

Spain's Aragon, Europe's new cloud storage oasis

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The world's biggest technology firms are investing billions in cloud storage facilities in the northeastern Spanish region of Aragon, drawn to

its abundance of renewable energy sources.

While local authorities hope to reap the economic benefits of the ever-growing data demands of the artificial intelligence (AI) boom, environmentalists have criticized the vast quantities of water and power that [data storage](#) consumes.

Until recently, Aragon "was not on the map of global connectivity. But today everyone knows where it is," said Manuel Gimenez, executive director of an association grouping 170 data center firms.

At the end of May, Amazon said it was investing 15.7 billion euros (\$17 billion) in the region through its AWS cloud computing division to expand its three existing data centers in Aragon, set up since 2022.

In early July, Microsoft said it was investing 2.2 billion euros in a huge data center project, raising its total investment in the region to 6.7 billion euros.

And Spanish media reports said Meta, the parent company of Instagram and Facebook, would soon follow suit.

These investments are part of a strategy by big tech companies to ramp up their storage capacities to meet the incessant demand for generative artificial intelligence, which has significant data requirements.

'Europe's Virginia'

"This is a great opportunity and we must make the most of it," said Maria del Mar Vaquero, the Aragon region's deputy leader.

She believes that Aragon's success in the field is due to plenty of cheaply available land and good links to Spain's economic centers in Madrid,

Barcelona and the northern Basque Country.

This is complemented by the vast array of solar and [wind farms](#) dotted across its sunny but sparsely populated territory.

For Amazon, the fact that all its power needs can be met "with 100 percent renewable sources" helps its sustainability goals, it said, while pointing to the "institutional confidence" offered by the Aragonese authorities.

The regional government has created a dedicated department so that "red tape will not be an obstacle for these types of projects" and will establish "legal security" for companies, Vaquero said.

The aim is to convert the region into a "European Virginia", she added, referring to the eastern US state that has established itself as a global data center hub.

Environmental impact

However, the spread of data centers in the region also has detractors.

Ecologists say such installations are very costly in terms of electricity to run the equipment and water to cool them down.

While "it's difficult to have exact figures, we do know that consumption levels are huge", said activist Aurora Gomez, warning of the risks of "uncontrolled" development.

Gomez is part of a protest platform called "Tu nube seca mi rio"—"Your cloud is drying up my river"—flagging the [environmental impact](#) of [data centers](#).

"Spain is going to be one of the worst-hit countries in terms of climate change and desertification. We have to be very careful," she said.

Other critics cast doubt on the economic benefits of these centers, which Gimenez's data center association rejects.

"The positive impact of the data center industry on GDP and employment is obvious," Gimenez said, calling it "even larger than that of the aeronautical industry".

With fierce competition for investment between Spain's 17 regions, the Aragonese government has launched a huge 42-hectare (104-acre) technology park project on the outskirts of Zaragoza.

Although it has the sector heavyweights in mind, it is also designed to meet the needs of start-ups and public research institutions.

"In Aragon, the leading sectors have traditionally been the agrifood business, logistics and the automotive industry," said Vaquero.

But with investment pouring in, her vision is an Aragon where technology becomes "a motor for economic transformation".

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