



PRESS RELEASE

FOR IMMEDIATE RELEASE Ref.: CP-1645

The growing market for cloud computing in France

31 January 2012 – The boom in data transmission and storage capacity has given rise to cloud computing, where calculations and data are scattered in a universe that is no longer directly accessible to customers, who instead buy processing activities in the same way that one might buy electricity. Three levels of offerings are available: Externally hosted IT infrastructure (IaaS = Infrastructure as a Service); Ready-to-use environments (PaaS = Platform as a Service); and Standardized shared applications sold as services (SaaS = Software as a Service).

Revenue from the global market for cloud computing services totaled US\$68.3 billion in 2010, while in Europe, the cloud computing market surged 20% and may account for almost 15% of the European software and services market by 2015. The **French market** was worth €1.85 billion in 2010, of which €672 million were generated by SMEs, and continues to grow strongly. It is set to exceed €2 billion in 2011 and may account for more than 6% of the French software and services market by 2012 (estimate by Nexima).

Alongside international operators such as Microsoft, Google, HP, AT&T and IBM, France is home to numerous companies, including ATOS, Cap Gemini, Steria, Orange and SFR. ATOS has recently established **Yunano**, a joint venture with Chinese company Ufida, to market cloud-based management software and associated services. French software publisher **Systancia**, with bases in the Alsace and Ile-de-France regions, is a market leader in Europe for application/workstation user environment virtualization.

France provides new entrants with a growth-friendly environment. French legislation affords a high level of protection for data and data processing; in particular, regulations governing encryption (Act 2004-575 of June 21, 2004 and Decree 2007-663 of May 2, 2007) cover concerns relating to the sensitivity of data entrusted to cloud computing centers. New entrants include US company **Joyent**, established in Ile-de-France (Paris region) in 2010, which provides IaaS to LinkedIn, Disney, CNN, Facebook, Yahoo and vente-privee.com, and open-source PaaS to publishers, hosting companies and specialist computer services companies such as Dell and First Service. This pioneering cloud computing start-up is now competing with cloud-based offerings from companies such as Amazon EC2 and Microsoft Azur. In 2010, Dell entered into an OEM (original equipment manufacturer) agreement with Joyent to use its “smart technologies” to offer “turnkey” clouds hosted on its servers.

France has eight **innovation clusters** involved in cloud computing: **Cap Digital** and **System@tic** (Ile-de-France), **Elopsys** (Limousin), **Images et réseaux** (Brittany/Pays de la Loire), **Imaginove** and **Minalogic** (Rhône-Alpes), **Secure Communication Solutions** (Provence-Alpes-Côte-d'Azur) and the e-secure transaction cluster **TES** (Basse-Normandie).



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In 2011, the French Government issued an initial **call for projects** dedicated to cloud computing R&D as part of its “**National Investment Program**”. Five projects will receive state aid (€19 million): a software engineering platform (*CloudForce project*, Orange Labs), an application porting scheme (*CloudPort project*, Prologue, an SME), a high-performance software infrastructure (*Magellan project*, Bull), a community cloud (*Nu@age project*, Non Stop Systems, an SME), and a higher education establishment cloud (*UnivCloud project*, INEO). The French Federation of Software Publishers (*Association Française des Editeurs de Logiciels – AFDEL*) has set up a website (www.investirdanslenergie.fr) to simplify the procedure for project owners when submitting project for “National Investment Program” funding.

According to **David Appia, Chairman & CEO of the Invest in France Agency**, “France is a growth market for high-tech and innovative companies, particularly in the cloud computing sector, where the leading players are already here doing business. The French government’s “National Investment Program” is providing a boost to a dynamic network of partnerships created by France’s innovation clusters through its funding offers for projects involving IT system designers, telecoms operators, software publishers, technology integrators, research laboratories and innovative SMEs.”

The **Invest in France Agency (IFA)** is the national agency responsible for promoting and facilitating international investment in France. It also coordinates initiatives to promote France’s economic attractiveness. The IFA network operates worldwide. In France, the IFA works in partnership with regional development agencies to offer international investors outstanding business opportunities and customized services. For further information, please visit www.investinfrance.org

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