



Security and Risk Online on Amazon Opens Data Centers to Boost U.K. Cloud Services

(Bloomberg) -- Amazon Web Services, the cloud-hosting arm of Amazon.com Inc., opened new data centers in the U.K. as it seeks to stay abreast of competitors in [offering cloud computing services](#) to government and health-care customers.

The new data centers, announced in a statement on Wednesday, follow decisions by IBM and Microsoft Corp. in the past two months to expand their cloud computing infrastructure in the U.K.

The U.K. data region, which comprises two zones, each consisting of multiple data centers, is the 16th Amazon Web Services operates worldwide and it's third in Europe. A fourth in France has already been announced and will open next year.

Governments are increasingly moving computing functions into the cloud. But they are often required for regulatory and security purposes to hold data within their national borders. The same applies for sensitive health-care information. Meeting these demands is one reason cloud providers are rushing to open more data centers around the globe.

"This is a great enabler for data that has to remain in the U.K., like health-care," Chris Hayman, who manages Amazon Web Services' British government accounts, said in an interview.

Liam Maxwell, the U.K.'s national technology adviser, said in a statement that the government had saved 3.5 billion pounds (\$4.4 billion) so far by choosing to host data in the cloud rather than on its own servers.

Financial-service firms are also often concerned with minimizing the time it takes to connect to trading venues, another reason to expand in the U.K., said Teresa Carlson, vice president for worldwide public sector operations for Amazon Web Services. "The U.K. is a really important part of the world, being a center of the financial industry," she said.

The decision to build new data centers in the U.K. predates the country's June vote to leave the European Union, Carlson said. But giving customers the ability to store data in the U.K. has taken on increased importance since the Brexit vote as clients worry about whether British data privacy rules will diverge from European standards. "Now, whether the U.K. is in Europe or not, they have their own region," she said.

Amazon Web Services declined to specify exactly how many facilities it operates in the country, how many people will be employed or how much money it will invest.

Karen Bradley, U.K. Secretary of State for Culture, Media and Sport, said in a statement that Amazon's action "is a strong endorsement of our approach to the digital economy" and "shows

a clear confidence in the U.K. being open for business and one of the best places in the world for technology companies to invest in and grow.”