

# Network cloud infrastructure: worldwide forecast 2021- 2026



Gorkem Yigit

## About this report

This report provides forecasts for communications service provider (CSP) spending on network cloud infrastructure and related services for 2021–2026. It provides details on spending by delivery model, sub-segment and region, as well as the major drivers, including 5G. The report also provides recommendations for vendors and CSPs.

The report is based on several sources, including:

- Analysys Mason’s research from the past year
- interviews with CSPs and vendors worldwide.

### KEY QUESTIONS ANSWERED IN THIS REPORT

- What are the key trends and factors that will affect the network cloud infrastructure market during 2021–2026?
- What are the growth rates in each of the sub-segments?
- What are the regional factors that will drive growth?
- What should vendors do to exploit new business opportunities?
- How will professional services for network cloud infrastructure perform during the forecast period?
- What are the major drivers and inhibitors that will influence CSP spending on network cloud infrastructure?

### GEOGRAPHICAL COVERAGE

- Worldwide
- Central and Eastern Europe
- Developed Asia–Pacific
- Emerging Asia–Pacific
- Latin America
- Middle East and North Africa
- North America
- Sub-Saharan Africa
- Western Europe

### SUB-SEGMENTS

- Network cloud hardware
- Virtual infrastructure management (VIM)
- Container-as-a-service (CaaS)
- Virtualisation layer
- DC SDN control

### WHO SHOULD READ THIS REPORT

- Vendor strategy teams that need to understand how spending is shifting from integrated network function virtualisation (NFV) stacks to common network cloud infrastructure and cloud-native components.
- Product management teams that are responsible for feature functionality and geographical focus, and product marketing teams that are responsible for growth.
- CSPs that are planning cloud-native transformation journeys and want to ensure that they remain up-to-date.
- Professional services vendors that want to understand the growth opportunities over the next 5 years.

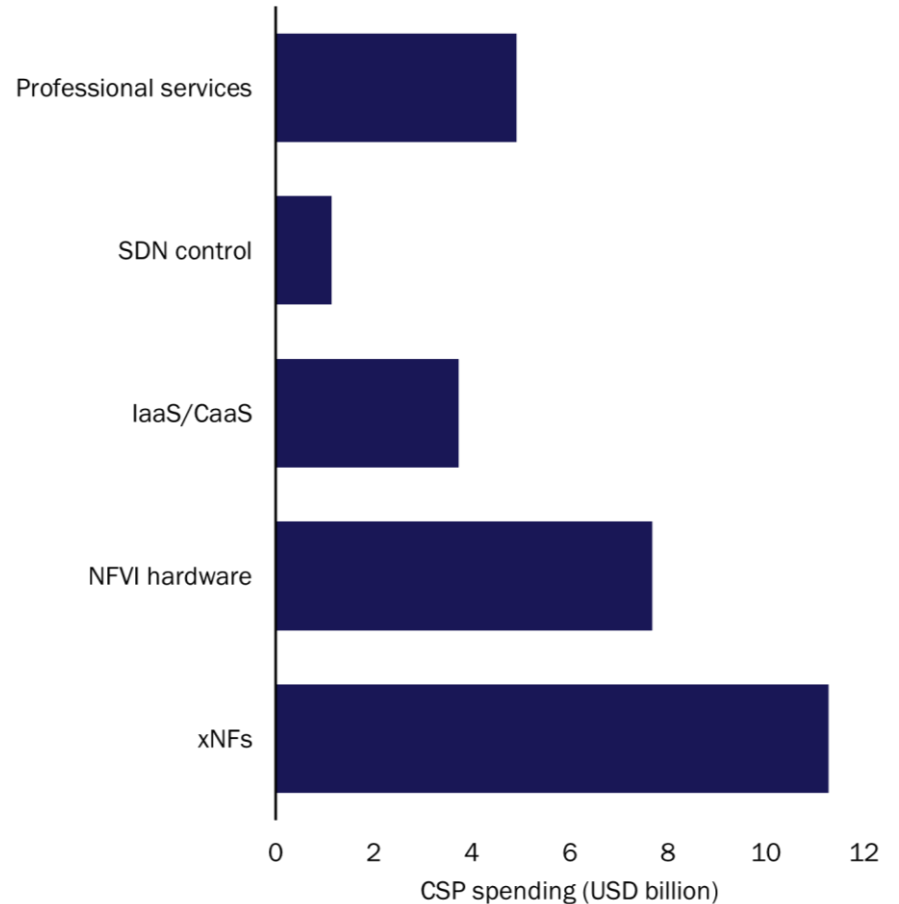
# The network cloud infrastructure market will grow to USD30 billion by 2026, and this growth will reshape the network value chain

The CSP network cloud infrastructure market will grow from USD6.9 billion in 2020 to USD30.1 billion in 2026, at a CAGR of 28%.

The cloud-native network platforms and skills that CSPs have in place will play a critical role in determining CSPs' ability to create and deliver new 5G, edge and network slicing-driven services. Leading CSPs are working towards implementing horizontal cloud platforms for any cloud-native software, underpinned by a disaggregated, multi-cloud network infrastructure. However, CSPs that have tried to build such clouds themselves have experienced major barriers such as integration, orchestration and automation complexity and costs. In response, new cloud infrastructure strategies based on the use of public cloud providers' (PCPs) cloud stacks or common, standards-based reference architecture (such as European Telecom Cloud and LFN Anuket) are emerging.

The gradual adoption of disaggregated, horizontal clouds will affect the network cloud value chain and CSPs' investments; it will also redefine the competitive dynamics between incumbent vendors, challengers and PCPs. Network equipment providers (NEPs) are embracing openness and are re-architecting products to support disaggregation at varying levels. Challenger xNF, IaaS/CaaS and hardware vendors are building ecosystem partnerships that are aligned with standards bodies and industry alliances to minimise disaggregation cost and complexity. We expect that CSPs' network cloud procurement strategies will be driven by the selection of an entire ecosystem rather than multi-vendor mix and match.

Figure 1: CSP spending on network cloud infrastructure, by sub-segment, worldwide, 2026



Source: Analysys Mason



Executive summary and recommendations

Forecast

Overall telecoms market context

Market definition

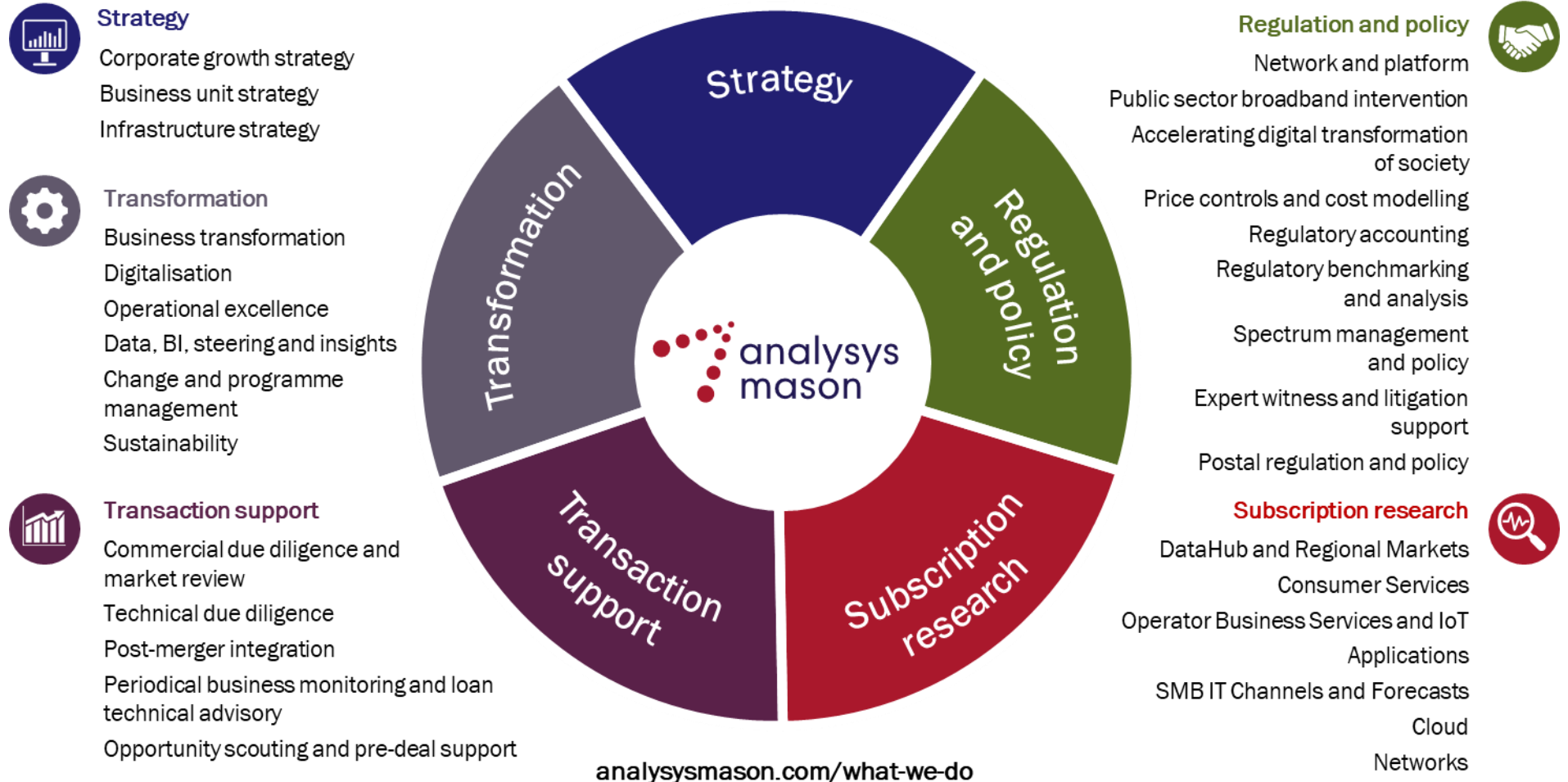
**About the author and Analysys Mason**

## About the author







**Gorkem Yigit** (Principal Analyst) is the lead analyst for the *Cloud Infrastructure Strategies* and the *Edge and Media Platforms* research programmes. His research focuses on the building blocks, architecture and adoption of the cloud-native, disaggregated and programmable digital infrastructure and networks that underpin the delivery of 5G, media and edge computing services. He also works with clients on a range of consulting projects such as market and competitive analysis, business case development and marketing support through thought leadership collateral. He holds a cum laude MSc degree in economics and management of innovation and technology from Bocconi University (Milan, Italy).

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