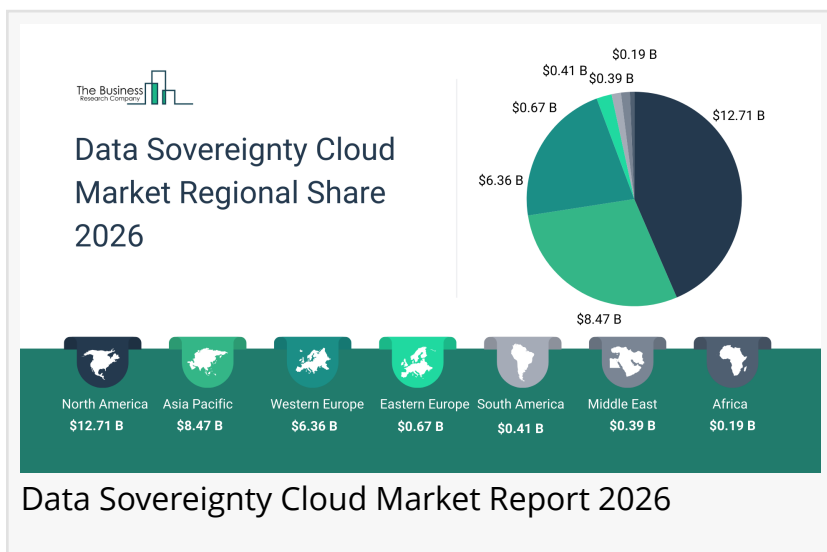


Data Sovereignty Cloud Market 2026 Regulatory Compliance And Data Localization Driving Adoption

The Business Research Company's Data Sovereignty Cloud Market Report 2026 - Market Size, Trends, And Global Forecast 2026-2035

LONDON, GREATER LONDON, UNITED KINGDOM, March 17, 2026

/EINPresswire.com/ -- [Data sovereignty cloud market](#) to surpass \$58 billion in 2030. In comparison, the Sovereign Cloud market, which is considered as its parent market, is expected to be approximately \$294 billion by 2030, with Data Sovereignty Cloud to represent around 20% of the parent market. Within the broader Information Technology industry, which is expected to be \$13,807 billion by 2030, the Data Sovereignty Cloud market is estimated to account for nearly 0.4% of the total market value.



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It will grow from \$24.14 billion in 2025 to \$29.04 billion in 2026 at a compound annual growth rate (CAGR) of 20.3%”

The Business Research Company

Which Will Be The Biggest Region In The [Data Sovereignty Cloud Market growth](#) in 2030

North America will be the largest region in the data sovereignty cloud market in 2030, valued at \$24 billion. The market is expected to grow from \$11 billion in 2025 at a compound annual growth rate (CAGR) of 17%. The rapid growth can be attributed to increasing adoption of cloud solutions that comply with local data privacy regulations, rising demand for secure and compliant data storage,

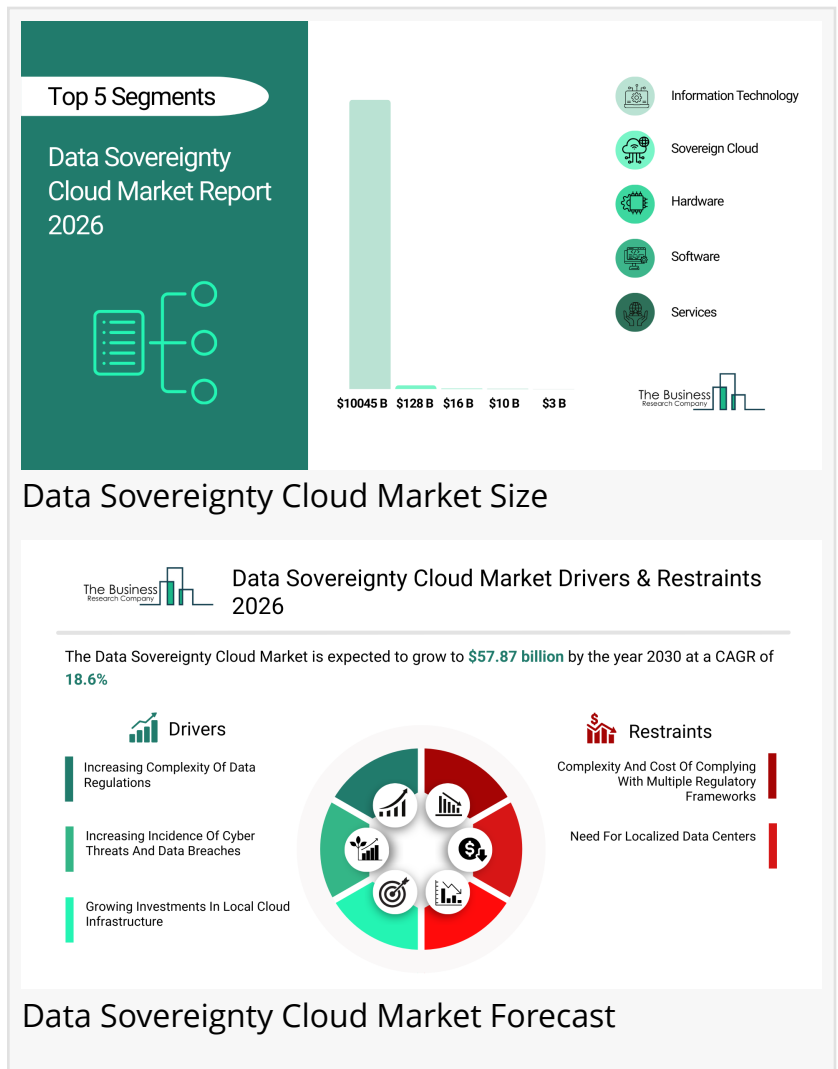
growing investments by enterprises in digital transformation and cloud infrastructure, strong presence of leading cloud service providers, and expanding focus on data protection, cybersecurity, and regulatory compliance across the United States and Canada.

Which Will Be The Largest Country In The Global Data Sovereignty Cloud Market In 2030?

The USA will be the largest country in the data sovereignty cloud market in 2030, valued at \$23

billion. The market is expected to grow from \$10 billion in 2025 at a compound annual growth rate (CAGR) of 17%. The rapid growth can be attributed to increasing adoption of cloud solutions that comply with local data privacy and sovereignty regulations, rising investments in secure and compliant cloud infrastructure, growing demand from enterprises for data protection and cybersecurity, expansion of cloud service offerings by leading technology providers, and continuous upgrades in digital governance and IT infrastructure across the country.

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What Will Be The Largest Segment In The Data Sovereignty Cloud Market In 2030?

The data sovereignty cloud market is segmented by component into software, hardware, and services. The hardware market will be the largest segment of the data sovereignty cloud market segmented by component, accounting for 52% or \$30 billion of the total in 2030. The hardware market will be supported by the increasing adoption of cloud platforms that comply with local data privacy and sovereignty regulations, rising demand for secure and compliant data management solutions, growing investments by enterprises in digital transformation, continuous advancements in cybersecurity and data protection technologies, and expanding integration of AI and analytics tools within cloud offerings. The data sovereignty cloud market is segmented by deployment mode into public cloud, private cloud, and hybrid cloud. The data sovereignty cloud market is segmented by organization size into small and medium enterprises, and large enterprises. The data sovereignty cloud market is segmented by application into data storage, compliance management, risk management, data security, and other applications. The data sovereignty cloud market is segmented by end user into banking, financial services, and insurance (BFSI), healthcare, government, information technology (IT) and telecommunications, retail, manufacturing, and other end-users.

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What Is The Expected CAGR For The Data Sovereignty Cloud Market Leading Up To 2030?

The expected CAGR for the data sovereignty cloud market leading up to 2030 is 19%.

What Will Be The Growth Driving Factors In The Global Data Sovereignty Cloud Market In The Forecast Period?

The rapid growth of the global data sovereignty cloud market leading up to 2030 will be driven by the following key factors that are expected to reshape cloud infrastructure, regulatory compliance strategies, cybersecurity frameworks, and regional data management practices across industries worldwide ecosystems.

Increasing Complexity Of Data Regulations - The increasing complexity of data regulations is expected to become a key growth driver for the data sovereignty cloud market by 2030. The increasing complexity of data regulations is driving the demand for data sovereignty cloud solutions as organizations seek to ensure compliance with evolving legal frameworks. With stricter regional and national data protection laws, businesses are turning to sovereign clouds to maintain control over where and how their data is stored and processed. These solutions help enterprises meet jurisdiction-specific requirements while minimizing the risk of penalties or data breaches. As cross-border data transfer restrictions grow, companies prefer localized, compliant cloud environments. Consequently, the regulatory landscape is accelerating the adoption of data sovereignty clouds across industries. As a result, the increasing complexity of data regulations is anticipated to contributing to 1.5% annual growth in the market.

Increasing Incidence Of Cyber Threats And Data Breaches - The increasing incidence of cyber threats and data breaches is expected to emerge as a major factor driving the expansion of the data sovereignty cloud market by 2030. The increasing incidence of cyber threats and data breaches is a major driver for the data sovereignty cloud market, as organizations seek greater control over their data to enhance security and compliance. By ensuring data remains within national boundaries and under strict jurisdictional regulations, data sovereignty clouds reduce exposure to foreign surveillance and unauthorized access. This model enables improved data governance, stronger encryption, and stricter access management. As cyberattacks grow in frequency and sophistication, enterprises and governments increasingly adopt sovereign cloud

solutions to protect sensitive information. Consequently, the demand for secure, compliant, and region-specific cloud infrastructures continues to accelerate globally. Consequently, the increasing incidence of cyber threats and data breaches is projected to contribute to around 1.2% annual growth in the market.

Growing Investments In Local Cloud Infrastructure - The growing investments in local cloud infrastructure is expected to act as a key growth catalyst for the data sovereignty cloud market by 2030. Growing investments in local cloud infrastructure act as a key driver for the data sovereignty cloud market by enabling organizations to comply with regional data residency and privacy regulations more effectively. Establishing local data centers allows providers to store and process data within national borders, ensuring greater control and security. These investments also enhance trust among government bodies and regulated industries that prioritize data protection. Moreover, they support faster service delivery and lower latency for local users. As a result, expanding local infrastructure strengthens the overall adoption of sovereign cloud solutions across regions. Therefore, the growing investments in local cloud infrastructure is projected to contribute to approximately 1.0% annual growth in the market.

Access The Detailed Data Sovereignty Cloud Market Report Here

https://www.thebusinessresearchcompany.com/report/data-sovereignty-cloud-global-market-report?utm_source=EINPresswire&utm_medium=Paid&utm_campaign=Mar_PR

What Are The Key Growth Opportunities In The Data Sovereignty Cloud Market In 2030?

The most significant growth opportunities are anticipated in the software market, the hardware market, and the services market. Collectively, these segments are projected to contribute over \$33 billion in market value by 2030, driven by increasing adoption of data sovereignty cloud solutions, rising investments in secure and compliant cloud infrastructure, growing demand for AI- and analytics-enabled cloud platforms, continuous advancements in cybersecurity and data protection technologies, and expanding integration of digital governance and IT management tools. This surge reflects the accelerating focus on enhancing data security, improving regulatory compliance, and supporting digital transformation, fuelling transformative growth within the broader cloud computing and enterprise IT industry.

The software market is projected to grow by \$13 billion, the hardware market by \$17 billion, and the services market by \$3 billion over the next five years from 2025 to 2030.

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