# Campaign group calls for end to cloud market lock-in practices



A campaign group known as the Open Cloud Coalition has called for an end to commercial ‘lock-in’ practices within the cloud market, aiming to enhance competitive opportunities for domestic operators. Established in October 2022, the coalition condemned what it regards as “anti-competitive practices” perpetuated by major cloud service providers, including discriminatory licensing, lack of interoperability, and high exit fees. The group claims these practices contribute to alarming levels of market concentration that threaten competitiveness and pose significant risks to the overall market.

The coalition unveiled its manifesto in Brussels, Belgium, advocating for improved regulation of commercial incentives and reforms to public sector procurement rules in order to foster a more competitive landscape. Speaking at the launch event, German MEP Andreas Schwab highlighted the difficulties faced by smaller cloud operators in entering the market. Schwab commented, “The cloud market has plenty of small operators but there are also the big ones. The more you dig inside the more you discover that it makes the market entry for other cloud providers almost impossible.” He stressed the importance of fair competition in driving innovation, stating, “We believe that open markets need fair competition because only with fair competition can we create the innovation we need in Europe.”

Mark Boost, CEO of the UK-based cloud company CIVO and a member of the coalition, also expressed concerns about the dominance of larger providers. In an interview with UKTN, he said, “The big providers have very deep pockets and are able to entice people with large sums of money in terms of cloud credits, and once they lock them into that proprietary ecosystem it’s very hard to get out.” Boost proposed limiting the distribution of free cloud credits to promote an open ecosystem and reduce reliance on proprietary technology, advocating for an environment where customers have more choices and less power is concentrated among a few tech giants.

The cloud computing sector has emerged as a significant area of investment in the UK, with billions already allocated for data centre development in 2025. A recent analysis by UKTN showed that planning applications for new data centres surged by as much as 40% in 2024, as firms strive to meet the escalating demand associated with artificial intelligence.

The manifesto was launched amidst warnings from the UK's Competition and Markets Authority (CMA) regarding competitive deficiencies in the cloud market, which may be costing the nation hundreds of millions of pounds annually. The CMA provisionally identified that competition in cloud services is underperforming, which could result in higher costs, reduced choices, less innovation, and lower service quality for businesses across the UK economy. They calculated that if cloud prices are on average 5% higher than in competitive markets, UK customers could be paying an additional £430 million annually for these services. With cloud spending growing at an annual rate of 30%, the CMA indicates that without effective remedial measures, the economic impact of the current market conditions is likely to worsen.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.computerweekly.com/news/366614818/The-Open-Cloud-Coalition-makes-debut-to-bolster-competition-in-public-cloud> - This article supports the formation of the Open Cloud Coalition and its mission to enhance competition in the cloud market by promoting openness and interoperability.
* <https://opencloudcoalition.com/latest-news-2/> - This webpage provides information about the Open Cloud Coalition's launch and its goals to improve competition and transparency in the cloud industry.
* <https://www.noahwire.com> - This is the source of the original article discussing the Open Cloud Coalition's efforts to address anti-competitive practices in the cloud market.
* <https://www.gov.uk/government/organisations/competition-and-markets-authority> - This website provides information about the UK's Competition and Markets Authority (CMA), which has expressed concerns about competitive deficiencies in the cloud market.
* <https://www.uktn.co.uk/> - This is the website of UKTN, which has reported on cloud computing trends and interviews with industry leaders like Mark Boost of CIVO.
* <https://www.civo.com/> - This is the website of CIVO, a UK-based cloud company and member of the Open Cloud Coalition, highlighting their involvement in promoting open cloud ecosystems.
* <https://www.europarl.europa.eu/meps/en/124751/ANDREAS_SCHWAB_home> - This webpage provides information about German MEP Andreas Schwab, who has emphasized the importance of fair competition in driving innovation.
* <https://ec.europa.eu/commission/presscorner/detail/en/IP_22_6571> - This press release from the European Commission discusses efforts to promote fair competition and innovation within the EU, relevant to the cloud market.
* <https://www.datacenterdynamics.com/en/news/planning-applications-for-new-data-centers-surge-in-uk/> - This article discusses the surge in planning applications for new data centers in the UK, reflecting growing investment in cloud infrastructure.