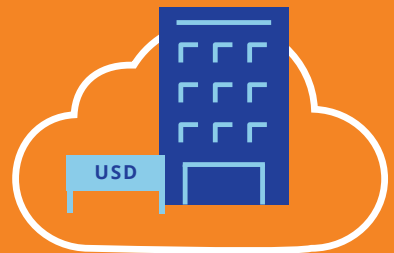


To make cloud work, applications must run faster, and SD-WAN architecture is key. According to Gartner<sup>7</sup>, the SD-WAN market could reach \$1.6 billion by 2021, and China is the largest APAC market.

China Telecom is offering SD-WAN through Versa Networks in 15 cloud hubs globally and enables direct and secure access to public cloud services such as Azure and AWS.

USD  
**\$3**  
million  
additional  
revenue

According to an IDC report<sup>1</sup>, companies with greater cloud maturity annually achieve \$3 million in additional revenues from new customers, faster time to market, enablement of IoT and risk mitigation, and savings of \$1 million in reduced costs per cloud-based application.



1. Source: IDC - [www.cisco.com/c/dam/en/us/solutions/collateral/trends/cloud/cisco-bca-infobrief.pdf](http://www.cisco.com/c/dam/en/us/solutions/collateral/trends/cloud/cisco-bca-infobrief.pdf)

2. Source: <https://www.forbes.com/sites/louiscolombus/2014/12/12/where-cloud-computing-jobs-will-be-in-2015/>

3. Source: [www.atimes.com/article/china-expects-domestic-cloud-computing-industry-reach-us62-billion-2019/](http://www.atimes.com/article/china-expects-domestic-cloud-computing-industry-reach-us62-billion-2019/)

4. Source: [www.statista.com/statistics/600452/china-public-cloud-infrastructure-market-size/](http://www.statista.com/statistics/600452/china-public-cloud-infrastructure-market-size/)

5. Source: [www.cio-asia.com/tech/cloud-computing/73-percent-of-chinese-it-decision-makers-plan-to-embrace-private-cloud-in-the-next-12-months/](http://www.cio-asia.com/tech/cloud-computing/73-percent-of-chinese-it-decision-makers-plan-to-embrace-private-cloud-in-the-next-12-months/)

6. Source: [www.cio-asia.com/tech/cloud-computing/73-percent-of-chinese-it-decision-makers-plan-to-embrace-private-cloud-in-the-next-12-months/](http://www.cio-asia.com/tech/cloud-computing/73-percent-of-chinese-it-decision-makers-plan-to-embrace-private-cloud-in-the-next-12-months/)

7. Source: [www.telappriase.com/sd-wan-market-growth/](http://www.telappriase.com/sd-wan-market-growth/)