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Brexit

Citic Telecom unfazed by Brexit, as it expands cloud services to US and Europe

Planned new service centres in Los Angeles and Frankfurt will swell Hong Kong firm's number of such facilities to 12

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Bien Perez



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Citic Telecom CPC, the information technology services subsidiary of Hong Kong-listed Citic Telecom International Holdings, is expanding its cloud operations to the United States and Europe later this year, taking in its stride the Brexit-induced economic volatility.

The company announced the development on Thursday as its next major move after acquiring Linx Telecommunications, an Amsterdam-based data centre services provider, in April this year for an undisclosed amount.

Ivan Tang, a senior vice-president at Citic Telecom CPC, said the firm does not expect Brexit to spoil its efforts to sign up new enterprise cloud customers, following Britain's vote to leave the European Union.



The fast-changing information and communications technology market engenders tremendous expansion opportunities

IVAN TANG, SENIOR VICE-PRESIDENT, CITIC TELECOM

"The fast-changing information and communications technology market engenders tremendous expansion opportunities," Tang said.

Data centres are facilities used to host so-called cloud computing operations, which enable companies to buy, lease or sell software and other digital resources online.

Tang said the planned new "cloud services centres" in Los Angeles and Frankfurt will swell its total number of such facilities to 12, covering Asia-Pacific, the United States and Europe.

The Linx acquisition has enabled Citic Telecom CPC to extend its business into the Russian-speaking markets of Central Asia, which would bolster the Hong Kong firm's participation in projects under the "One Belt, One Road" initiative.

That China-led programme aims to foster trade links, capital flows and infrastructure investment between the old "Silk Road" countries in Asia and Europe.

Two new data centres will also be established by Citic Telecom CPC in mainland China, one in Guangzhou in September and another in Beijing at the end of this year.

Those two facilities will increase the company's network of data centres to 27 located around the world.

According to Frost & Sullivan, the Asia-Pacific data centre services market will reach US\$32.8 billion by 2022.

Citic Telecom CPC's operations, which are under its listed parent's enterprise solutions business segment, posted revenue of HK\$2.11 billion last year, up from HK\$1.85 billion in 2014.

This article appeared in the South China Morning Post print edition as:
Citic cloud arm to grow



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