

Power is nothing without control

Why private IT infrastructure matters more than ever in the world of AI

Andrew Buss

Senior Research Director, Digital Infrastructure and
Datacenter

Monday 28th September, Opatija, Croatia

We're undergoing a data revolution as Digital augments or displaces physical

Digitally Enhanced Goods and Services



Utilities – smart meters and grids/infrastructure



Local retail - Click and Collect



Taxi Hailing – Online Booking and Payment

Digital Native Goods and Services



Online Gaming and eSports



Self-Driving Transport as a Service



Real-time Data Based Insurance Premiums

Virtual Working



Home or Mobile Working



Online collaboration



Real-time data analysis



5G



Hybrid Multicloud



Edge to Core to Cloud



Businesses are going digital end to end and need new approaches to scale effectively



**Supply
Chain**



Back office



Front office



Go-to-market

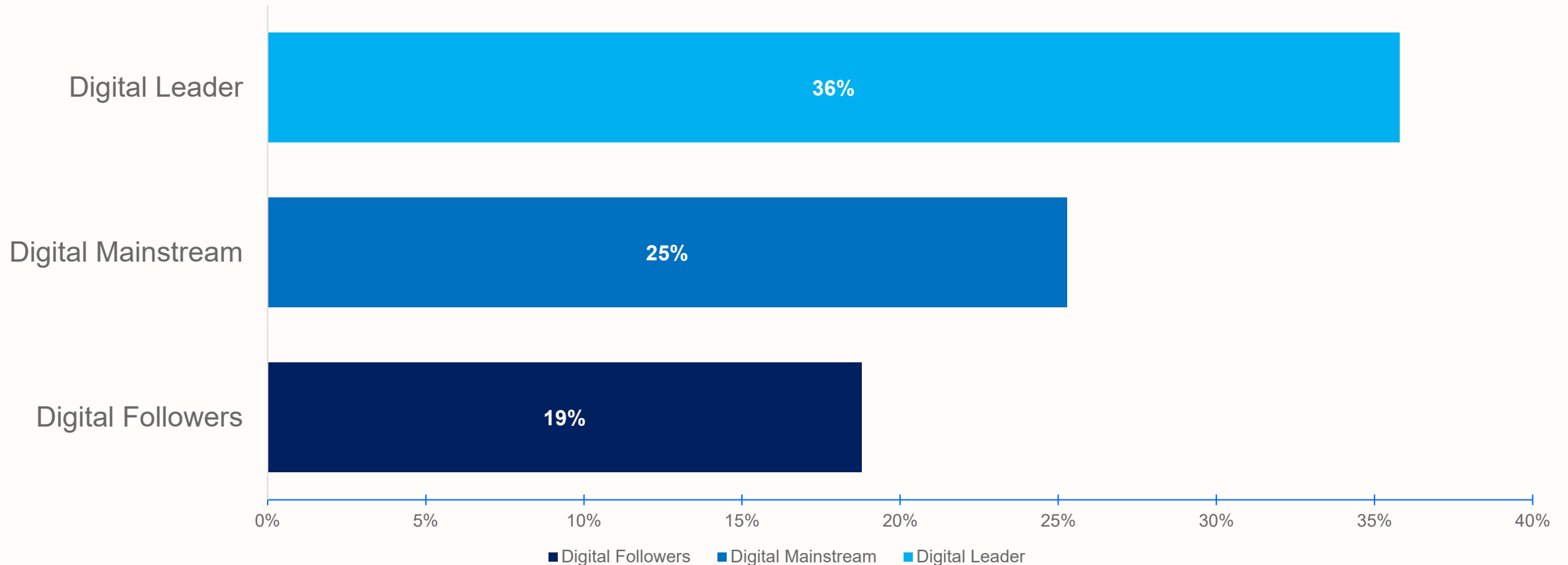


Customers



Senior management drives the culture of digitalization

Senior Management views IT as a **driver of competitive advantage or differentiation**

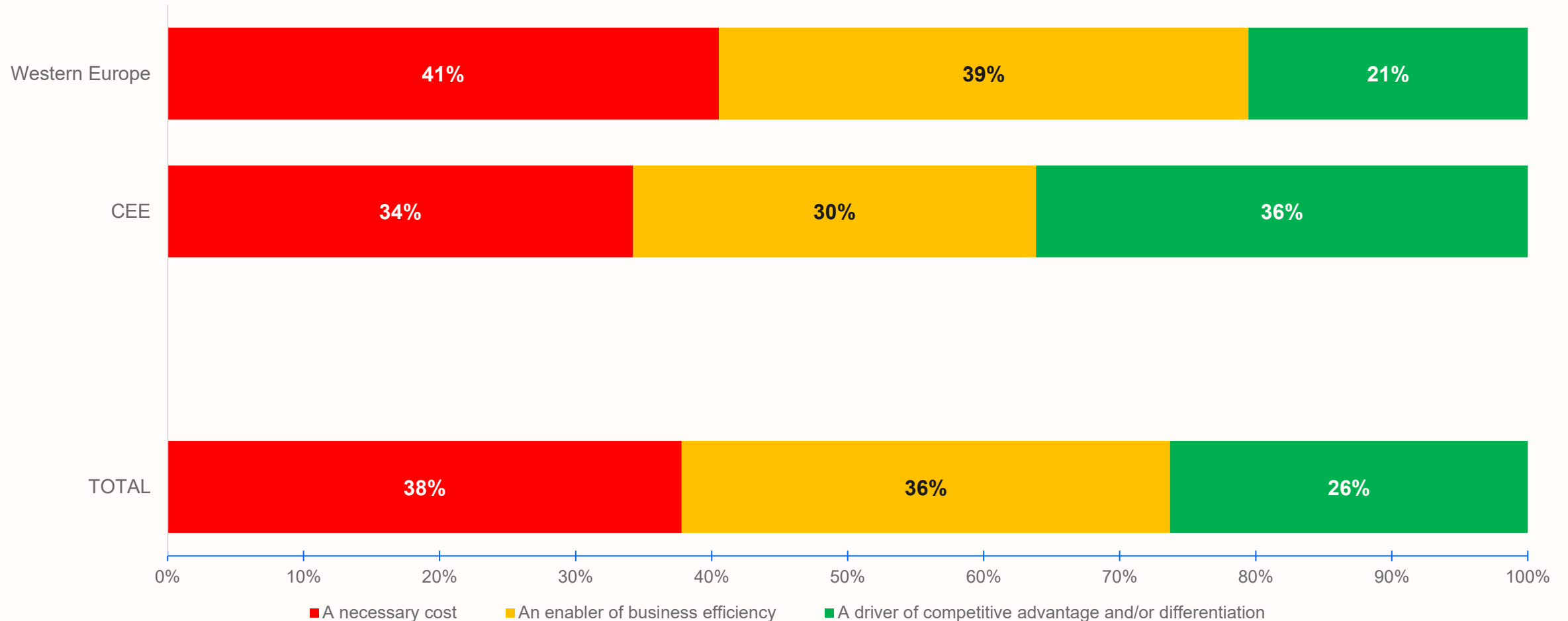


Source: IDC EMEA Digital Infrastructure Survey 2025 n=1,540



Central and Eastern Europe has a more digital centric business approach and less legacy to carry forward

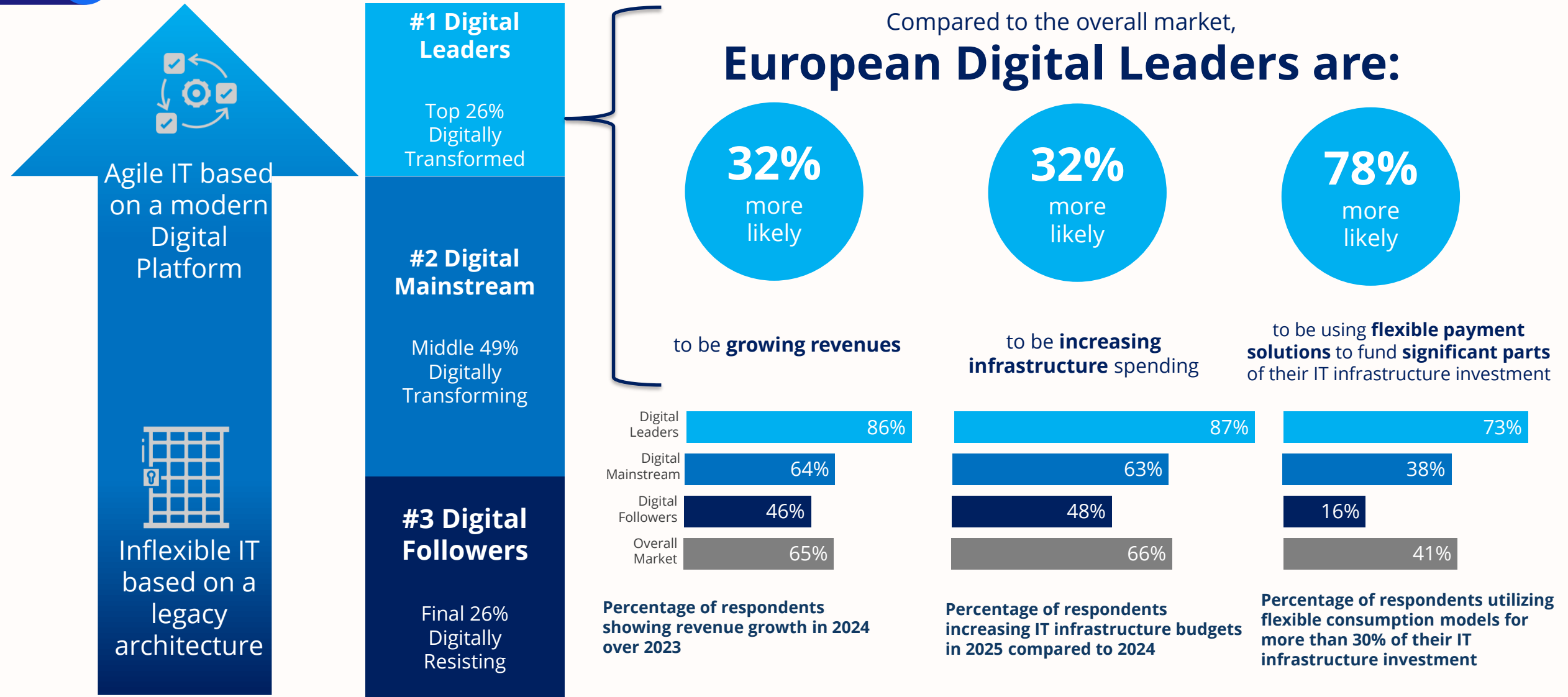
Which statement best reflects how you think senior management views IT within your organization?



Source: IDC EMEA Digital Infrastructure Survey 2025 n=1,540



Investing in Digital Infrastructure pays off, big time

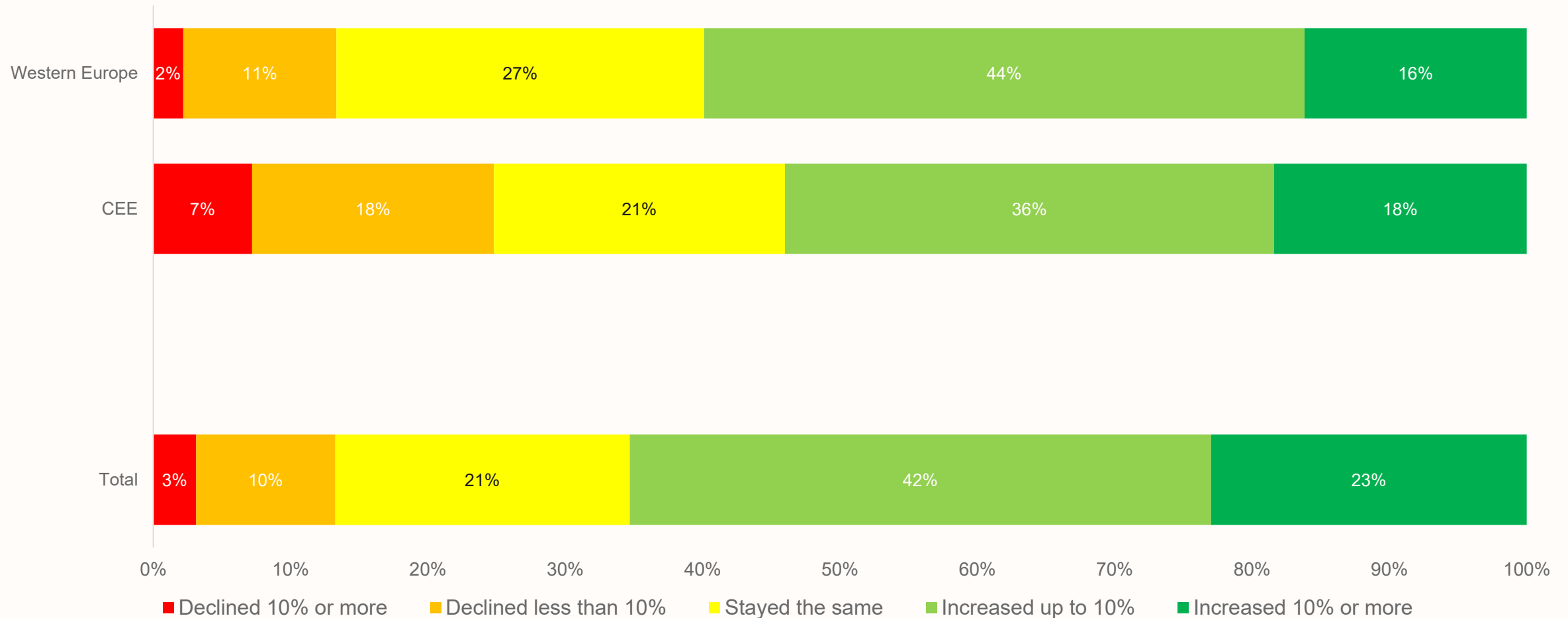


Source: IDC EMEA Digital Infrastructure Survey 2025 n=1,540



Business performance in Central and Eastern Europe rivals that in Western Europe

How did your organization's revenue change in 2024 compared with 2023?

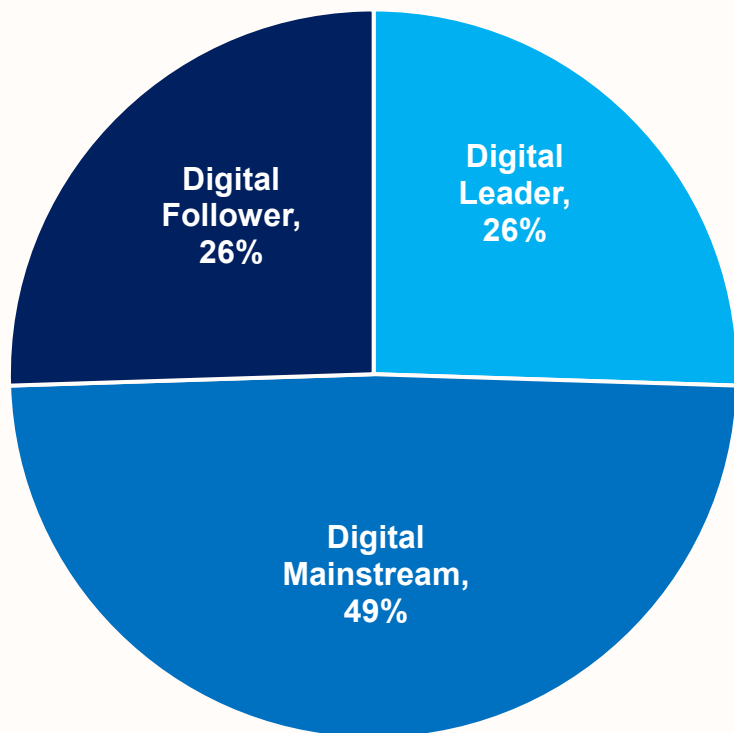


Source: IDC EMEA Digital Infrastructure Survey 2025 n=1,540

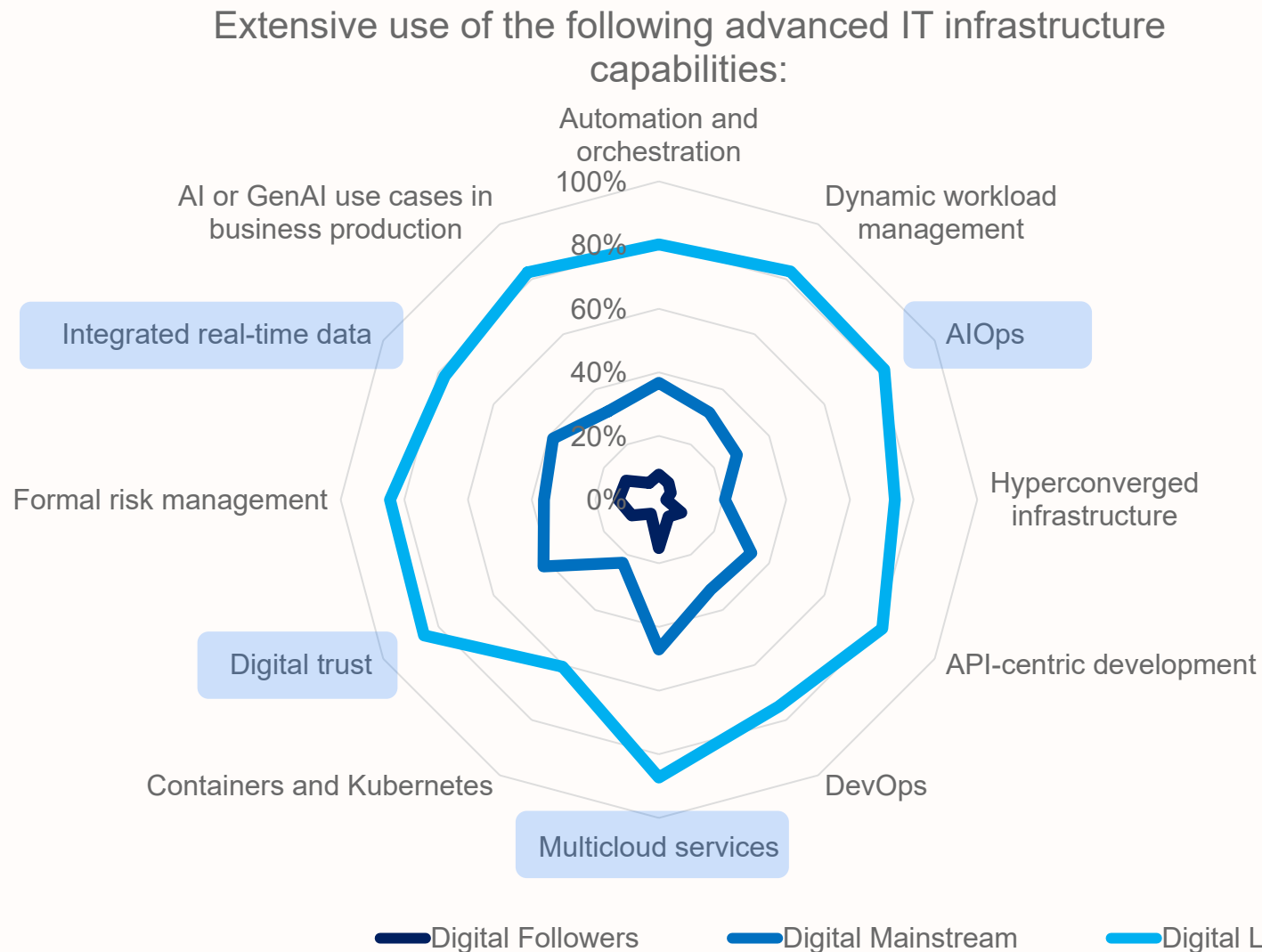


Digital Leaders have the data and automation to enable AI investments to pay real dividends

Digital Ranking

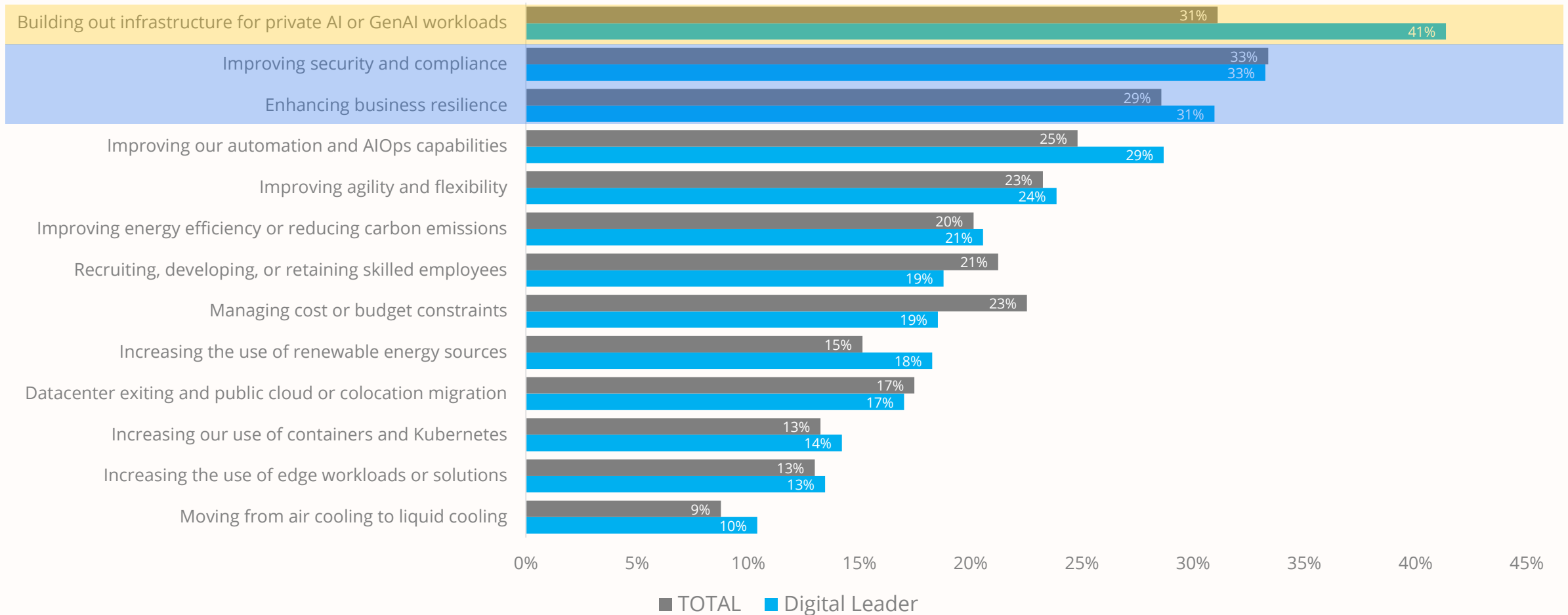


Source: IDC EMEA Digital Infrastructure Survey 2025 n=1,540

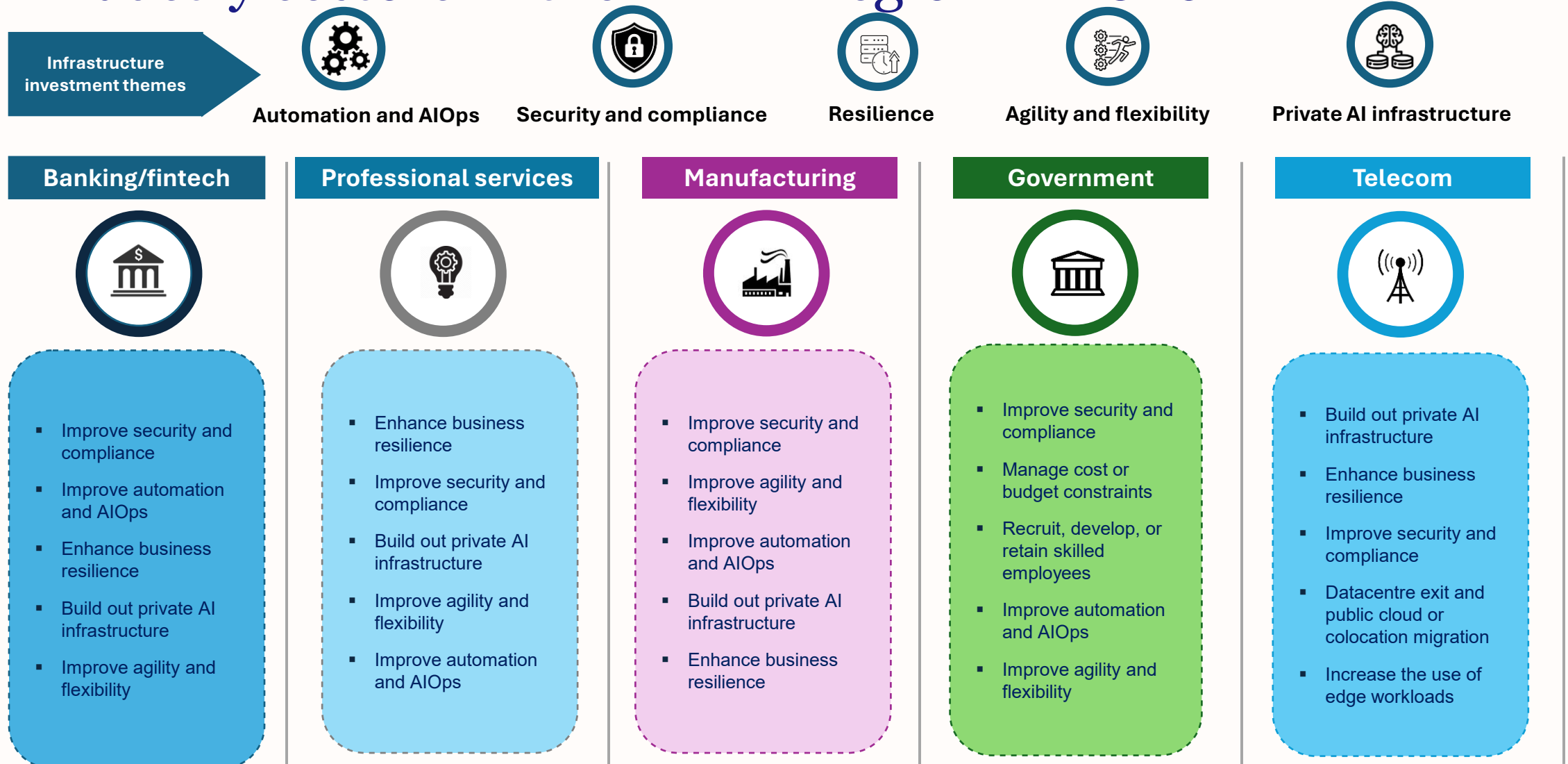


Security and digital resilience reign, but Digital Leaders are driving the pivot to AI adoption in enterprise

Key Datacenter Priorities for 2025 and 2026



IT infrastructure investment priorities across various industry sectors in the EMEA region in 2026

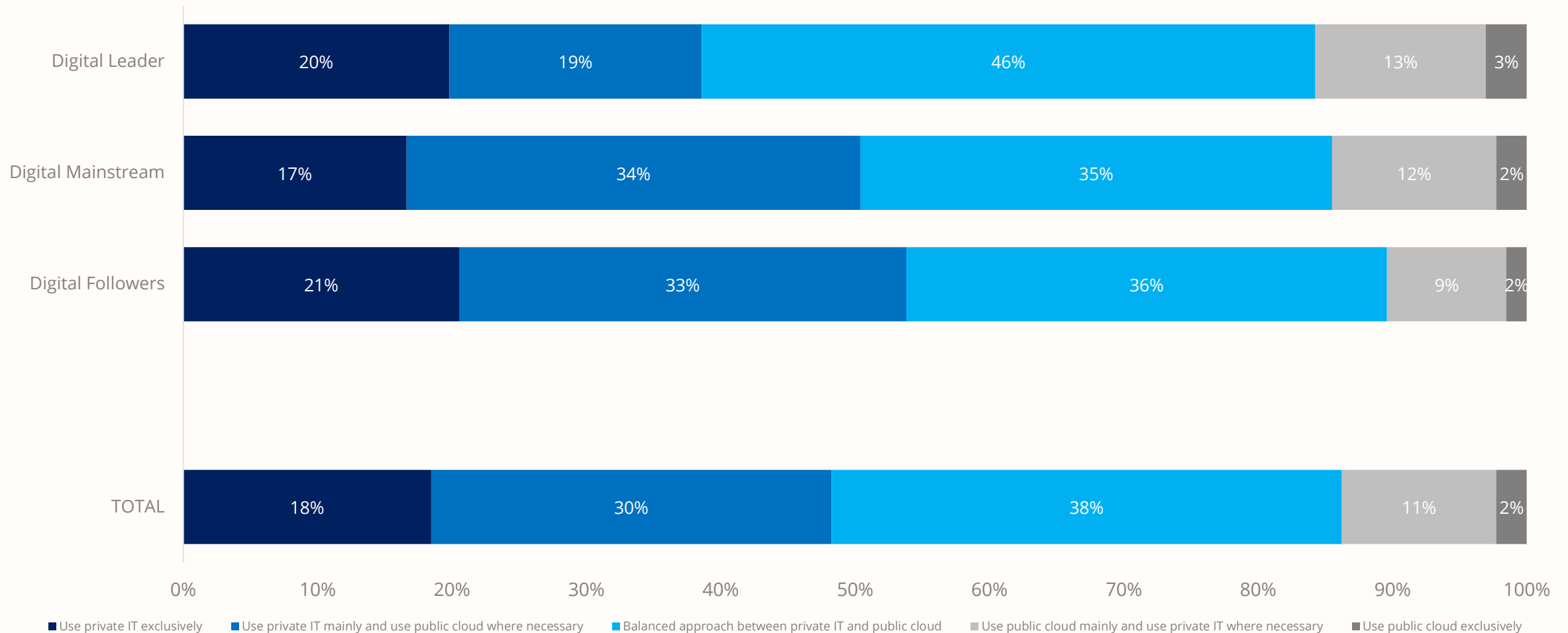


Source: IDC's EMEA Digital Infrastructure Survey 2025 (n = 1,540)



There is no rush to datacenter exit in EMEA

Attitudes towards the use of public cloud services compared with private IT

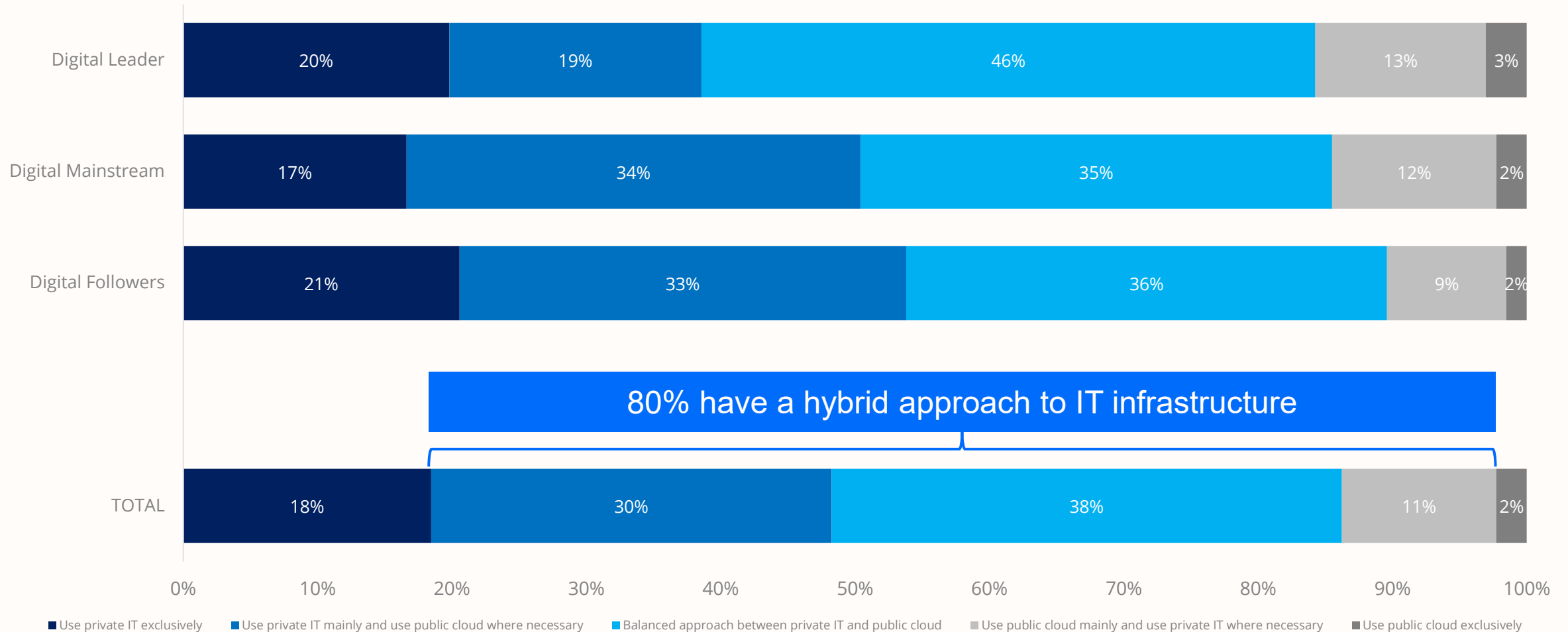


Source: IDC EMEA Digital Infrastructure Survey 2025 n=1,540



There is no rush to datacenter exit in EMEA

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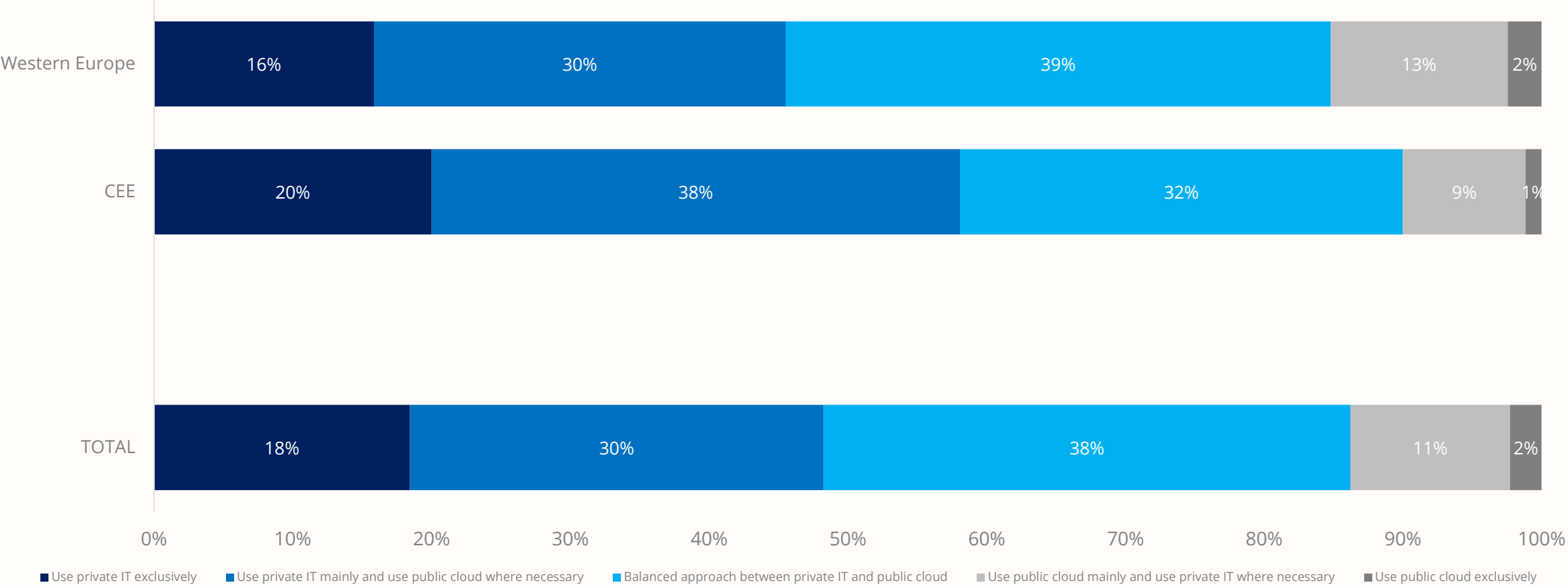


Source: IDC EMEA Digital Infrastructure Survey 2025 n=1,540



Private IT infrastructure matters even more for Central and Eastern Europe

Which statement best represents your organization's stance regarding the use of public cloud services compared with private IT?



How supply constraints can drive sale opportunities as organisations rethink IT investment plans

“Ramageddon”



RAM prices are up over 5x July 2025 prices

CORSAIR VENGEANCE DDR5 64GB (2x32GB)
6,000MHz CL30 AMD EXPO
CMK64GX5M2B6000Z30

Oct 2024 Price - £190

Order Summary

Item(s) Subtotal:	£157.53
Postage & Packing:	£0.00
Total before VAT:	£157.53
Estimated VAT:	£31.51
Total:	£189.04
Grand Total:	£189.04



Sep 2026 Price - £999

CORSAIR VENGEANCE DDR5 64GB (2x32GB) DDR5 Up to 6000MHz CL30 AMD EXPO Intel XMP iCUE Compatible Computer Memory – Grey (CMK64GX5M2B6000Z30)

[Visit the Corsair Store](#)

4.7 ★★★★★ (704) | [Search this page](#)

-6% **£999⁹⁹** [Price history](#)

RRP: £1,066.99

Or **£200.00**/month (5 months)

at no interest with Amazon [Select plan](#)

£999.99 **£979.99** with a Gift Card if approved for [The Amazon Barclaycard](#). Representative 28.9% APR variable. Credit broker: Amazon EU S.A.R.L. Lender: Barclays. T&Cs apply.

✓ **prime Today**

[FREE Returns](#) ▼

Size Name: **64GB (2x32GB)**

Price increase – 4.6X



Flash storage is up > 2X in a year and still increasing

WD_BLACK SN7100 4TB NVMe SSD, M.2 2280, Read speeds up to 7000 MB/s, Write Speed up to 6,700 MB/s, Next Gen TLC 3D NAND, DASHBOARD, Up to 2,400TBW, For Laptops, handheld gaming devices

Sold by: Amazon.co.uk

Return window closed on 12 November 2025

£196.99

[Buy it again](#) [View your item](#)

WD_BLACK SN7100 4TB NVMe SSD, M.2 2280, Read speeds up to 7000 MB/s, Write Speed up to 6,700 MB/s, Next Gen TLC 3D NAND, DASHBOARD, Up to 2,400TBW, For Laptops, handheld gaming devices

[Visit the SanDisk Store](#)

4.7 ★★★★★ (3,653) | [Search this page](#)

£499⁹⁰ [Price history](#)

Or Spread the cost with Instalments. Subject to financial status & eligibility. Credit broker: Amazon EU S.a.r.l, Lender: Barclays. [Select plan](#)

£499.90 **£479.90** with a Gift Card if approved for [The Amazon Barclaycard](#). Representative 28.9% APR variable. Credit broker: Amazon EU S.A.R.L. Lender: Barclays. T&Cs apply.

[prime](#) Tomorrow



Customer responses under consideration to supply chain shock

1

Delayed or reduced refreshes: Organizations can **hold back planned upgrades** or scale back ambitions to manage higher costs even at the cost of higher operational expenses or an impact on business agility

2

Strategic procurement: Enterprises may **order early and order more** based on future risk. They would work more closely with partners to secure supply and manage procurement challenges

3

Budget re-evaluation: IT departments may have to **increase budgets** to accommodate for significantly higher DRAM and SSD costs, with some components seeing >500% price hikes and long delivery lead times

4

Use the opportunity for automation and transformation: Companies are exploring different ways to manage workloads to **get more out of their existing IT infrastructure** to mitigate cost increases, with many companies have very low average utilization of their server infrastructure but also very low levels of AIOps and orchestration/automation

5

Shift in Cloud Strategy: Organizations may re-evaluate their on-premises vs. cloud spending, as high hardware costs impact capital expenditure **but cloud costs are increasing too**



Beyond compliance and sovereignty, most companies also want their private cloud to function just like the public cloud

Leading reasons to use end-to-end cloud stacks for private IT Infrastructure



#1 – Regulatory compliance



#2 – Fully featured private cloud



#3 – Data sovereignty requirements



#4 – Seamless deployment consistency across private and public clouds



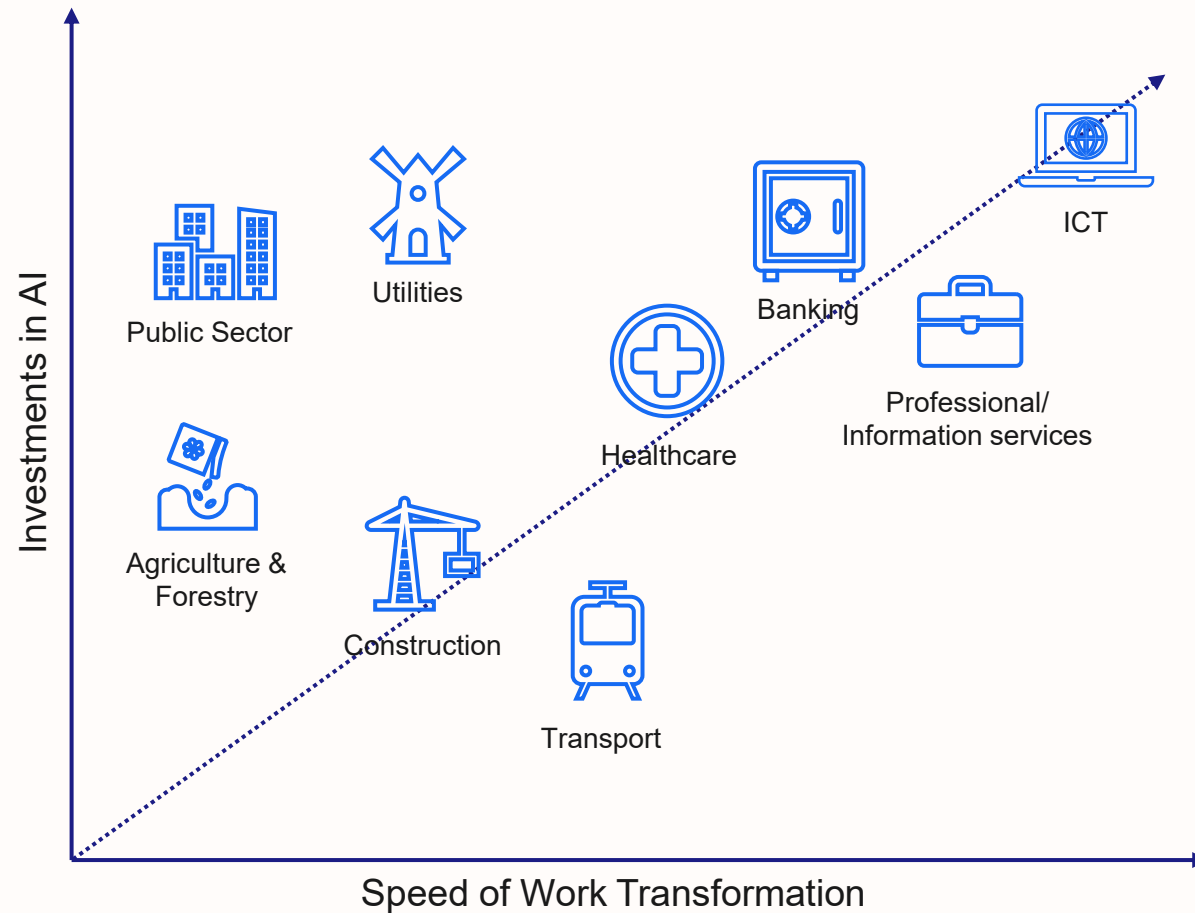
#5 – Built in automation and orchestration



#6 – Concerns about the cost of public cloud



The level of AI adoption in each industry have a direct correlation to the potential speed of work transformation



Multiple factors combine to influence speed and success of AI rollouts

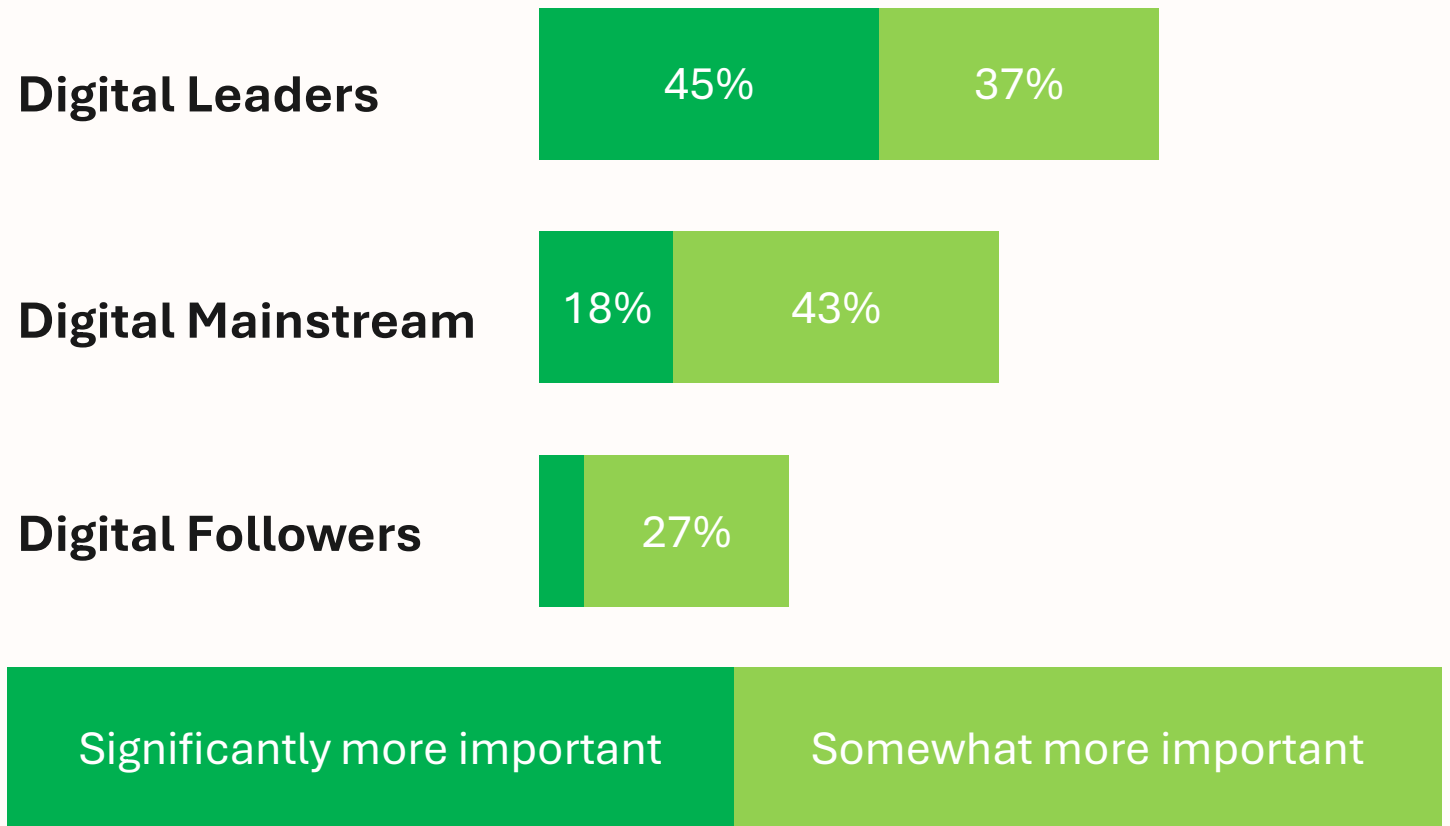
- Industry fragmentation playing a role on total speed of work transformation
- The regulatory landscape for each sector/region
- The dynamics at different departments/functions
- The ability to roll out robust change management initiatives





Digital Leaders in EMEA have seen **GenAI** become **critically important** to their business strategy and performance

Growth in importance of **GenAI** to overall **Business Strategy and Performance**

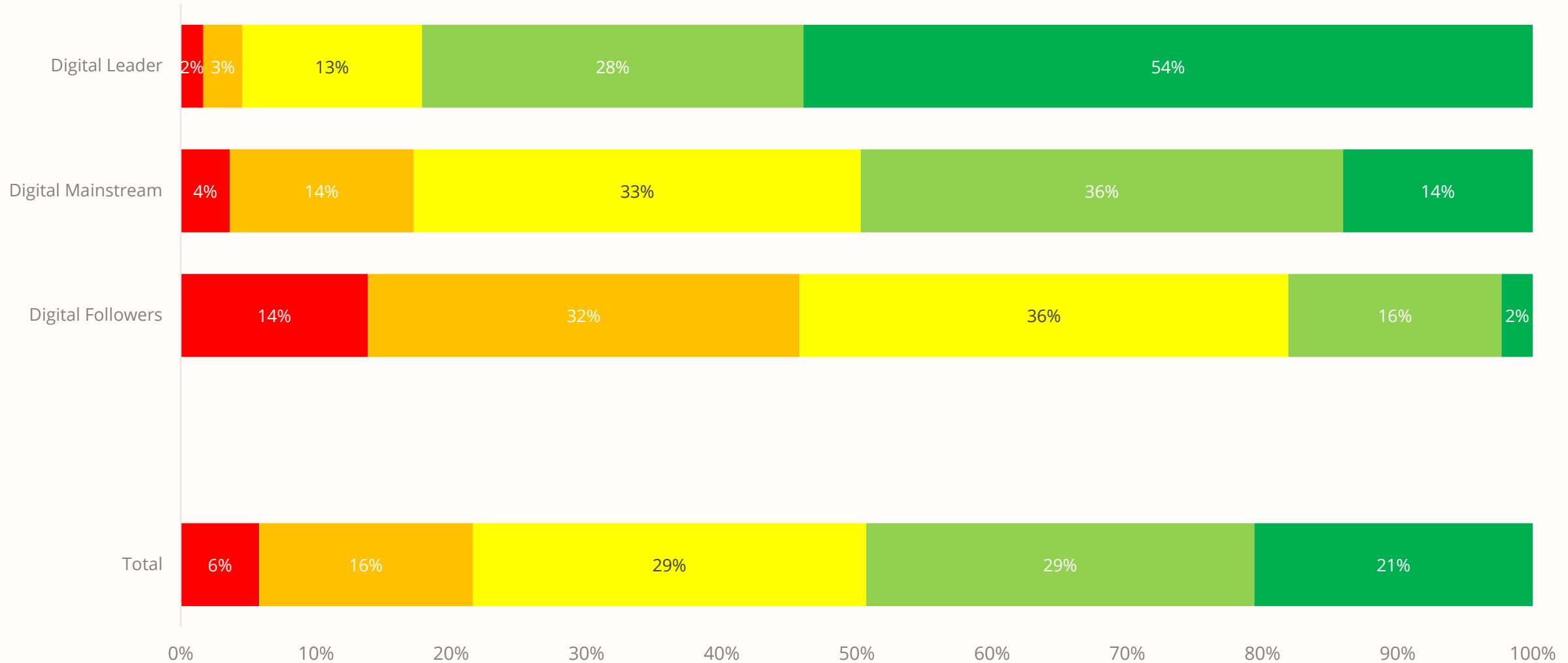


Source: IDC EMEA 2025 GenAI Infrastructure Survey n=1,000



Digital Leaders have the data and the infrastructure to scale AI successfully

What is your organization's status regarding the use of GenAI in your IT infrastructure?

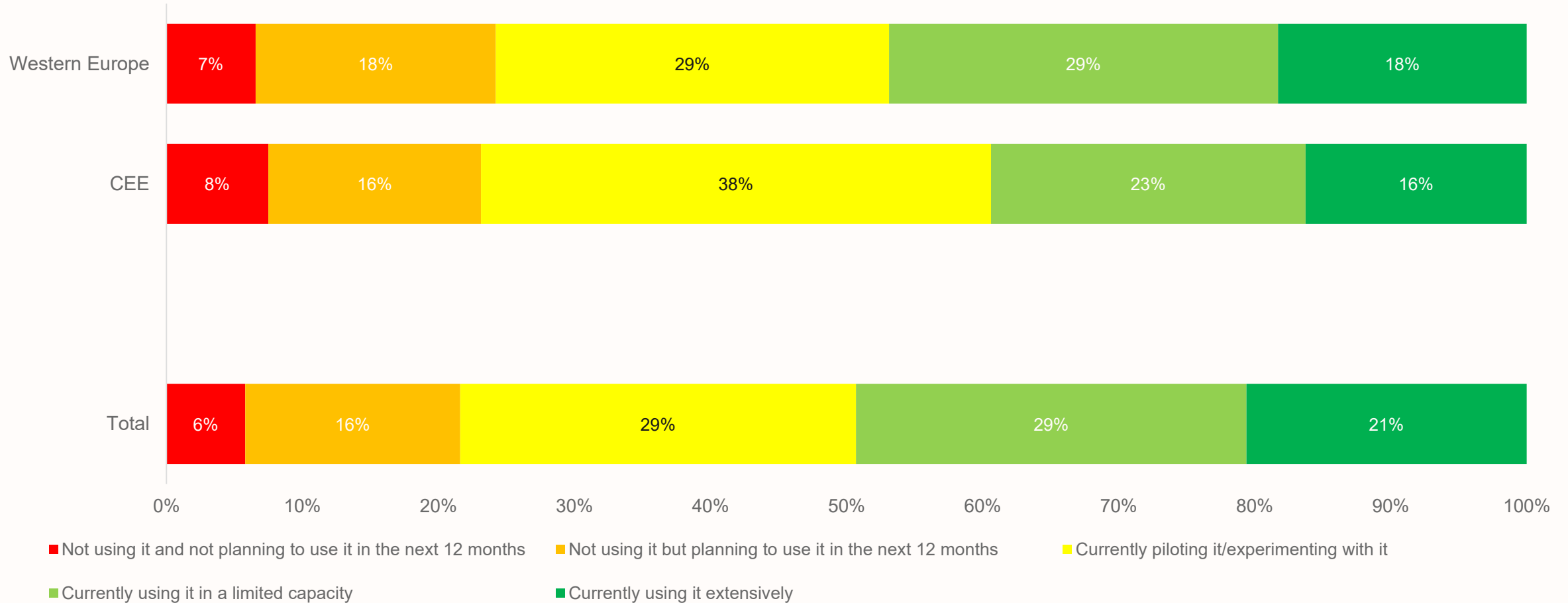


■ Not using it and not planning to use it in the next 12 months ■ Not using it but planning to use it in the next 12 months ■ Currently piloting it/experimenting with it ■ Currently using it in a limited capacity ■ Currently using it extensively



GenAI infrastructure uptake in Central and Eastern Europe is following closely behind Western Europe

What is your organization's status regarding the use of GenAI in your IT infrastructure?



Source: IDC EMEA 2025 GenAI Infrastructure Survey n=1,000



AI inferencing and agentic solutions will be built using a combination of accelerated and traditional IT infrastructure

– *Networking will see a huge shake up*

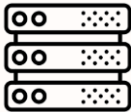
Highest investment priorities for building out GenAI infrastructure



#1 AI accelerated server



#2 AI optimized storage systems



#3 Standard server



#4 Standard storage systems



#5 800G+ networking



#6 400G networking



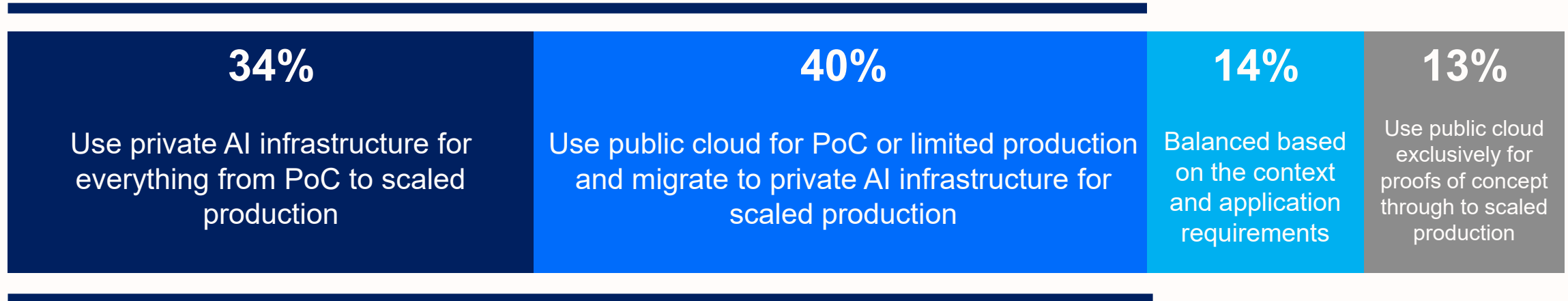
#7 100G networking

Source: IDC EMEA 2025 GenAI Infrastructure Survey n=1,000



Enterprise AI will depend on private AI infrastructure

What type of infrastructure approach for each phase of a GenAI lifecycle would be your organization's ideal preference?



Digital Leaders are looking for end-to-end AI infrastructure capabilities

Most important elements for shortlisting GenAI infrastructure

Biggest differences between Digital Leaders and Total Market

#1 End-to-end AI Solution capability

#2 Reputation for AI solutions

#3 Portfolio range

#4 Ecosystem depth

#5 Industry solutions

Especially important in
Central and Eastern
Europe

#1 Value
for money

#4
Existing
relation-
ships

Source: IDC EMEA 2025 GenAI Infrastructure Survey n=1,000



The EU Cloud and AI Development Act aims to turn sovereignty from a political goal into a buying rule. For the first time, **ownership and control** of the provider can **decide who wins a public contract**, alongside the location of the data



CADA sets four Sovereignty Assurance Levels

CADA defines a set of four sovereignty "assurance levels" that public bodies can require when procuring cloud services, particularly for sensitive uses like:

- National security
- Defense
- Justice
- Law enforcement:

Level 1: requires that data be hosted and processed on infrastructure physically located in the EU, with some protection against a non-EU parent country compelling early disclosure of software vulnerabilities.

Level 2: adds guarantees that no third country can access the hosted data or trigger a forced service interruption (a "kill switch").

Level 3: requires that the provider itself not be under the legal control of a non-EU entity.

Level 4: the strictest tier, requiring EU control over the underlying components and products plus the highest available EU cybersecurity certification.





CADA still has some way to go before it is ready

Three things limit CADA, and all three matter for timing:

- It still needs agreement from the Parliament and Council before it becomes law, with adoption targeted for **late 2027** at the earliest.
- The **certification** behind the higher levels is **not finished**, so no provider can be certified against them yet.
- **Each member state runs its own assessment**, so the same workload can land at a different level in different countries.



Sovereign cloud in Europe: A snapshot



→ Adoption is now the rule, not the exception

- By mid- to late 2026, **59%** of organizations in Europe are expected to be active sovereign cloud users.
- Together, committed near- and longer-term demand reaches around **86%**.



→ Autonomy shapes Europe's new dynamic

- In total, **35%** cite protection against extraterritorial data requests as the top driver.
- Sovereignty is no longer just about compliance and security — autonomy and control are the focus.



→ AI sovereignty is the next frontier

- Nearly **50%** of technology buyers in Europe expect their use of sovereign cloud for AI to increase over the next two years.
- Data management, security analytics, and AI top the list of workloads being moved.



→ The market prefers to stay “glocal”

- **39%** of those with rising sovereignty interest will combine local and global cloud providers.
- Only **14%** intend to drop global vendors entirely — the idea of a U.S. “techxit” has not materialized so far.





First things first:

Two simple qualities of Digital Sovereignty

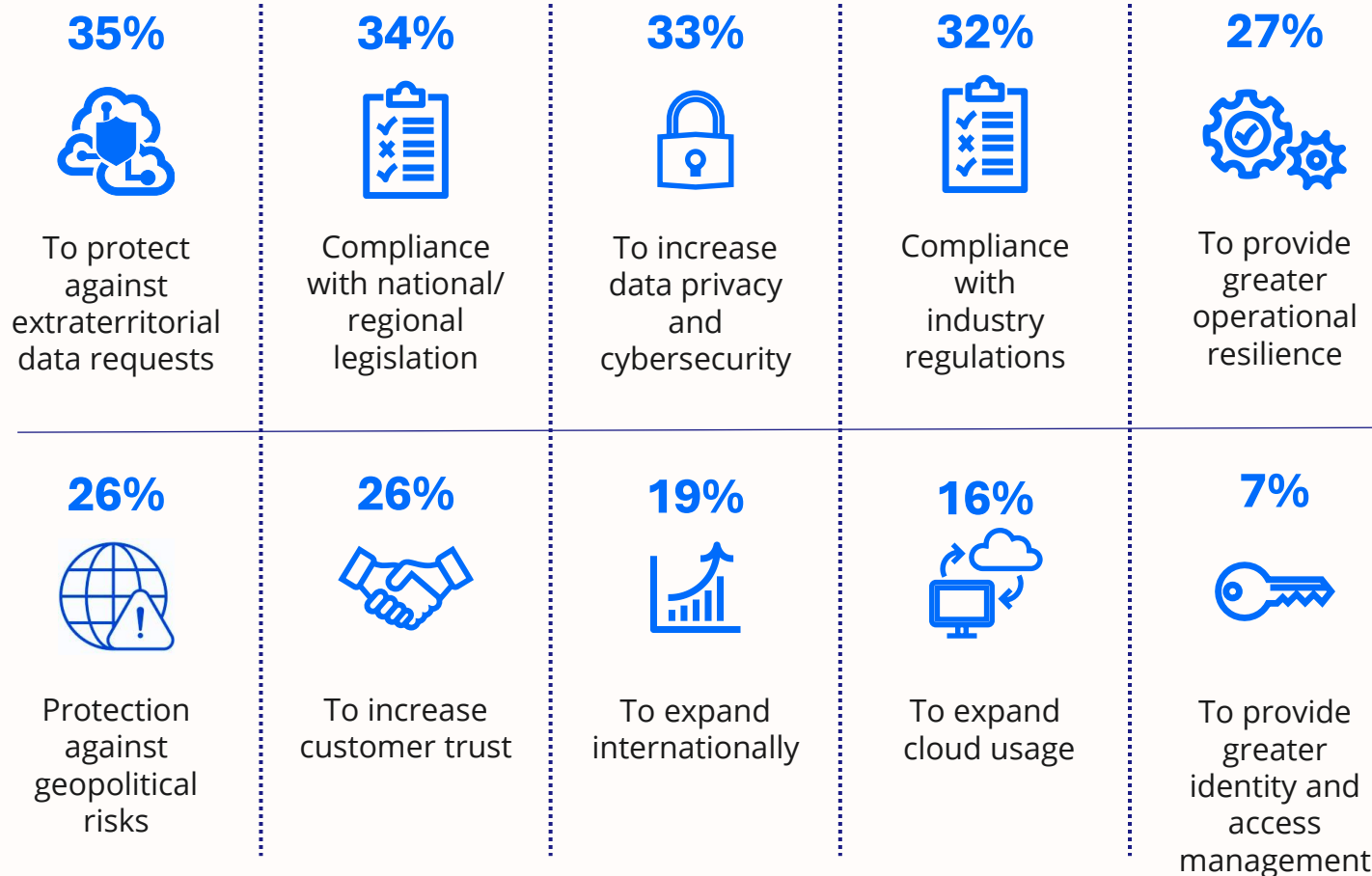
**Sovereignty
is not a
binary
concept**

**“One size
does not fit
all”**



Europe sees dynamic shift in market drivers

- Compliance has traditionally been the top market driver across all jurisdictions, including in Europe.
- However, we have seen a shift in market dynamics in the region over the years. Expanding cloud usage became the top driver for the continent (especially during the COVID-19 pandemic), and it was then replaced by the need to enhance cybersecurity.
- Now, protection against extraterritorial data requests is Europe's biggest driver — a clear signal that buyers are reading the geopolitical environment, not just the regulations.



Source: IDC's *Worldwide Digital Sovereignty Survey 2025* (July), Europe (n = 370)

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European sovereign cloud usage continues to rise

- A combined 59% of organizations in Europe are either currently using sovereign public cloud or plan to do so within the next 12 months.
- A further 27% are planning to adopt on a longer time frame, taking committed demand to around 86%.
- Only 4% have used sovereign public cloud and stopped, citing a preference for on-prem IT, sovereignty restricting their ability to innovate, and vendor lock-in concerns.

Plans to use, or use of Sovereign Cloud

Not using,
and no
plans to
use – 10%

Not using, but plan to in over 12
months – 27%

Not using, but plan to within 12 months – 37%

Currently using – 22%

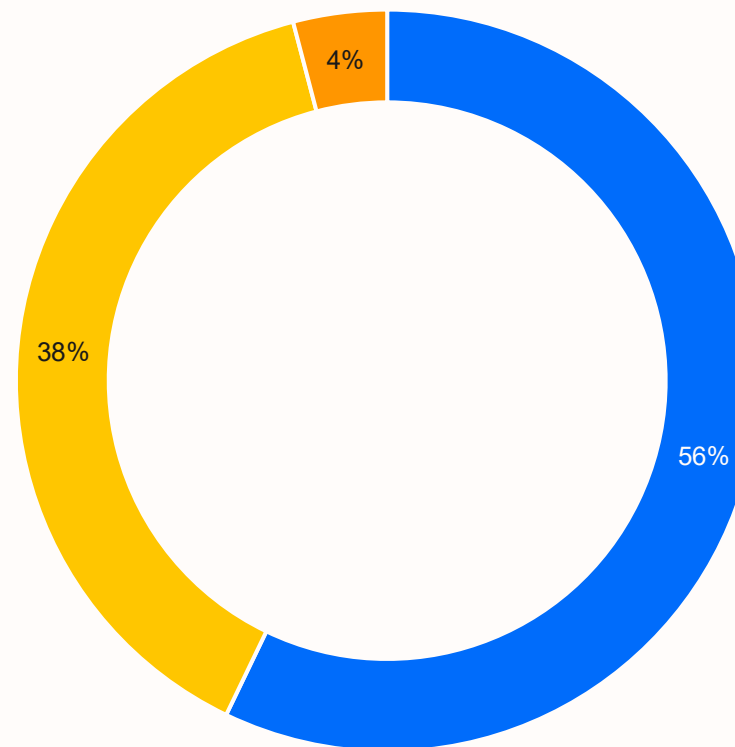
Source: IDC's *EMEA Multicloud Survey 2025* (September), Europe (N = 1,155)



For some IT users, sovereign cloud is the only cloud

- Despite heightened interest in using sovereign cloud for AI, this is not the top workload that has migrated, and **it polled only 15%**. Back-up/recovery ranks the highest (34%), reflecting the importance of resilience.
- In total, **24%** of respondents say they currently have data they classify with a high or medium sensitivity rating. **29%** use public cloud from a local provider to store this data.
- The pie chart shows that while most respondents use sovereign cloud as part of a multicloud or hybrid IT environment, a sovereign cloud is the only cloud for more than a third.

Q: How does sovereign cloud fit into your organization's cloud strategy?



- Sovereign cloud is, or will be, a general part of our multicloud/hybrid cloud strategy.
- We use on-premises IT, and a sovereign cloud is, or will be, the only type of cloud we use.
- We use various cloud types, but a sovereign cloud is, or will be, our main cloud platform.

Source: IDC's *Worldwide Digital Sovereignty Survey 2025* (July), Europe (n = 370)



AI sovereignty ushers in a new chapter



Interest increases in sovereign cloud for AI

- A combined **64%** in Europe are either already using sovereign cloud to build AI solutions or plan to do so within 12 months.
- Sixty percent are more likely to adopt sovereign cloud for AI workloads due to higher DxSo interest.



Data sensitivity is a top driver

- Sensitivity of data types (**45%**), data residency requirements under local law (**39%**), and organizational risk/compliance policies are the top three most important data-related factors that influence sovereign AI users.



Model ownership and control is vital

- **44%** believe it is critically important for their organization to retain ownership or full control of the AI models in use or developed internally.
- A further **55%** say it is critical to retain ownership of the data used to train AI.



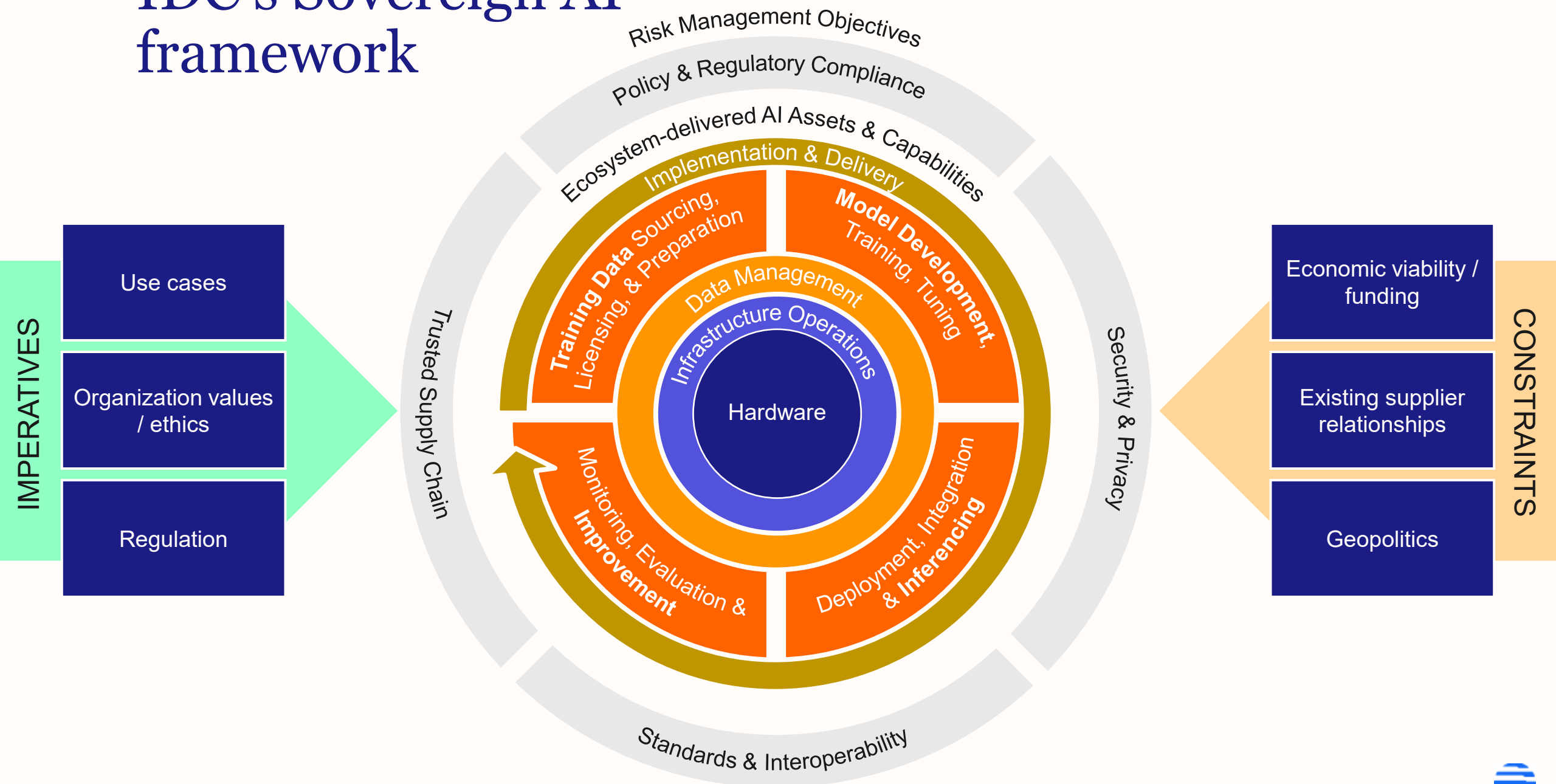
Compliance needs will drive further usage

- In total, **49%** expect to increase their use of sovereign cloud for AI workloads over the next two years.
- The top reason for this (**61%**) is the growing importance of national or local compliance requirements.

Source: IDC's *Worldwide Digital Sovereignty Survey 2025* (July), Europe (n = 370)



IDC's Sovereign AI framework



Where do AI workloads fit in the sovereignty spectrum?



AI Consumer

“Baseline” approach for low-risk situations



AI Customizer

Where organizations need control over how AI systems are integrated & deployed



AI Creator

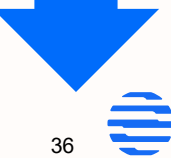
Where organizations need control over how AI systems are built & managed



AI Controller

Where organizations desire control over the entire AI value chain

Increasing skills, cost, and complexity



High-level guidance for CIOs and technology strategists

1 Digital Sovereignty is not binary

There are degrees of sovereignty. There is not “one size that fits all”; different situations require different approaches.

2 Use IDC’s framework to educate your peers and teams

Sovereignty has many aspects; the answer is not simply “use a sovereign cloud”. Sovereignty-enhancing choices all come with tradeoffs; many will bring cost and skills implications.

3 Be deliberate about sovereignty as part of your entire digital strategy

Make clear and informed decisions about the choices and controls that are important to you, understand how different situations map to different requirements – and plan for the tradeoffs.



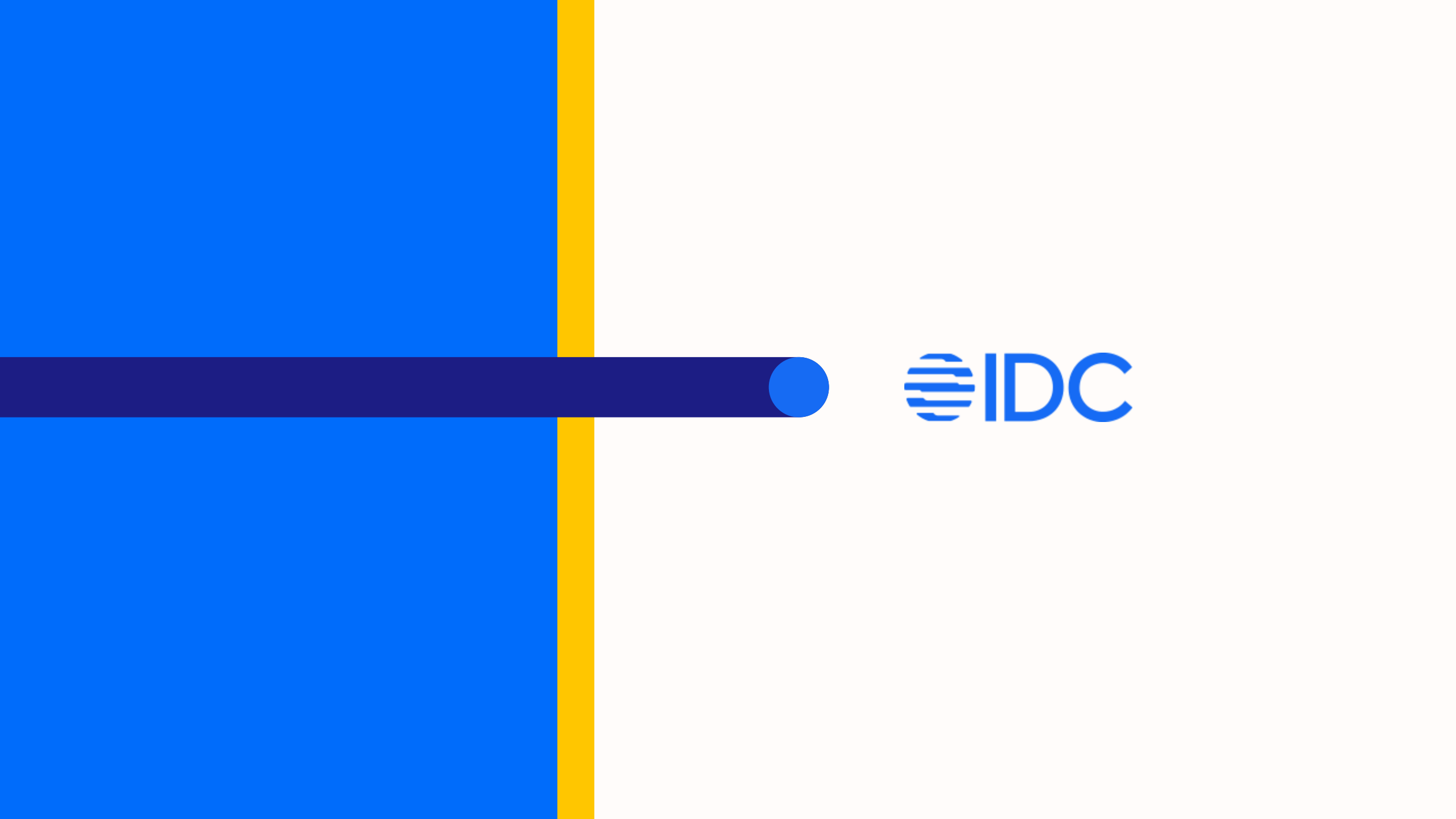
Private IT
infrastructure is the
ultimate sovereign
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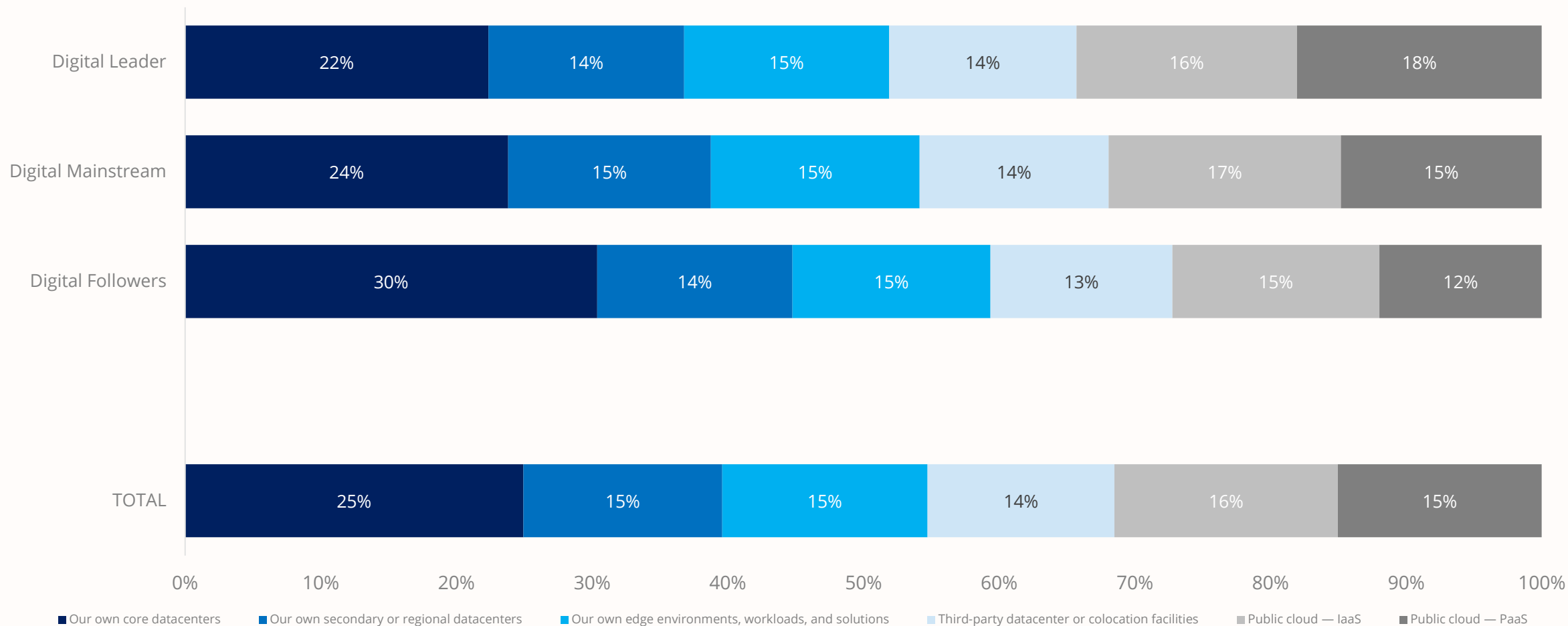
Andrew Buss
Senior Research Director
IDC Digital Infrastructure and Datacenter Research





The biggest share of IT infrastructure spending in EMEA is for private IT infrastructure

Approximately what percentage of your organization's infrastructure spending was allocated to each of the following environments in 2024?

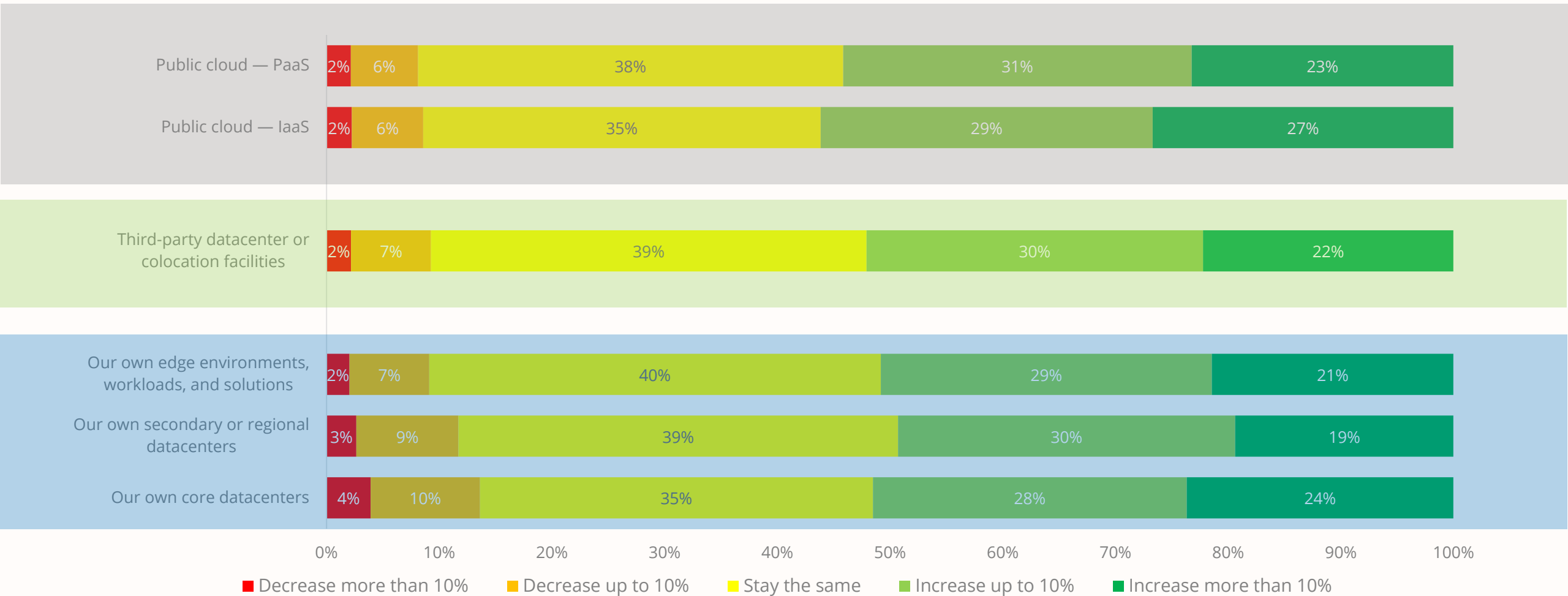


Source: IDC EMEA Digital Infrastructure Survey 2025 n=1,540



Investment in private IT will remain strong

How will your organization's spending change in the following areas in 2025 compared with 2024?

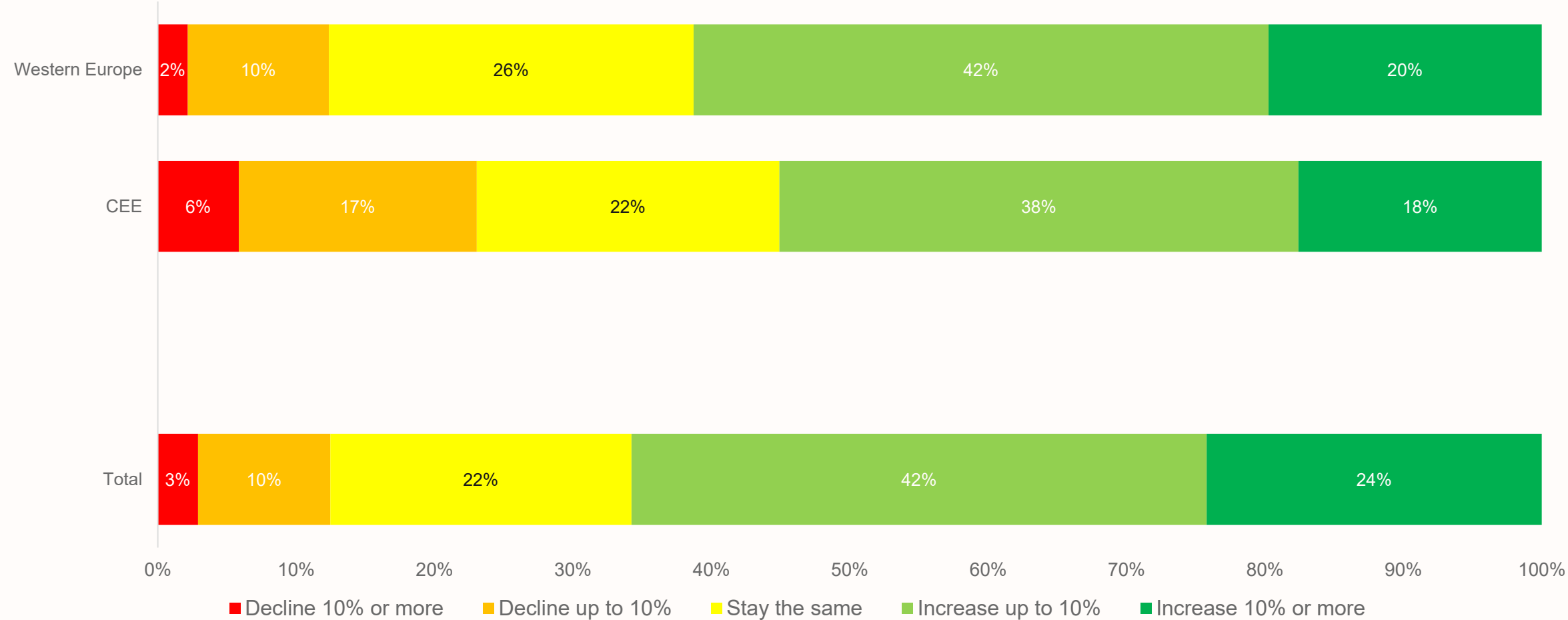


Source: IDC EMEA Digital Infrastructure Survey 2025 n=1,540



Infrastructure investment intent is strong in Central and Eastern Europe

How do you think your organization's overall IT Infrastructure budget will change in 2025?



Source: IDC EMEA Digital Infrastructure Survey 2025 n=1,540



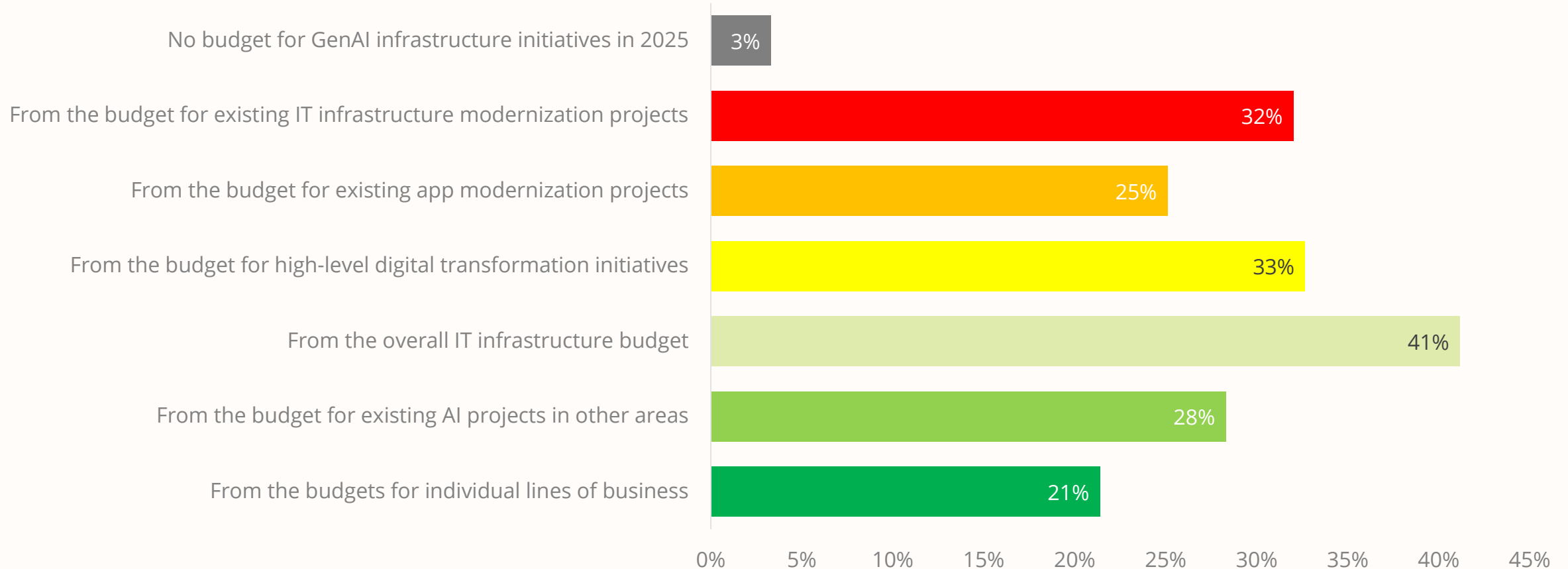
European AI Spending to Reach \$290 Billion by 2029, Driven by Banking, Software, and Agentic AI Adoption

- **Banking** leads European AI spending (12% of the market), with use cases such as fraud analysis, threat intelligence, contact centers, and customer self-service, with institutions shifting from pilots to mission-critical multi-agent automation and increased focus on FinOps, sovereign cloud, and AI governance
- **Software and information services** follow, with most spending on AI infrastructure provisioning to support agentic workloads via PaaS and IaaS
- **Retail** ranks third, investing in digital commerce, AI-enabled customer service, planning, personalization, pricing, and supply-chain optimization
- **Healthcare Providers:** Fastest-growing industry at 39.7% CAGR (2025–2029) across all five major markets. Primary use case: Clinical Workflow and Resources Optimization
- **Media & Entertainment:** 37.3% CAGR, driven by GenAI for content creation, video production, and audience personalization
- Also, above-average growth: Professional and Personal Services, Utilities, and Life Sciences.



AI investment from the lines of business is getting more significant

From where in your organization has the budget come, or will it come, for GenAI infrastructure initiatives in 2025? [Choose up to 3]

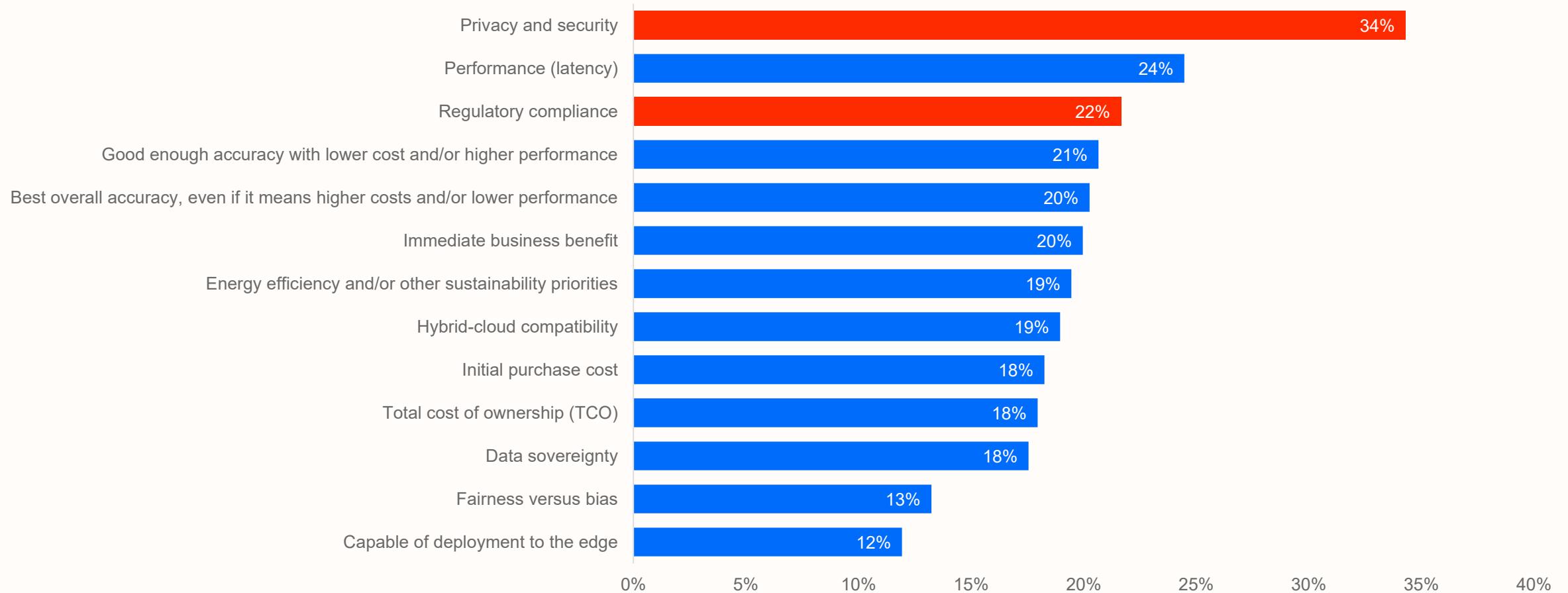


Source: IDC EMEA 2025 GenAI Infrastructure Survey n=1,000



Companies are most concerned about privacy and compliance when it comes to AI

What are, or would be, your organization's major considerations in choosing GenAI model and deployment types?



Significant uncertainty about the “default AI option”

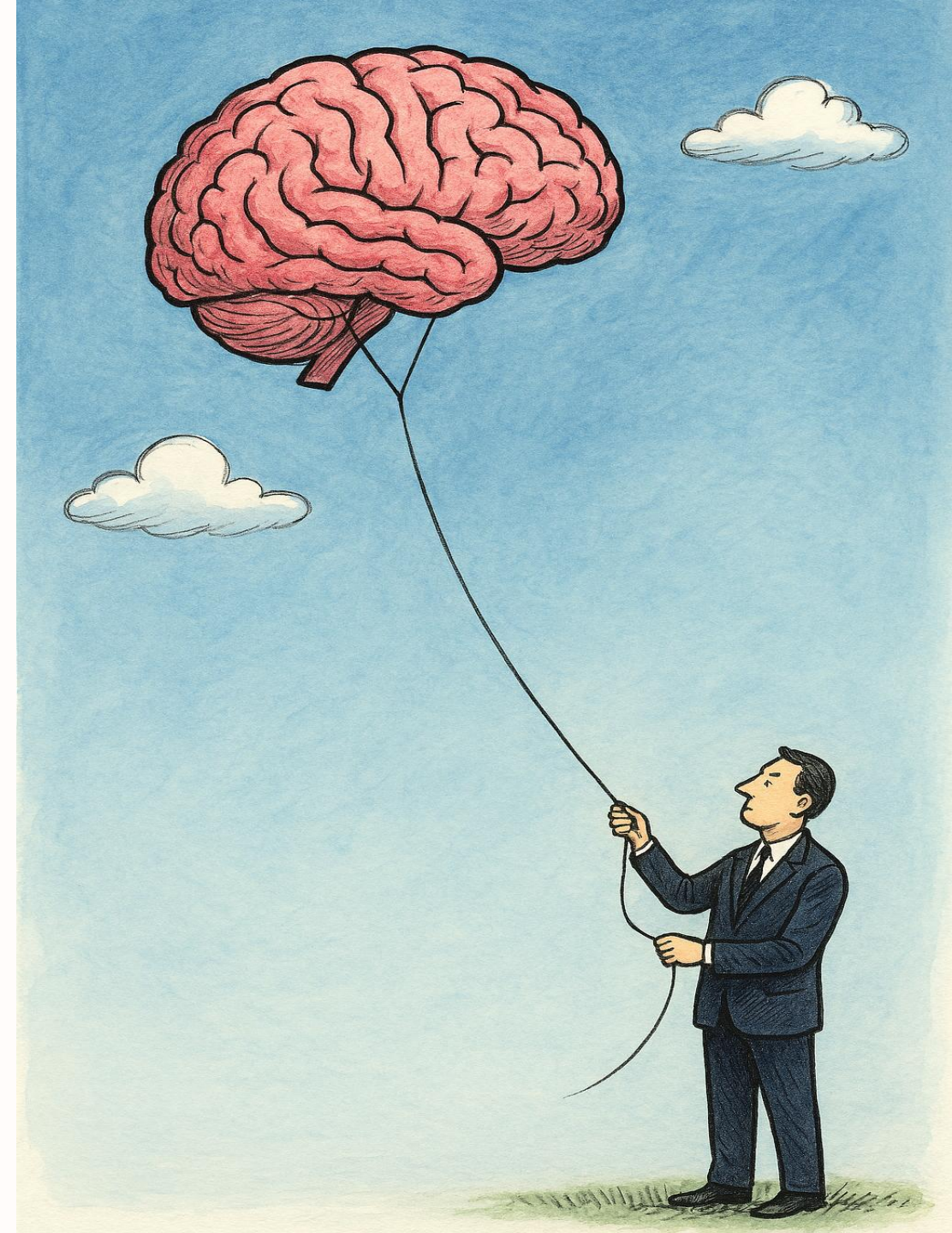
86%

Organizations want freedom to choose platforms other than public cloud for AI inference at scale

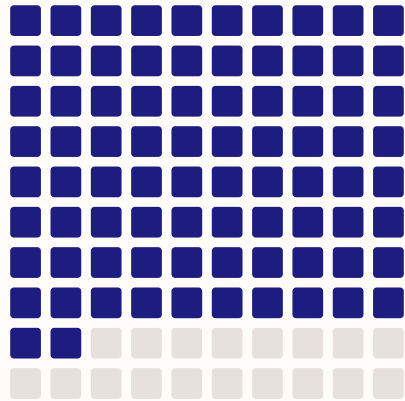
58%

Plan to use open models to power GenAI use cases

Sources: IDC EMEA AI-Ready Infrastructure Survey, June 2024; IDC AI Technology Trends Survey, May 2025



AI Sovereignty stopped being a debate and is becoming a deployment.



82%

already running or piloting sovereign AI for all or at least critical workloads

AI sovereignty is not a binary concept

AI is labelled sovereign by vendors but defined by clients

AI sovereignty is not just European topic

It is worth agreeing internally what AI sovereignty means





What does Cloud and AI Development Act mean for European sovereignty?

It sets four sovereignty levels. Every public sector supplier must meet the lowest. Sensitive workloads in areas such as health, energy, defense, and public administration can be pushed higher after a risk check.

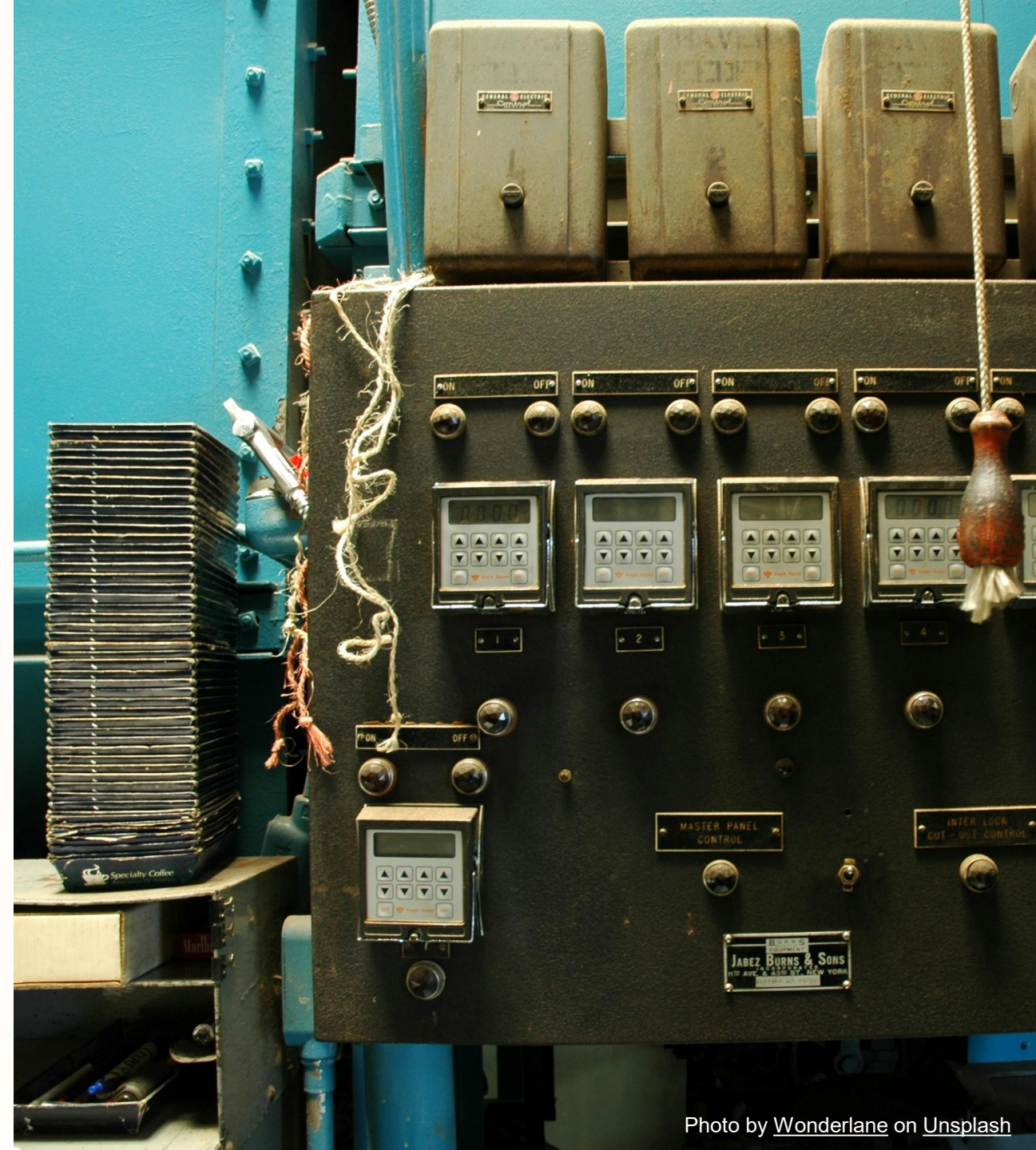
The framework does not shut out non-EU providers. It is risk-based and procurement-driven, so global hyperscalers can still take part, including at the higher tiers, where a third country can be recognized under Article 19.

The higher the level, the tighter the limits on foreign control, personnel, and operational dependency. Home-country jurisdiction carries real weight, so a non-European firm cannot reach the top tiers on a European subsidiary alone.



What is AI sovereignty?

AI sovereignty describes the freedom of choice and control over the design, development, deployment, accessibility, operation, maintenance and governance of AI systems and applications, and the technologies that those systems and applications depend on.

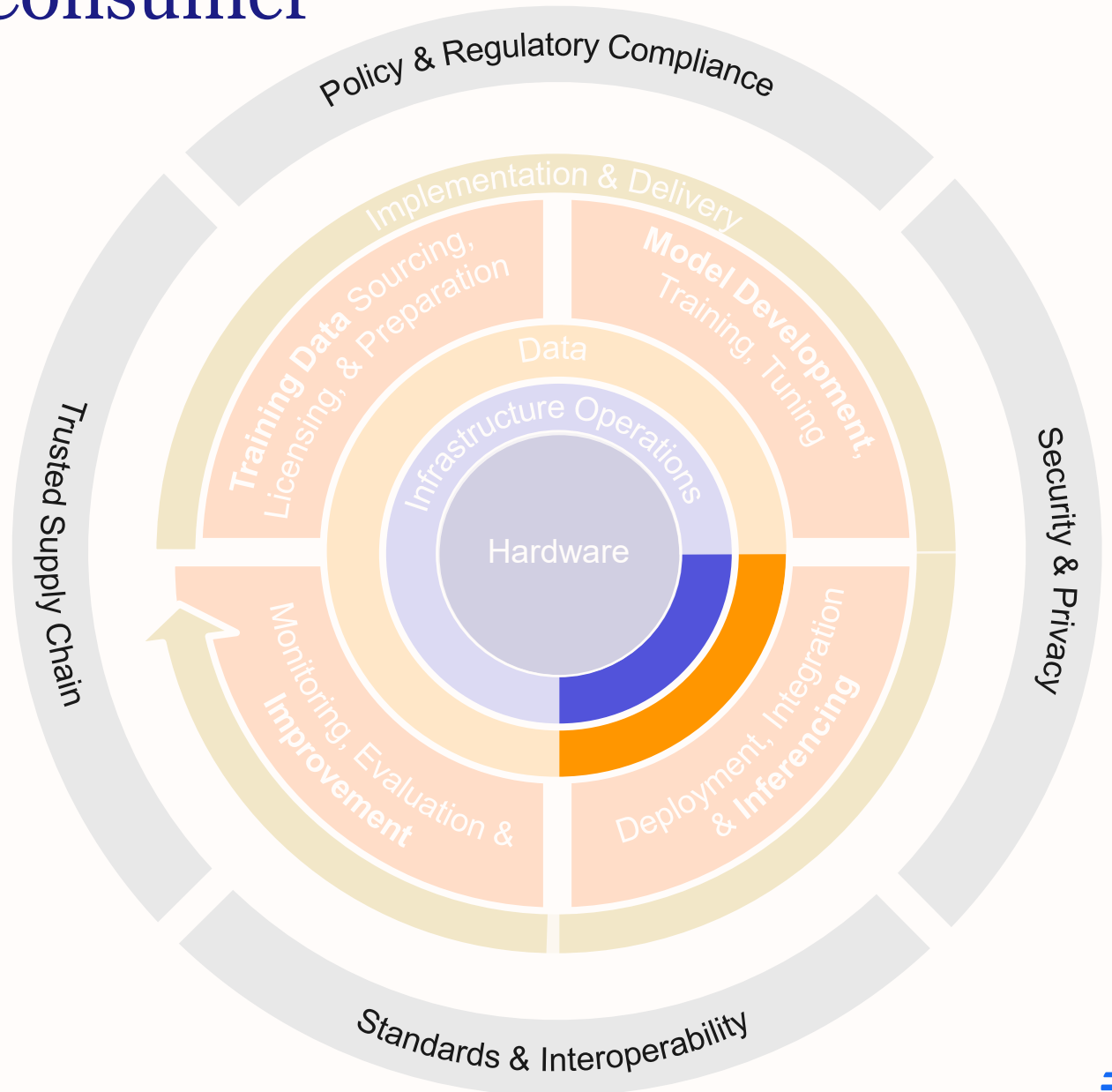


Sovereign AI pattern: AI Consumer

The AI Consumer:
Primary focus is on data residency and access for data used in model inferencing

“We must have control over where our own corporate data resides, and how it can be accessed, even as we provide that data to running AI systems.”

Example scenarios: personal productivity boosts like meeting transcription, report summarization, internal research

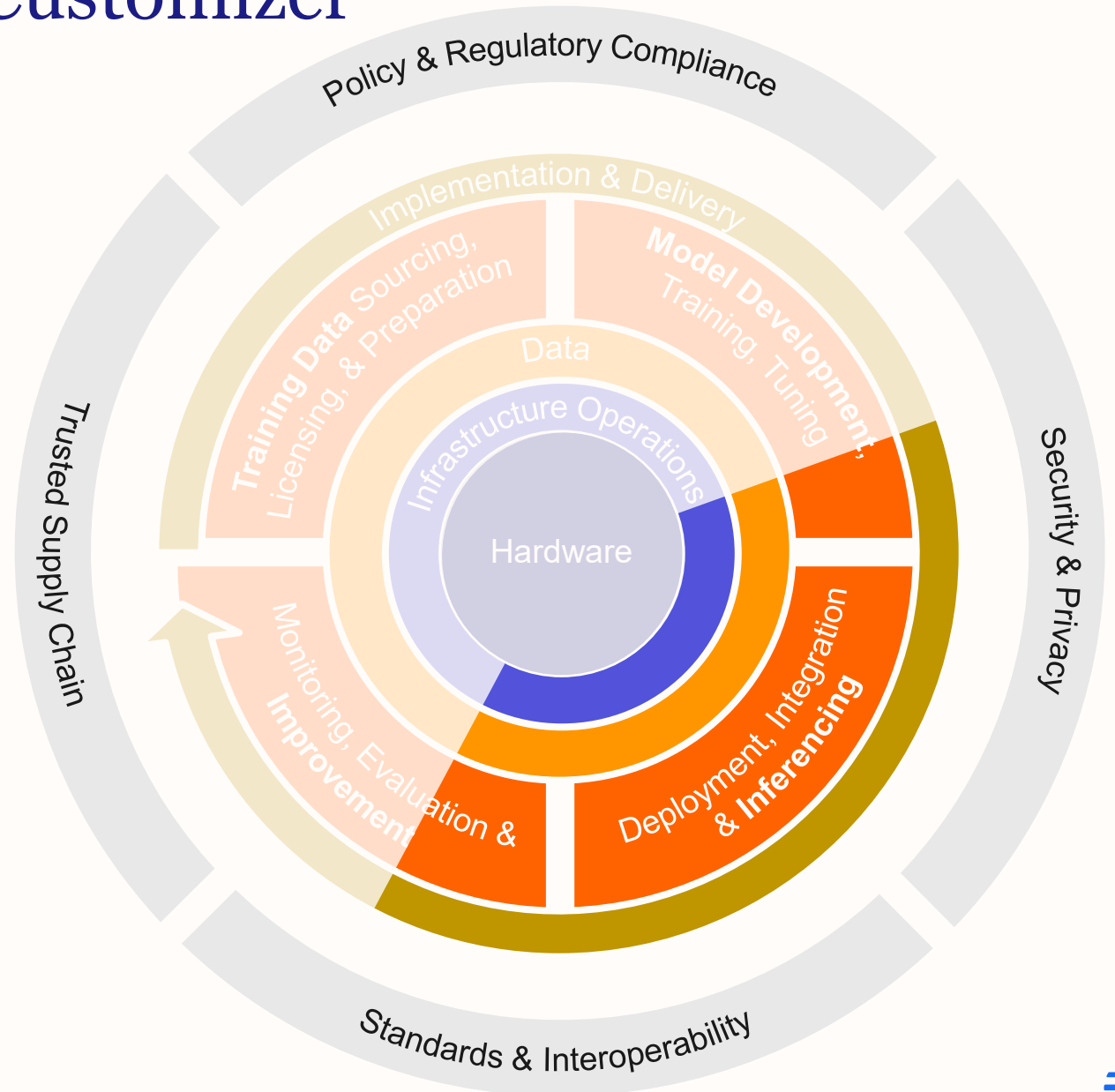
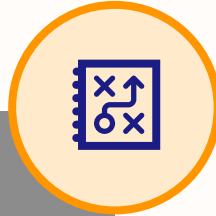


Sovereign AI pattern: AI Customizer

The AI Customizer:
Focus is on data residency and access for data used in model tuning, inferencing; model inferencing platform

“We must have control over where our own corporate data resides, and how we use it to customize AI models. We must have control over where and how our AI models run.”

Example scenarios: supporting decision-making in regulated industries



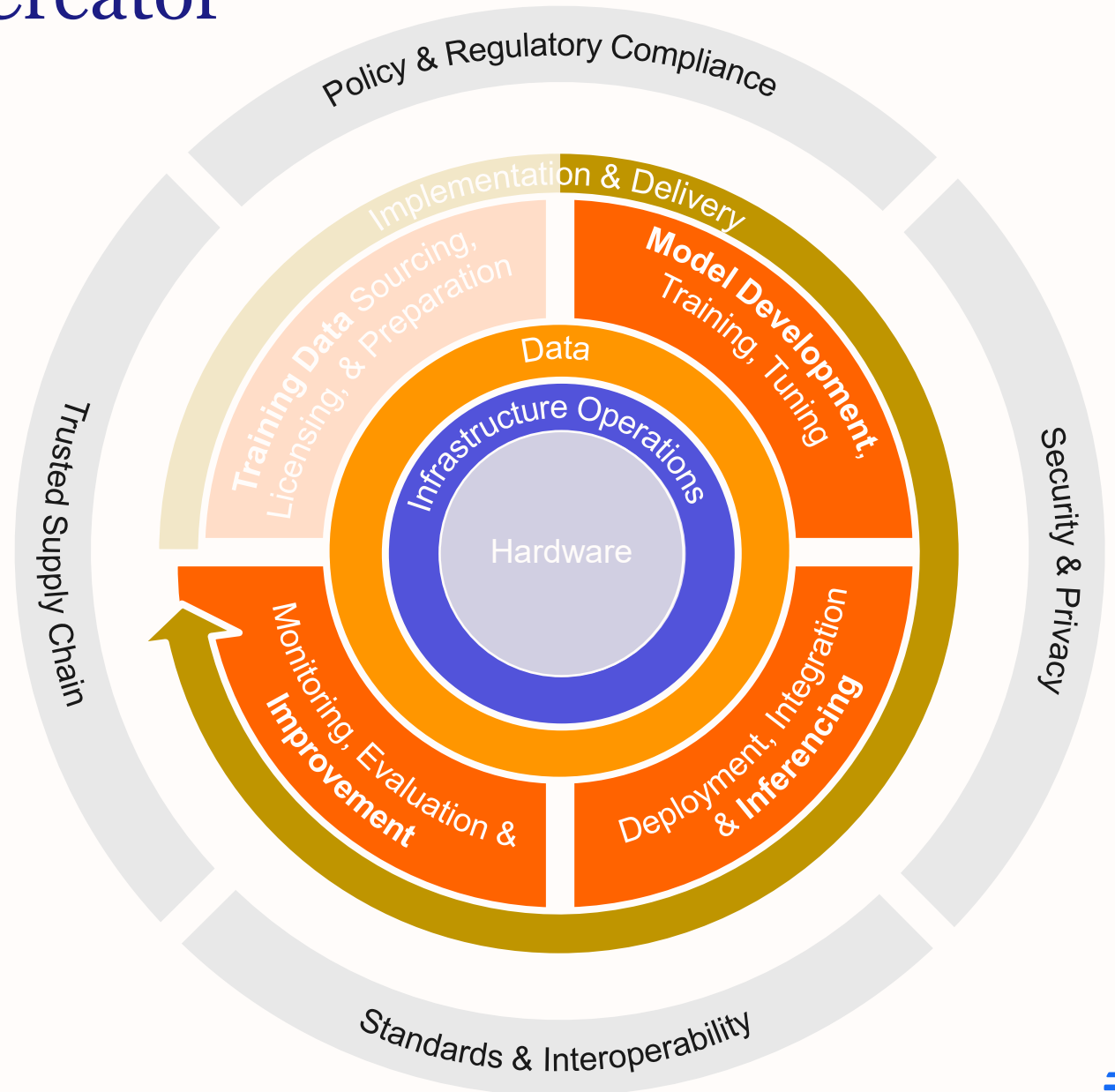
Sovereign AI pattern: AI Creator

The AI Creator:

Focus is on data residency and access for data used in model development, inferencing; model inferencing platform; model monitoring and evaluation

“We must have the ability to create and improve our own models and have control over how we deploy and integrate them with other system elements. We must have control over where and how our AI models run.”

Example scenarios: creation of core IP that delivers product and service innovation.



Sovereign AI pattern: AI Controller

The AI Controller:

Desire for end-to-end control over the AI value chain

“We must eradicate dependence on any supplier over which we cannot exert control to an extent that aligns with our mission.”

Example scenarios: intelligence and security within national defense; nation states with strong strategic independence goals

