

## China keeps No 2 rank for cloud services

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China maintained its position as the world's second-largest cloud services market amid record spending of US\$4.3 billion in the second quarter, fuelled by increased demand for online services during the Covid-19 pandemic and government stimulus measures, according to a report.

That marked a 70 per cent increase from a year ago, led by domestic cloud infrastructure services spending on Alibaba Cloud, according to research firm Canalys in the report yesterday.

Alibaba Cloud, the digital technology and intelligence unit of e-commerce giant Alibaba Group Holding, had a 40.1 per cent market share in the second quarter. Alibaba is the parent company of the *Post*.

"Momentum in China's cloud infrastructure services market is set to accelerate," Canalys analyst Blake Murray wrote. "An already growing market is being propelled by government initiatives, commitment by cloud service providers to invest, as well as increasing demand for digital transformation and online services in the post-Covid-19 economy."

Spending on cloud services in China accounted for 12.4 per cent of the US\$34.6 billion total global investment in the second quarter, data from Canalys showed. The US, home to Amazon Web Services, Microsoft Azure and Google Cloud, was the world's top market for cloud infrastructure services.

Demand for online collaboration and remote working tools, e-commerce, remote learning and content streaming has increased as the country emerged from coronavirus lockdown.

Huawei Cloud, a unit of telecommunications equipment maker Huawei Technologies, ranked second at 15.5 per cent, while Tencent Cloud, a unit of Tencent Holdings, was third with 15.1 per cent, Canalys said.