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THE ECONOMIC IMPACT OF CLOUD TECHNOLOGIES ON THE INDUSTRY 4.0 DEVELOPMENT

Introduction

Industry 4.0 represents the fourth industrial revolution, characterized by the integration of digital technologies such as the Internet of Things (IoT), big data, artificial intelligence (AI), and automation into manufacturing and other industrial processes [1; 2]. This revolution is driving a new era of productivity, efficiency, and innovation, allowing businesses to optimize operations, enhance product quality, and create new business models. The importance of Industry 4.0 lies in its potential to transform industries, making them more responsive to market changes and customer demands. Historically, adopting advanced IT infrastructure for Industry 4.0 required significant capital expenditures (CAPEX). Companies had to invest heavily in hardware, software, and skilled personnel to build and maintain complex IT systems. These substantial upfront costs were a barrier for many organizations, particularly small and medium-sized enterprises (SMEs), limiting their ability to leverage Industry 4.0 technologies. Cloud computing has emerged as a game-changer in this context, offering a more flexible and cost-effective alternative to traditional IT infrastructure. By shifting from CAPEX to operational expenditure (OPEX), cloud computing allows businesses to pay for IT resources on a subscription basis, scaling up or down as needed without large upfront investments. This model not only reduces financial risk but also provides access to cutting-edge technologies and services that were previously out of reach for many companies. Thesis statement: Cloud technologies significantly reduce initial capital expenditure, improve ROI, and make Industry 4.0 accessible to smaller enterprises. This shift from CAPEX to OPEX, coupled with the scalability and flexibility of cloud solutions, democratizes access to Industry 4.0 innovations, enabling even small businesses to participate in the digital transformation and reap its economic benefits.

Literature review

A study by Ramesh Kumar Ayyasamy et al. explores the effects of cloud computing, big data analytics, and the Internet of Things (IoT) on the innovation performance of manufacturing firms. It identifies dynamic and innovation capabilities as mediating factors, suggesting that firms can enhance their innovation performance by effectively leveraging

these digital technologies [1]. Amuthalakshmi Periasamy and Krishnan Umachandran discuss the incorporation of Industry 4.0 technologies such as augmented reality, virtual reality, and AI in the educational sector. They emphasize that the pandemic has accelerated the adoption of these technologies, facilitating a more immersive and effective learning environment. A work [4] identifies the critical factors influencing cloud computing adoption in Industry 4.0-based advanced manufacturing systems. It highlights the importance of considering these factors to ensure effective implementation and improved manufacturing productivity. Minakshi Sharma et al. examine the role of cloud resource management in enabling Industry 4.0. They discuss various resource provisioning techniques, their challenges, advantages, and performance parameters, emphasizing the importance of efficient resource management for Industry 4.0 success [5]. The economic impact of cloud computing on Industry 4.0 is significant, transforming cost structures and fostering innovation across various sectors. Federico Etro's work emphasizes that cloud computing allows firms to rent computing power and storage on-demand, converting fixed costs into variable ones and enhancing the incentives for new business creation, which drives investments, macroeconomic growth, job creation, and job reallocation in the ICT sector [6; 7]. Another study by Promise Mvelase and colleagues reviews multiple pricing models in cloud computing, highlighting cost savings, efficiency boosts, and the profound impact on market structures and competition [8]. In healthcare, Gillala Rekha and Jasti Yashaswini explore how Industry 4.0 and cloud technologies revolutionize eHealth by integrating IoT, fog computing, and big data, thus enhancing the accessibility and usability of health data [9]. Ediz Daykol focuses on the IT industry's shift towards cloud computing, which allows firms to adapt quickly to changing demands, minimizing costs associated with over-provisioning and enabling them to focus on core business objectives [10]. The reviewed literature highlights several key insights into the economic impact of cloud technologies on Industry 4.0 by driving cost reduction and operational efficiency through scalability, flexibility, and reduced maintenance costs. They enable improved collaboration and support accelerated development cycles, fostering innovation and faster market adaptation. However, there are notable

gaps that future research can address to provide a more comprehensive understanding. While there is a significant focus on the immediate benefits of cloud technologies, such as cost savings and operational efficiency, there is a lack of detailed analysis on the long-term economic impacts. Future studies should investigate the sustained economic benefits and potential drawbacks of cloud adoption over extended periods. Many studies discuss the general advantages of cloud technologies but fall short of providing a comparative analysis of the leading cloud service providers (AWS, GCP, and Microsoft Azure), which is one of the key strategic choices for any organization which plans to implement Industry 4.0 concepts. This choice would define multiyear direction of organizational development, that is why understanding differences, pros and cons of cloud providers is a crucial for proper decision making. Future research should offer detailed comparisons of these providers, focusing on their specific offerings for Industry 4.0 and the economic advantages they bring. There is a need for more case studies that illustrate successful implementations of Industry 4.0 initiatives leveraging cloud technologies, particularly in small and medium enterprises (SMEs). Detailed case studies can provide valuable insights into best practices, challenges faced, and economic outcomes. While some sectors, like manufacturing and healthcare, are discussed, there is limited coverage of other industries that can benefit from Industry 4.0 and cloud technologies. Future research should explore the economic impact of these technologies across a wider range of sectors. The goal of the article to show how cloud technologies could enable to the development of Industry 4.0. Provide a practical guidance for the organization in making the right choice among cloud providers and show economic value of using such technologies in scope of transaction to Industry 4.0 concepts.

Main Part

Since the introduction of the Industry 4.0 concept, the key blocker for its implementation was high cost. Organizations needed to be ready to invest in hardware, software, and changes to some of their processes and operations, which posed a high risk and caused significant capital expenditure. With the advent of cloud computing and increased interest from key cloud providers in Industry 4.0, organizations gained the opportunity to use multiple instruments right out of the box without creating them from scratch. This shift from to operational expenditure enabled various organizations, from small businesses to large enterprises, to start implementing Industry 4.0 in their production processes without large initial investments.

Capital Expenditure (CAPEX) refers to the funds used by a company to acquire, upgrade, and maintain physical assets such as property, industrial buildings, or equipment. This type of spending is aimed at creating future benefits and typically involves significant upfront

investment. Examples of CAPEX include purchasing new machinery, upgrading existing facilities, or investing in new technology infrastructure. On the other hand, Operational Expenditure (OPEX) refers to the ongoing costs for running a product, business, or system. OPEX is typically shorter-term in nature and includes expenses like rent, utilities, salaries, and maintenance costs. These expenses are necessary for the day-to-day functioning of a business and are often more predictable and manageable on a regular basis. Cloud computing fundamentally shifts IT investments from a CAPEX model to an OPEX model. Traditionally, businesses had to make significant CAPEX investments to purchase hardware, software, and other IT infrastructure components. These upfront costs were often a barrier, especially for small and medium-sized enterprises (SMEs), limiting their ability to adopt advanced technologies. With cloud computing, businesses can access computing resources over the internet on a pay-as-you-go basis. This model allows companies to avoid large initial investments in IT infrastructure. Instead, they pay for the cloud services they use, transforming these costs into OPEX. This shift means that businesses can scale their IT resources up or down based on demand, ensuring they only pay for the capacity they need at any given time. The transition from CAPEX to OPEX offers several financial benefits for businesses:

1. Reduced initial costs by avoiding significant upfront investments in IT infrastructure, companies can preserve their capital for other strategic investments or operational needs. This is particularly beneficial for SMEs, which may have limited access to large capital reserves.

2. Cloud services allow businesses to scale their IT resources according to their needs. This flexibility ensures that companies can quickly respond to market changes without the risk of over-investment or under-utilization of resources.

3. With the pay-as-you-go model, businesses can better predict and manage their IT expenses. This predictability helps in budgeting and financial planning, as companies are not subject to the fluctuations that come with maintaining and upgrading physical infrastructure.

4. Shifting IT expenses to OPEX improves cash flow by spreading costs over time. This can be particularly advantageous for businesses with seasonal or fluctuating demand, as they can align their IT spending with revenue generation periods.

5. Cloud providers continuously update their services with the latest technologies and security measures. Businesses can benefit from these advancements without having to invest in new hardware or software, ensuring they remain competitive and secure.

The transformation of IT investments from CAPEX to OPEX through cloud computing not only lowers barriers to adopting advanced technologies but

also offers significant financial and operational benefits. This shift enables businesses of all sizes to innovate, scale efficiently, and manage costs more effectively, driving overall growth and competitiveness in the digital age. The adoption of cloud technologies in Industry 4.0 has significantly enhanced the Return on Investment (ROI) for businesses. This improvement is primarily due to the reduction in initial costs and the scalability of cloud solutions. Traditional IT infrastructure required substantial upfront capital expenditure (CAPEX) for purchasing hardware and software, which posed a significant barrier for many companies, especially small and medium-sized enterprises (SMEs). Cloud computing, however, shifts these expenses from CAPEX to operational expenditure (OPEX). Companies can now subscribe to cloud services on a pay-as-you-go basis, avoiding large initial investments. This model not only reduces financial risk but also offers the flexibility to scale resources up or down based on demand. This adaptability ensures that businesses can optimize their IT spending, leading to a more efficient allocation of resources and higher ROI. Additionally, cloud technologies enable rapid deployment and scaling of Industry 4.0 solutions. This speed to market allows companies to quickly leverage new technologies, enhancing their competitive edge and revenue potential. The reduced initial costs and scalable nature of cloud services contribute to substantial ROI improvements by enabling businesses to achieve more with less financial risk. To understand better the business case of such implementations it was review several public case studies.

Examples of Successful Industry 4.0 Implementations Leveraging Cloud Technologies

1. Siemens MindSphere: Siemens developed MindSphere, an industrial IoT as a service (IaaS) platform that uses cloud technology to connect machines and infrastructure to the digital world. This platform helps companies collect and analyze data from connected devices, optimizing operations and driving innovation. By leveraging AWS, Siemens has enabled its customers to implement IoT solutions with lower upfront costs and scalable options, significantly improving ROI [11].

2. General Electric's Predix Platform: General Electric (GE) developed Predix, a cloud-based Industrial Internet of Things (IIoT) platform that provides advanced analytics and machine learning capabilities. This platform helps industrial companies optimize their operations by leveraging real-time data. By using cloud infrastructure, GE allows its customers to deploy advanced technologies without substantial CAPEX, ensuring a scalable and efficient solution that improves ROI [12].

3. BMW's Smart Manufacturing: BMW has integrated cloud computing into its smart manufacturing processes, enabling real-time data collection and analysis across its production lines. This integration has

led to significant improvements in efficiency and productivity. By leveraging AWS, BMW quickly scales its data processing capabilities and deploys advanced analytics, resulting in optimized production processes and reduced operational costs [13].

4. ABB Ability™: ABB's cloud-based suite of solutions, ABB Ability™, enhances operational performance and productivity. By using the cloud, ABB provides scalable analytics and real-time insights, allowing companies to make data-driven decisions and optimize their industrial processes. The reduced upfront investment and scalable nature of cloud services have led to substantial ROI improvements for ABB's customers [14].

These case studies illustrate how the adoption of cloud technologies in Industry 4.0 not only lowers initial costs but also provides the scalability and flexibility needed to achieve higher ROI. By leveraging cloud solutions, businesses can implement advanced technologies more efficiently, drive innovation, and manage costs effectively, leading to overall growth and competitiveness.

Historical Challenges for SMEs in Adopting Industry 4.0 Technologies:

Traditionally, implementing Industry 4.0 technologies required substantial capital investment in advanced machinery, IoT devices, and IT infrastructure. These high upfront costs posed a significant barrier for SMEs, which often operate with limited financial resources. SMEs frequently face a shortage of skilled personnel who can manage and implement advanced digital technologies. This skill gap hinders their ability to adopt and fully leverage Industry 4.0 solutions. Many traditional Industry 4.0 solutions were designed with large-scale operations in mind, making it difficult for SMEs to adapt these technologies to their smaller, more variable production environments. Integrating new Industry 4.0 technologies with existing systems and processes can be complex and disruptive, posing a risk for SMEs that cannot afford significant downtime or operational disturbances.

How Cloud Technologies Lower the Barriers to Entry:

Cloud computing shifts IT spending from capital expenditure (CAPEX) to operational expenditure (OPEX). This pay-as-you-go model allows SMEs to access advanced technologies without large initial investments, making it easier to adopt Industry 4.0 solutions. Cloud platforms offer a range of Industry 4.0 tools such as IoT management, big data analytics, and AI services that SMEs can utilize without needing in-house expertise. These tools are often user-friendly and come with support services that help bridge the skill gap. Cloud services are inherently scalable, allowing SMEs to start small and expand their use of Industry 4.0 technologies as their needs grow. This flexibility ensures that SMEs can tailor their technology

investments to their specific requirements and business conditions. Many cloud-based Industry 4.0 solutions are designed to integrate seamlessly with existing systems. This reduces the complexity and risk associated with implementation, allowing SMEs to adopt new technologies with minimal disruption.

As reviewed previously in the article, cloud technologies help to reduce barriers to implementing Industry 4.0 concepts by making it cheaper and transferring CAPEX to OPEX. However, it is crucial for organizations to wisely choose their cloud providers, as each provider has its own pros and cons.

Overview of Major Cloud Providers and Their Offerings for Industry 4.0:

Overview of AWS Services Relevant to Industry 4.0:

- **AWS IoT Core:** This service allows devices to connect to AWS services and other devices securely. It enables data collection, processing, and analysis in real-time, which is crucial for industrial applications.

- **AWS Greengrass:** This service extends AWS to edge devices so they can act locally on the data they generate while still using the cloud for management, analytics, and durable storage.

- **AWS Machine Learning:** AWS offers a suite of machine learning services including Amazon SageMaker, which helps in building, training, and deploying machine learning models at scale.

- **AWS Lambda:** This serverless compute service runs code in response to events and automatically manages the compute resources required by that code, which is useful for real-time data processing in manufacturing.

- **AWS Data Lakes and Analytics:** AWS provides comprehensive data lake solutions and analytics services such as Amazon Redshift, AWS Glue, and Amazon Athena, enabling large-scale data processing and insights.

Economic Benefits of AWS for Industry 4.0 Initiatives:

AWS's pay-as-you-go pricing model reduces upfront costs and enables SMEs to adopt advanced technologies without significant capital investment. AWS services can scale up or down based on the business needs, allowing companies to manage their resources efficiently. With a broad range of services, AWS supports innovation and flexibility in implementing Industry 4.0 solutions.

Overview of GCP Services Relevant to Industry 4.0:

- **Google Cloud IoT:** This fully managed service allows for secure connection, management, and data ingestion from globally distributed devices.

- **BigQuery:** Google's serverless, highly scalable, and cost-effective multi-cloud data warehouse designed for business agility.

- **Google Cloud AI and Machine Learning:** Services such as AutoML, TensorFlow, and AI Platform that provide powerful tools for building and deploying machine learning models.

- **Google Kubernetes Engine (GKE):** Managed Kubernetes service for running containerized applications, which can be useful for scalable deployment of industrial applications.

- **Cloud Functions:** A serverless execution environment for building and connecting cloud services, ideal for real-time processing needs in Industry 4.0.

Economic Advantages of GCP for Businesses:

GCP offers competitive pricing and flexible contracts, which can be beneficial for cost management in SMEs. With powerful analytics tools like BigQuery, companies can gain deep insights from their data to optimize operations. GCP's strong support for open source technologies ensures easy integration with existing systems and flexibility in application development.

Overview of Microsoft Azure Services Relevant to Industry 4.0:

- **Azure IoT Hub:** A managed service that acts as a central message hub for bi-directional communication between IoT applications and the devices it manages.

- **Azure Machine Learning:** This service provides tools for building, training, and deploying machine learning models quickly and easily.

- **Azure Digital Twins:** This service enables the creation of comprehensive digital models of physical environments to monitor, diagnose, and optimize industrial operations.

- **Azure Functions:** Serverless compute service that allows you to run event-triggered code without managing servers, ideal for real-time industrial applications.

- **Azure Data Lake and Analytics:** Azure provides scalable data storage and analytics services that allow for large-scale data processing and insights.

Economic Impact of Using Azure for Industry 4.0 Projects:

Azure offers a highly integrated ecosystem of services that streamline the deployment of Industry 4.0 applications. With advanced security features and compliance certifications, Azure ensures that industrial applications meet stringent regulatory requirements. Azure supports hybrid deployments, allowing companies to leverage both on-premises and cloud resources effectively.

The major cloud providers – AWS, Google Cloud Platform, and Microsoft Azure – offer a comprehensive range of services (table 1) that enable businesses to implement Industry 4.0 solutions efficiently and cost-effectively. Their offerings help reduce initial investment barriers, provide scalability, and enhance innovation, making advanced industrial technologies accessible to enterprises of all sizes.

Table 1

Service Offerings Comparison

Feature / Service	Amazon Web Services (AWS)	Google Cloud Platform (GCP)	Microsoft Azure
IoT Services	AWS IoT Core, AWS IoT Greengrass	Google Cloud IoT Core, Google IoT Edge	Azure IoT Hub, Azure IoT Edge
Machine Learning	Amazon SageMaker, AWS Lambda	Google Cloud AI Platform, TensorFlow	Azure Machine Learning, Azure Functions
Data Storage & Analytics	Amazon S3, Amazon Redshift, AWS Glue, Amazon Athena	Google Cloud Storage, BigQuery, Google Cloud Dataflow	Azure Blob Storage, Azure Data Lake, Azure Synapse Analytics
Edge Computing	AWS Greengrass	Google IoT Edge	Azure IoT Edge
Digital Twins	AWS IoT TwinMaker	Google Cloud IoT	Azure Digital Twins
Integration & APIs	AWS API Gateway, AWS AppSync	Google Cloud Endpoints	Azure API Management
Security	AWS Shield, AWS IAM	Google Cloud IAM, Cloud Security Command Center	Azure Security Center, Azure Active Directory

Source: Created by author.

One of the key factors for making the right choice is to assess the cost of the services as the model of pricing is different and it might be more or less relevant for different cases.

Cost Analysis

A direct cost comparison (Table 2) is complex due to the variable nature of cloud pricing models, which depend on specific use cases, resource usage, and service configurations. However, here is a high-level overview of cost considerations for similar services:

Table 2

Cloud Services Cost Comparison

Service	AWS	GCP	Azure
Compute (On-Demand Instances)	Amazon EC2: \$0.0464 per hour (t3.medium)	Google Compute Engine: \$0.0475 per hour (n1-standard-1)	Azure VMs: \$0.048 per hour (B1s)
Storage (Object Storage)	Amazon S3: \$0.023 per GB	Google Cloud Storage: \$0.020 per GB	Azure Blob Storage: \$0.018 per GB
Data Transfer (Outbound)	\$0.09 per GB (first 10 TB)	\$0.12 per GB (first 10 TB)	\$0.087 per GB (first 10 TB)
Machine Learning	SageMaker: \$0.10 per hour (ml.t2.medium)	AI Platform: \$0.09 per hour (n1-standard-4)	Azure ML: \$0.08 per hour (Standard_DS11_v2)

Source: Created by author based on the [15-16].

Prices can vary based on the region and specific configurations. For accurate pricing it is recommended to use each provider's cost calculator. Each of the major cloud providers—AWS, Google Cloud Platform, and Microsoft Azure—offers robust and comprehensive services tailored to Industry 4.0 applications. AWS excels in its extensive IoT and machine learning services, GCP is noted for its advanced data analytics capabilities, and Azure stands out for its integration with Microsoft's enterprise services and strong support for hybrid cloud environments. The choice of provider will depend on specific business needs, existing technology stack, and long-term strategic goals of the organizations.

Conclusion

The adoption of cloud technologies is transforming the landscape of Industry 4.0, bringing significant economic advantages and increased operational efficiencies to businesses of all sizes. By shifting IT investments from capital expenditure (CAPEX) to operational expenditure (OPEX), cloud computing has made advanced technologies more accessible, particularly for small and medium-sized enterprises (SMEs). This shift enables companies to reduce initial costs, scale resources dynamically, and improve the return on investment (ROI) for their Industry 4.0 initiatives. Major cloud providers – Amazon Web Services (AWS), Google Cloud Platform (GCP), and

Microsoft Azure – offer comprehensive solutions that support the implementation of Industry 4.0 technologies. Each provider brings unique strengths: AWS excels in IoT and machine learning services, GCP offers powerful data analytics capabilities, and Azure provides robust integration with enterprise services and hybrid cloud environments. The comparative analysis of these providers highlights the versatility and depth of services available, enabling businesses to choose the most suitable platform for their specific needs. Despite the benefits, there are challenges and considerations to address. Security and compliance remain critical concerns, requiring ongoing vigilance and adherence to regulatory standards. The risk of vendor lock-in necessitates strategic planning, such as adopting multi-cloud strategies and using interoperable solutions. Effective cost management is essential to maximize the economic benefits of cloud adoption, with best practices including continuous monitoring, auto-scaling, and purchasing reserved instances for predictable workloads. Case studies from industry leaders such as Siemens, General Electric, BMW, and ABB illustrate the practical benefits of cloud-based Industry 4.0

solutions, focusing on how cloud technologies can enhance operational efficiency, reduce costs, and drive innovation across various sectors. By leveraging cloud platforms, businesses can implement sophisticated IoT, machine learning, and data analytics solutions, gaining a competitive edge in the digital economy. In conclusion, cloud technologies are pivotal in enabling the widespread adoption of Industry 4.0, transforming how businesses operate and compete. By addressing security, compliance, vendor dependence, and cost management, companies can effectively harness the power of the cloud to drive growth, efficiency, and innovation in the industrial sector. A prominent direction of future research will be an analysis of the economic effects of integrating cloud-based Internet of Things (IoT) solutions in Industry 4.0, focusing on cost reductions, efficiency gains, and new business opportunities. Also, a topic for future deep dive investigations will be an analysis of the economic advantages of using cloud technologies for predictive maintenance in Industry 4.0 environments, including cost savings and improved equipment lifespan.

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Резніков Р. Б. Економічний вплив хмарних технологій на розвиток Індустрії 4.0

Ця стаття досліджує значний економічний вплив хмарних технологій на Індустрію 4.0, зосереджуючи увагу на тому, як ці технології революціонізують промисловий сектор. Розглядається трансформація ІТ-інвестицій з капітальних витрат (CAPEX) на операційні витрати (OPEX) завдяки хмарним обчисленням. Цей зсув робить передові цифрові технології більш доступними та вигідними, особливо для малих та середніх підприємств (МСП). Зменшуючи потребу у значних початкових інвестиціях і надаючи масштабовані, платні за використання рішення, хмарні обчислення значно підвищують повернення на інвестиції (ROI) для ініціатив Індустрії 4.0. Порівняльний аналіз основних провайдерів хмарних послуг — Amazon Web Services (AWS), Google Cloud Platform (GCP) і Microsoft Azure — показує різноманітність послуг та економічних переваг, які вони пропонують для застосувань Індустрії 4.0. AWS лідирує з комплексними послугами IoT та машинного навчання, GCP відзначається можливостями аналітики даних та штучного інтелекту, а Microsoft Azure забезпечує міцну інтеграцію з підприємствами та гібридними хмарними рішеннями. У статті також розглядаються критичні виклики, такі як безпека, відповідність і ризики, пов'язані з залежністю від провайдерів. Вона пропонує стратегічні інсайти щодо практик управління витратами, які можуть максимізувати економічні переваги впровадження хмарних технологій, такі як використання багатохмарних стратегій і авто-масштабування та зарезервованих екземплярів. Крім того, стаття включає кейс-стадії провідних промислових компаній, таких як Siemens, General Electric, BMW та ABB. Ці приклади ілюструють, як хмарні рішення Індустрії 4.0 підвищують операційну ефективність, знижують витрати та сприяють інноваціям. Наприклад, Siemens використовує AWS для масштабованих рішень IoT, GE використовує Azure для отримання аналітичних даних на основі даних, а BMW використовує GCP для покращення виробничих процесів завдяки передовій аналітиці даних. На завершення, хмарні технології є важливими драйверами Індустрії 4.0, пропонуючи значні економічні переваги та сприяючи інноваціям та ефективності. Переборюючи історичні бар'єри для входу, особливо для МСП, та надаючи гнучкі, масштабовані рішення, хмарні обчислення трансформують промисловий ландшафт, стимулюючи зростання та сприяючи широкому впровадженню передових виробничих технологій.

Ключові слова: хмарні технології, Індустрія 4.0, трансформація з CAPEX на OPEX, економічний вплив, малі та середні підприємства, ROI, провайдери хмарних послуг, цифрова трансформація.

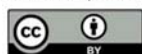
Reznikov R. The Economic Impact of Cloud Technologies on the Industry 4.0 Development

This article explores the profound economic impact of cloud technologies on Industry 4.0, focusing on how these technologies are revolutionizing the industrial sector. It delves into the transformation of IT investments from capital expenditure (CAPEX) to operational expenditure (OPEX) due to cloud computing. This shift is making advanced digital technologies more accessible and

affordable, particularly for small and medium-sized enterprises (SMEs). By reducing the need for significant upfront investments and providing scalable, pay-as-you-go solutions, cloud computing significantly enhances the return on investment (ROI) for Industry 4.0 initiatives. A comparative analysis of major cloud service providers—Amazon Web Services (AWS), Google Cloud Platform (GCP), and Microsoft Azure—reveals the diverse range of services and economic benefits they offer for Industry 4.0 applications. AWS leads with comprehensive IoT and machine learning services, GCP excels in data analytics and AI capabilities, and Microsoft Azure provides robust enterprise integrations and hybrid cloud solutions. The article also addresses critical challenges such as security, compliance, and the risks associated with cloud provider lock-in. It offers strategic insights into cost management practices that can maximize the economic benefits of cloud adoption, such as leveraging multi-cloud strategies and utilizing auto-scaling and reserved instances. Furthermore, the article includes case studies from leading industrial companies like Siemens, General Electric, BMW, and ABB. These examples illustrate how cloud-based Industry 4.0 solutions enhance operational efficiency, reduce costs, and drive innovation. For instance, Siemens leverages AWS for scalable IoT solutions, GE utilizes Azure for data-driven industrial insights, and BMW employs GCP for advanced data analytics to improve manufacturing processes. In conclusion, cloud technologies are essential enablers of Industry 4.0, offering significant economic advantages and fostering innovation and efficiency. By overcoming historical barriers to entry, especially for SMEs, and providing flexible, scalable solutions, cloud computing is transforming the industrial landscape, driving growth, and facilitating the widespread adoption of advanced manufacturing technologies.

Keywords: cloud technologies, Industry 4.0, CAPEX to OPEX transformation, economic impact, small and medium-sized enterprises, return on investment, cloud service providers, digital transformation.

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Received by the editors 04.12.2023