

## **Nigeria Data Center Market - Investment Analysis & Growth Opportunities 2022-2027**

Market Report | 2023-01-10 | 93 pages | Arizton Advisory & Intelligence

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### **Report description:**

Nigeria data center market is expected to grow at a CAGR of 13.02% during 2022-2027.

### **MARKET OUTLOOK**

The growth of the Nigeria data center market is attributed to factors such as the launch of 5G, the interest shown in the market by global operators such as Equinix and Digital Realty, the shift from on-premise facilities to the cloud and colocation data center by enterprises, among other factors.

Implementing the Nigeria Data Protection Regulation (NDPR) will also be a significant driver for the country's increase in data center development, resulting in data localization initiatives and an increase in local data storage and computation requirements. The future demand for data centers, especially from a colocation perspective, will come from sectors such as cloud and large technology companies to expand their operations in Western Africa. The Renewable Energy Master Plan (REMP) in Nigeria aims to increase the share of renewable energy in the overall energy mix to 23% in 2025 and 36% in 2030.

### **KEY HIGHLIGHTS**

- The country is the largest ICT market in Africa, accounting for 29% of internet usage. Commercial 5G was launched in the country in September 2022 by MTN Nigeria, which will further contribute to internet penetration in the country.
- The average utilization for Nigeria-based colocation centers is 50-60%. Operators are currently witnessing demand from cloud operators, large technology companies, as well as from BFSI, content service providers, and telecom sectors, which will drive future colocation demand in the country.
- Currently, 80% of the power generated in Nigeria is via natural gas, with much of the remaining being generated via coal. Nigeria is currently the largest user of oil-fired backup generators in Africa.
- In September 2022, The Nigerian Government signed an LOI with seven companies, namely Iron Mountain, AB InBev, HP, Akamai, Rife International, Lady Lawyer Foundation, and Unilever, for the clean energy transition in Nigeria. This initiative is named The Clean Energy Demand Initiative (CEDI).

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-□The Nigerian government has launched a 'Solar Power Naija' project, a program aiming for 5 million solar connections for off-grid communities as part of the Economic Sustainability Plan.

#### WHY SHOULD YOU BUY THIS RESEARCH?

- Market size available in the investment, area, power capacity, and the Nigeria colocation market revenue.
- An assessment of the investment in Nigeria by colocation and enterprise operators.
- Investments in the area (square feet) and power capacity (MW) across locations in the country.
- A detailed study of the existing market landscape, an in-depth industry analysis, and insightful predictions about the Nigeria data center market size during the forecast period.
- Snapshot of existing and upcoming third-party data center facilities in Nigeria
  - o□Facilities Covered (Existing): 13
  - o□Facilities Identified (Upcoming): 8
  - o□Coverage: 2+ Cities
  - o□Existing vs. Upcoming (Area)
  - o□Existing vs. Upcoming (IT Load Capacity)
- Data center colocation market in Nigeria
  - o□Market Revenue & Forecast (2021-2027)
  - o□Wholesale vs. Retail Revenue & Forecast (2021-2027)
  - o□Retail Colocation Pricing
  - o□Wholesale Colocation Pricing
- The Nigeria market landscape investments are classified into IT, power, cooling, and general construction services with sizing and forecast.
- A comprehensive analysis of the latest trends, growth rate, potential opportunities, growth restraints, and prospects for the industry.
- Business overview and product offerings of prominent IT infrastructure providers, construction contractors, support infrastructure providers, and investors operating in the industry.
- A transparent research methodology and the analysis of the demand and supply aspects of the market.

#### VENDOR LANDSCAPE

- Rack Centres, Equinix (MainOne), Digital Realty (Medallion Communications), 21st Century Technology, and Galaxy Backbone are some colocation operators currently operating facilities in the country.
- The Nigeria data center market is witnessing investments by new entrants such as Africa Data Centres, Kasi Cloud, and Airtel Data Centres, which have recently opened or are in the process of developing new facilities in the country.
- In 2021, the fiber network company WIOCC announced the incorporation of Open Access Data Centres (OADC) to set up data centers in Africa, with a planned investment of over USD 500 million over the next five years. OADC is setting up a data center in Lekki, Nigeria.
- Arup has worked on designing the LGS2 data center of Rack Centres, adding around 13 MW of IT load and around 65,000 square feet of area.
- Global operators are increasingly showing interest in the country's market. For instance, the acquisition of Medallion Data Centres by Digital Realty and Equinix acquiring MainOne (MDX-I).

#### Major Vendors

##### IT Infrastructure Providers

- Arista Networks

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- []Juniper Networks
- []IBM
- []Lenovo
- []NetApp

#### Data Center Construction Contractors & Sub-Contractors

- []Arup
- []CAP DC
- []Edarat Group
- []Future-tech
- []Interkel Group
- []LB Architects
- []NLE

#### Support Infrastructure Providers

- []ABB
- []Caterpillar
- []Cummins
- []Eaton
- []Envicool
- []Legrand
- []Rittal
- []Rolls-Royce
- []Schneider Electric
- []Siemens
- []STULZ
- []Vertiv Group

#### Data Center Investors

- []21st Century Technology
- []Africa Data Centres
- []Galaxy Backbone
- []MDX-i (Equinix)
- []Medallion Communications (Digital Realty)
- []Rack Centre

#### New Entrants

- []Airtel Nigeria
- []Kasi Cloud
- []Open Access Data Centres (OADC)

#### EXISTING VS. UPCOMING DATA CENTERS

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- Existing Facilities in the region (Area and Power Capacity)
  - o□Lagos
  - o□Other Cities
- List of Upcoming Facilities in the region (Area and Power Capacity)

#### REPORT COVERAGE:

This report analyses the Nigeria data center market share. It elaboratively analyses the existing and upcoming facilities and investments in IT, electrical, mechanical infrastructure, general construction, and tier standards. It discusses market sizing and investment estimation for different segments. The segmentation includes:

- IT Infrastructure
  - o□Servers
  - o□Storage Systems
  - o□Network Infrastructure
- Electrical Infrastructure
  - o□UPS Systems
  - o□Generators
  - o□Transfer Switches & Switchgears
  - o□PDUs
  - o□Other Electrical Infrastructure
- Mechanical Infrastructure
  - o□Cooling Systems
  - o□Rack Cabinets
  - o□Other Mechanical Infrastructure
- Cooling Systems
  - o□CRAC & CRAH Units
  - o□Chiller Units
  - o□Cooling Towers, Condensers & Dry Coolers
  - o□Economizers & Evaporative Coolers
  - o□Other Cooling Units
- General Construction
  - o□Core & Shell Development
  - o□Installation & commissioning Services
  - o□Engineering & Building Design
  - o□Fire Detection & Suppression Systems
  - o□Physical Security
  - o□Data Center Infrastructure Management (DCIM)
- Tier Standard
  - o□Tier I & Tier II
  - o□Tier III
  - o□Tier IV

#### KEY QUESTIONS ANSWERED

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1. How much is the Nigeria data center market investment expected to grow?
2. How many data centers have been identified in Nigeria?
3. What are the driving factors for Nigeria data center market?
4. What is the growth rate of the Nigeria data center market?
5. Who are the key investors in the Nigeria data center market?

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