

## **Middle East It Services Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)**

Market Report | 2023-01-23 | 120 pages | Mordor Intelligence

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### **Report description:**

The Middle East IT Services Market revenue is expected to grow at a CAGR of 5.0% over the next five years. The increased IT spending, coupled with advanced technology such as artificial Intelligence and increased cloud-based offerings, increase the demand for the IT services market.

#### Key Highlights

The government agencies and private players in the market are focused on increasing infrastructure developments, such as smart city and data center construction, which would drive the growth of the IT services market over the next five years. For Instance, MCIT (The Saudi Ministry of Communications and Information Technology) plans to invest USD 18 billion to build a network of large-scale data centers across Saudi Arabia.

The increasing adoption of cloud services in the healthcare sector for real-time patient health monitoring would create new growth opportunities for the IT services market. For Instance, with the help of VMware's multi-cloud solutions, healthcare providers will gain the agility to expand, develop, and launch new services to improve healthcare provision. Such initiatives in the healthcare sector would drive more demand for the IT services market across the healthcare sector.

Key players in the IT services market are focused on expanding their businesses and strengthening their market positions through collaborations and partnerships. For Instance, Microsoft extended its partnership with the African Development Bank to support Africa's youth entrepreneurs under the bank's Youth Entrepreneurship Investment Banks (YEIB) initiative.

In the post-COVID-19 situation, hybrid cloud-based services are increasingly being adopted in the Middle East. For instance, VMware Cloud is now available in AWS Africa (Cape Town) Region. With VMware Cloud on AWS, customers across Africa can run workloads across VMware vSphere-based hybrid cloud environments with optimized access to Amazon Web Services.

During the COVID-19 pandemic lockdown, people were struck in homes and shifted to contactless payment mode via smart devices. Post-COVID-19, the adoption of digital payment is growing, and the key players in the market are developing new

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solutions for the digital payment market. For Instance, Alphabet Inc launched its new digital payment Google Wallet in South Africa. Such initiatives across end-user industries would create more demand for the IT services market.

## MEA IT Services Market Trends

### Growing Demand for Adoption of Advanced Technologies (Cloud Computing, Artificial Intelligence, and Internet of things (IoT))

The IT services market is witnessing growth due to massive cloud deployments across end-user industries. For Instance, Oracle intends to open its first hyper-scale data center in Saudi Arabia. Oracle Cloud infrastructure is being used to build the new data center facility.

Amazon Web Services (AWS) launched its new data center in Africa with its Amazon Web Services (AWS) cloud division, establishing three new availability zones in Cape Town, South Africa. The demand for cloud services is growing and thus creates new growth opportunities for the IT services market.

The extensive use of digital payments and the introduction of advanced technologies such as AI, cloud computing, and blockchain technology are likely to drive the growth of the BFSI sector. For Instance, Barko, a microfinance company, intends to enter the South African retail banking industry with a new digital bank built on Temenos Transact and powered by The Temenos Banking Cloud.

Cybersecurity incidents across the Middle East are rapidly growing toward digitalization and adopting digital solutions as part of IT operations. For instance, Phosphorus partnered with CyberKnight. This partnership aims to deliver a new generation of xIoT security solutions across the Middle East.

According to Tractica, the artificial intelligence market revenue is expected to grow by USD 1,414.36 million by the end of 2025. The increasing adoption of AI technology across end-user industries is expected to grow significantly over the next five years. The demand for the IT services market would grow further.

### Saudi Arabia is Expected to Register Significant Market Growth During the Forecast Period

The Saudi Arabia IT services market is expanding significantly. The increasing data center construction projects are boosting the IT service market demand. For Instance, Saudi Telecom Company (STC) plans to transfer its data centers, international submarine cables, and points of presence assets by investing USD 26.66 million.

In the healthcare sector, increasing technological developments, such as the Internet of Things (IoT) and wearables, cloud services, product engineering services, integration services, data science, and business intelligence solutions, are expected to boost market growth. For instance, Tame has signed a 5-year deal with Huma for remote patient monitoring of the 34 million people living in the Kingdom of Saudi Arabia. The new health program will begin with support for patients with diabetes and cardiovascular disease.

According to the Saudi Arabia Ministry of Communications and Information Technology (MCIT), the artificial intelligence (AI) market is expected to exceed USD 35 billion by 2030. The adoption of AI technology is also growing across its end-user industries such as Manufacturing, Government, BFSI, Healthcare, Retail & Consumer Goods, and Logistics, fueling the IT services market demand over the next five years.

Further, according to the International Monetary Fund (IMF), Saudi Arabia's GDP is expected to grow by USD 27.95 Million in 2027. Such a huge rise in the GDP indicates that the country's revenue from different sectors is increasing, and the IT services market demand would significantly grow over the next five years.

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The Middle East IT services market is highly competitive. Key players in the market, such as Google, Amazon, Microsoft Corporation, IBM, and Tata Consultancy Services, dominate the market in terms of market share. Moreover, the variables are involved in various mergers and acquisitions and product innovation, among others, to gain a competitive edge over others.

In May 2022, Saudi Telecom Group teamed up with the Alibaba Group to establish a cloud computing venture by investing USD 238 Million.

In June 2022, ZainTech entered into a partnership agreement with Tunstall Healthcare to offer remote patient monitoring (RPM) services to healthcare providers across the Middle East and North Africa.

Additional Benefits:

The market estimate (ME) sheet in Excel format

3 months of analyst support

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