



## OVHcloud: Putting the Final Pieces in Place for Europe's Digital Fortress?

November 19, 2021

By: [Rahiel Nasir](#)

### IDC's Quick Take

For OVHcloud, digital sovereignty doesn't just mean the protection of data from non-European laws, but also sovereignty in terms of the technology and deployment model customers use. A driving force behind the EU's aim of creating a federated digital ecosystem, the France-based cloud and datacenter provider looks set to achieve its ambitions to create Europe's cloud alternative to the global hyperscale giants, all backed by a new capital injection of €350 million.

### Event Highlights

Data sovereignty was one of the biggest topics discussed at a virtual analyst [event](#) hosted by OVHcloud on November 16–18 that also brought together its customers, partners, and stakeholders.

France-based OVHcloud is a key co-founder of the [Gaia-X](#) initiative which has the sole aim of creating a federated digital ecosystem in Europe. The first federated services are expected to launch early next year, and those behind the initiative have now agreed on the labeling of those services. There will be three levels here, with the highest one requiring immunity to non-EU laws, data localization in Europe, the top tier of cybersecurity, and strong control over vendor lock-in.

In terms of data sovereignty, OVHcloud plans to provide an integrated PaaS that is fully disconnected from non-European service providers and networks, with data and control planes (for Google Anthos and MongoDB, for example) hosted by a European provider.

In addition to data sovereignty, the firm is also a proponent of technological sovereignty and operational sovereignty as it seeks to also give customers control over the technology used and the deployment model. The former means an open cloud platform that is open sourced, ensuring reversibility (i.e., no vendor lock-in) and interoperability, while the latter involves dedicated cloud solutions with the choice of localization (i.e., with OVHcloud, on-prem, edge) and dedicated operating resources.

OVHcloud's [vision](#) of "Trusted Cloud" goes beyond just providing datacenters and platforms. With its offerings, the firm aims to build a network of partners and an ecosystem able to ensure the development of a cloud environment that is safe and compliant on all layers, from IaaS to PaaS to SaaS.

### IDC's Point of View

After going public with an IPO on Euronext Paris in October, OVHcloud added €350 million to its war chest and is now certainly well-funded as it begins its next expansion phase. The success of the IPO also helps build trust in the company — a crucial watchword for OVHcloud in its ongoing drive to be Europe's foremost "Trusted Cloud" provider that is, in its own words, "immune" to requests from foreign security agencies and the extra-territorial data laws its non-European counterparts are bound by.

Given this aim, the company is unsurprisingly committed to the success of Gaia-X, which has often been described as Europe's answer to the major, mainly U.S.-based, global cloud providers such as Microsoft,

AWS, and Google Cloud. Those behind this EU initiative reject any notions of European nationalism here, and say digital protectionism is driven more by rising demand for data sovereignty on the continent.

Nonetheless, in February 2020, the EU adopted a wide range of digital policy reforms to return value from technology giants to consumers and industry, and to "repatriate" data from non-European leading global cloud providers to Europe. This was hailed by some on the continent as Europe's "[digital independence day](#)." At OVHcloud's event we heard how several EU data protection authorities — such as those in Germany, France, and Portugal — have now instructed or guided businesses toward suspending data flows to the U.S. And in France, under the "Cloud au centre" doctrine, government departments have been mandated to only use cloud services that are GDPR-compliant and immune to extraterritorial laws for sensitive data. As a result, French ministries have been asked to stop using Microsoft Office 365, which has been deemed to be non-compliant, in favor of local alternatives.

True, keeping European data on European soil would keep things simple for local companies and their digital assets. Recent years have seen the enactment of various data laws, such as the EU's 2018 General Data Protection Regulation (GDPR), the U.S. Clarifying Lawful Overseas Use of Data (CLOUD) Act, and last year's [Schrems II](#) ruling which invalidates the EU-US Privacy Shield framework. All this has meant increasing complexity for organizations in Europe that export data outside the continent, making them more vulnerable to breaches, fines, and reputational damage.

While digital sovereignty is all about protecting data, technology, and workload venues, it's hoped Europe's technology and service providers will ultimately benefit as it will enable the continent's cloud industry to become a stronger player on the world stage, capable of taking on the global cloud giants. This would be no mean feat. The top U.S. cloud vendors account for the bulk of the public cloud market. They dominate the conversations around cloud and dictate the pace of the market with their services and technology.

But what the likes of OVHcloud are doing is slowly loosening the U.S.'s cloud grip on Europe. While around this time last year it seemed as if Gaia-X still had a long way to go and was barely out of the starting blocks, there has been some significant progress made judging by the mood and developments unveiled at OVHcloud's event. The company emphasizes data security and data privacy in Europe, and this is of great appeal to organizations seeking open, transparent, and "alternative" cloud offerings. What's more, it has infrastructure and datacenter expertise, as well as a growing partner ecosystem. With 2022 looking set to be a watershed year as the first Gaia-X federated services start to come online, OVHcloud looks well-equipped and now also well-funded to take digital protectionism in Europe to the next level.

### **Subscriptions Covered:**

[European Cloud Data Management Strategies](#), [European Cloud Strategies](#), [European Hybrid Multicloud Management Technologies](#)

Please contact the IDC Hotline at 800.343.4952, ext.7988 (or +1.508.988.7988) or [sales@idc.com](mailto:sales@idc.com) for information on applying the price of this document toward the purchase of an IDC or Industry Insights service or for information on additional copies or Web rights. Visit us on the Web at [www.idc.com](http://www.idc.com). To view a list of IDC offices worldwide, visit [www.idc.com/offices](http://www.idc.com/offices). Copyright 2021 IDC. Reproduction is forbidden unless authorized. All rights reserved.