

Data Residency Services Market Anticipated to Grow at 16.1% CAGR Through 2029: Industry Report

The Business Research Company's Data Residency Services Global Market Report 2025 – Market Size, Trends, And Forecast 2025-2034

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/EINPresswire.com/ -- How Big Is [The Data Residency Services Market In 2025?](#)

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The market size of data residency services has been expanding quickly in recent years. Projections indicate it will increase from \$25.36 billion in 2024 to \$29.53 billion in 2025, exhibiting a compound annual growth rate (CAGR) of 16.4%. The substantial growth seen in the historical

period can be credited to escalating concerns about data privacy, growing regulations on cross-border data transfers, enterprises' adoption of cloud services, the rise in data-focused applications, and mandates for regulatory compliance.

The market size of data residency services is projected to experience swift expansion in the forthcoming years. It is predicted to reach a value of \$53.56 billion by the year 2029, growing at a compound annual growth rate (CAGR) of 16.1%. This projected growth during the forecast period

can be ascribed to the development of multi-cloud strategies, the escalation of data sovereignty programs, the increasing need for AI and IoT data localization, the augmentation of government investment in secure data infrastructure, and the mounting demand for hybrid and edge computing solutions. Key trends expected during the forecast period encompass sovereign cloud solutions, the adoption of confidential computing, utilizing AI for data mapping tools, blockchain for ensuring data provenance, and automation for multi-jurisdiction compliance.

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What Are The Key Driving Factors For [The Growth Of The Data Residency Services Market?](#)

The surge in the use of cloud-based services is predicted to boost the expansion of the data residency services market. These services denote computing resources like software, storage, and processing power that are provided through the internet as opposed to on-site infrastructure. The increased uptake of such services is predominantly fuelled by digital transformation pursuits. Firms across various industries are upgrading their IT infrastructure to enhance operational effectiveness, scale down costs, and facilitate remote work capabilities. Firms that adopt cloud-based solutions are increasingly in need of data residency services to ensure their stored data aligns with regional data sovereignty rules and stays within certain geographical limits. For example, AAG IT, an UK-based IT services firm, stated in January 2025 that approximately 63% of workloads of small and medium-sized businesses (SMB) and 62% of SMB data were projected to be hosted in public clouds by 2023, a rise from 57% of workloads and 56% of data in 2022. Hence, the growing use of cloud-based services propels the expansion of the data residency services market.

Who Are The Key Players In [The Data Residency Services Industry?](#)

Major players in the Data Residency Services Global Market Report 2025 include:

- Google LLC
- Microsoft Corporation
- Alibaba Group Holding Limited
- Amazon Web Services Inc
- Dell Technologies Inc
- Tencent Holdings Limited
- International Business Machines Corporation
- Oracle Corporation
- SAP SE
- Salesforce Inc

What Are The Key Trends Shaping The Data Residency Services Industry?

Prominent companies in the data residency services sector are concentrating on growing their regional data storage and processing capabilities to boost compliance with domestic data sovereignty laws and fortify data privacy. Regional data storage and processing revolve around managing and storing data within specific geographical regions to conform to local laws and regulations, assisting businesses in minimizing legal hazards and ensuring compliance with data protection acts like GDPR, and establishing trust among users and stakeholders. For instance, OpenAI, a leading artificial intelligence organization based in the US, in May 2025, introduced data residency in Europe. This provision permits organizations to store and manage data within the European Economic Area (EEA) and Switzerland. The service gives API users the ability to initiate projects in Europe, ensuring that the data processing happens within the region and allows ChatGPT Enterprise and Edu users to store information including prompts, uploaded documents, and other data at rest in Europe. It complies with enterprise-grade privacy, security,

and compliance standards, employs AES-256 encryption for data at rest and TLS 1.2+ for data in transit, and refrains from using customer data for training unless explicitly approved. This underscores the rising importance of data residency solutions for businesses that are subject to rigorous regional data protection rules.

What Segments Are Covered In The Data Residency Services Market Report?

The data residency services market covered in this report is segmented –

- 1) By Component: Solutions, Services
- 2) By Deployment Mode: On-Premises, Cloud
- 3) By Organization Size: Small And Medium Enterprises, Large Enterprises
- 4) By Application: Data Storage, Data Security And Compliance, Data Processing, Other Applications
- 5) By End-User: Banking, Financial Services, And Insurance (BFSI), Healthcare, Government, Information Technology (IT) And Telecommunications, Retail, Other End-Users

Subsegments:

- 1) By Solutions: Cloud Management Solutions, Disaster Recovery Solutions, Data Integration Solutions, Identity And Access Management Solutions, Network Monitoring And Management Solutions
- 2) By Services: Consulting Services, Implementation Services, Integration Services, Managed Services, Support And Maintenance Services, Training And Education Services

View the full data residency services market report:

<https://www.thebusinessresearchcompany.com/report/data-residency-services-global-market-report>

Which Region Is Expected To Lead The Data Residency Services Market By 2025?

In the Data Residency Services Global Market Report 2025, North America led as the largest region in the given year. Moreover, the report projects rapid growth for the Asia-Pacific region in the forecast period. The report includes coverage of several regions including Asia-Pacific, Western Europe, Eastern Europe, North America, South America, the Middle East, and Africa.

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