Opinion 23-A-08 of June 29, 2023

on competition in the cloud sector

Posted on: June 30, 2023 | Sector :

DIGITAL

SERVICES

Presentation of the notice

Summary

Cloud computing is one of the technological developments that are central to the digitisation of the economy. The cloud describes all the shared services accessible via the Internet, on demand, paid per use and, by extension, some of the underlying infrastructures (data centers in particular). In comparison with traditional IT services, it enables multiple economic benefits for companies. It allows in particular new ways of organising work, based on shared resources that can be accessed remotely.

In view of the functioning of the markets, their importance for the economy and the potential competitive advantages of certain players, it seems imperative that competition on the merits is fully expressed in the cloud sector.

Beyond market failures that can be identified and potentially resolved by current regulatory initiatives, the Autorité has analyzed several risks likely to raise competition issues and presents them in the form of scenarios. These risks may be of a cross-cutting nature, insofar as they globally affect competition in the sector (this is the case, for example, of cloud credits or egress fees). Others are more in line with specific scenarios when migrating to the cloud for the first time or when migrating from one cloud service provider to another. The last scenario examines specific competitive risks linked to barriers to expansion for hyperscalers' competitors. To tackle these risks, the Autorité reiterates that it has several effective and rapid tools to act and protect competition.

Information about the notice

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