

Saudi Arabia Ict Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

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Report description:

The Saudi Arabia ICT Market is expected to grow at a CAGR of 6.2% for the next five years period. The market is expected to grow due to increased digitalization and scalable IT infrastructure demand.

Key Highlights

Based on government initiatives for digital transformation and cutting-edge technologies like the Internet of Things (IoT) and artificial intelligence (AI) across companies, the Saudi Arabian ICT market would grow steadily over the projected period. Operators are putting much effort into developing an enterprise-centric or application-specific service portfolio in order to take advantage of the investments made in 5G networks, which are projected to boost telecom service income in the region. To promote Vision 2030's goal of digital transformation through e-commerce, digital education, digital health, smart cities, national data, and e-government, MCIT seeks to develop a strong and cutting-edge digital infrastructure. Saudi Arabia's ICT Strategy for this year calls for the development of more than 25,000 new employment, a 50% growth in the size of the IT industry and emerging technologies, and an increase of USD13.3 billion in the sector's GDP contribution. Some of the major technological trends in the telecommunications and media industries include 5G fiber network expansion, software-defined networks, and investments in IoT networks. In contrast, cloud computing and data centers, artificial intelligence (AI), cybersecurity, and conversational platforms are important trends in the IT ecosystem. However, growing the local ICT workforce and bringing in foreign talent are problems for KSA. Furthermore, locating local people with ICT-related expertise in cutting-edge technologies like cloud, mobility, and security is challenging. The inability to draw in international talent exacerbates the need for more indigenous talent. Notably, the degree of digital know-how among Saudi Arabian women could be a lot higher. This is due to the underexplored nature of digital literacy in Saudi Arabia, particularly as it applies to women. To rank among the top 100 cities worldwide, Saudi Arabia also plans to build smart infrastructure in five of its current cities.

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International businesses can create industrial IoT solutions that are specialized to local company needs and have greater operational performance. Predictive maintenance, asset tracking, fleet management, and warehousing efficiency are specific opportunities.

The worldwide COVID-19 outbreak has brought the world to a standstill. Even though the Middle East and the rest of the globe are in continual flux, some Saudi Arabian sectors have been significantly influenced. The effects are being felt in the ICT industry in the Kingdom as businesses, governments, and consumers all go through unheard-of upheaval. The COVID-19 pandemic also served as an important motivator, forcing many businesses to quickly turn to digital apps for business continuity and managing remote work. These businesses are currently maintaining their investment in these applications because they feel them to be worthwhile.

Saudi Arabia ICT Market Trends

Saudi Arabia Leads the GCC in 5G Adoption

In 2019, Saudi Arabia was one of the first MENA nations to roll out 5G networks. The overall number of governorates served by 5G at the end of the second quarter was 60 out of 118, up seven from the first quarter of 2021, according to the Communications and Information Technology Commission (CITC) of Saudi Arabia. The popularity of social media, video downloads, and an uptick in online gaming and streaming due to the pandemic has contributed to the fixed-line internet market's robust growth in recent years.

By 2026, there should be roughly 97.6% of people online as the government solicits additional funding for broadband networks. Mobile internet speed has improved to 105.42 Mbps owing to the liberalization of more than 1100 GHz spectrum and its availability to operators. Saudi Arabia is now ranked sixth internationally and second among the G20 nations, outpacing the global average by about 250%.

According to the most recent industry assessment, Saudi Arabia is performing better in the Gulf Cooperation Council area in terms of attaining tremendous growth in speed, video experience, and network availability due to its efforts to establish 5G infrastructure. In a survey released by the independent analytics firm OpenSignal, the Kingdom reported a 5G availability of 28.2%, just a few percentage points less than Bahrain and Kuwait, whose availability is 34.9% and 33.6%, respectively. The Saudi Telecommunication Co. upgraded its 5G network earlier in August last year, utilizing an extra 5G spectrum, making it the first operator in the Middle East and North Africa to offer 5G carrier aggregation. The network upgrade is anticipated to increase users' download speeds and increase the 5G network capacity by up to 60%. In its initial deployment phase, the promotion will be implemented using a 2.3GHz band spectrum over more than 1,000 locations, and it will be done by reusing the airwaves formerly utilized for 4G.

Rapid 5G adoption would improve connection and data in today's modern society to support new applications like augmented reality (AR), virtual reality (VR), self-driving automobiles, etc. In the coming five years, the market for 5G services in Saudi Arabia is anticipated to develop due to rising gaming demand and Industrial Revolution 4.0.

According to mobile carrier Zain, the 5G technology was most widely available in Saudi Arabia in the last year, with 28.4%. In Saudi Arabia, the mobile telecommunications sector has three operators. Zain won all three 5G experience titles that year for download speed, availability, and user experience.

Rapid Digital Transformation in the Country

The solid digital infrastructure that KSA maintains helps to accelerate the digital transition. This system has helped the Kingdom deal with disruptive crises in the public and private sectors by assuring commercial continuity, educational activities, citizen

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needs, and everyday resident lives. The Kingdom has been regarded as one of the top ten developed nations in the world due to its strong digital infrastructure.

As companies depend more and more on IT, move their operations to the cloud to increase efficiency, and adopt a cloud-first strategy for all new projects, the ICT industry in Saudi Arabia is still growing and evolving. In addition, IT infrastructures are transitioning toward hybridity due to the COVID-19 pandemic. Because of this, more companies and organizations are using cloud computing models, which have issues with identity and access management, incorrectly configured storage, unsafe application programming interfaces (APIs), data loss, breaches, and leaks. The market for cybersecurity is anticipated to expand due to these problems.

Saudi Arabia aspires to have the most advanced digital infrastructure and connectivity by 2030. NEOM, Red Sea, Qiddiya, Waad Alshamal, and SPARK are the smart cities it is currently constructing. Some discussion topics include artificial intelligence, data centers, cloud computing, and industrialized IoT. Saudi Arabia also wants to create cutting-edge infrastructure in five of its present cities so that they may rank among the top 100 cities in the world.

Further International businesses have the chance to create industrial IoT solutions that are specialized to local company needs and have higher levels of operational performance. Predictive maintenance, asset tracking, fleet management, and warehousing efficiency are specific opportunities. The IoT document outlines the government approach to regulating all IoT services and uses cases, whereas the cloud computing regulatory framework is based on the best international practice and includes the rights and obligations of service providers, individual customers, government entities, and businesses.

Organizations in the KSA are utilizing automation potential in various areas, including banking and insurance, travel and tourism, healthcare, and the energy industry. The pandemic has brought to light the necessity of having a robust, scalable, and effective digital business infrastructure if enterprises are to continue operating in the face of challenging conditions.

With a share of almost 72% last year, cell phones were the most popular gadgets in Saudi Arabia. In the same year, Chrome was the most widely used browser in the Kingdom.

Saudi Arabia ICT Market Competitor Analysis

The Saudi Arabian ICT market is moderately fragmented as the market currently consists of many players. Several key players in the ICT market are in constant efforts to bring advancements. A few prominent companies enter collaborations and expand their footprints in developing regions to consolidate their positions in the market. The major players in the area are Amazon. Ae, NY, Global Knowledge, Ali Bin Ali Group, IBM Middle East, and others.

In November 2022, tech giant IBM entered a strategic partnership with Saudi Aramco to create an innovation hub in Riyadh. The partnership aims to support the Kingdom's tech-driven economic growth by promoting cutting-edge emerging technologies in the circular economy, materials science, supply chain, sustainability, security, and digitization. These technologies include hybrid cloud, artificial intelligence, and quantum computing.

In February 2022, Trend Micro, a leader in cybersecurity solutions, announced the establishment of a strategic collaboration with the Saudi Arabian Ministry of Communications and Information Technology. By introducing a Trend Micro local cloud data lake for cybersecurity SaaS solutions in the Kingdom, this effort aims to maximize investment in hybrid cloud security solutions, endpoint protection, network security, and extended detection and response against security threats.

Additional Benefits:

The market estimate (ME) sheet in Excel format
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Table of Contents:

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1 INTRODUCTION

1.1 Market Definition and Scope

1.2 Study Assumptions

2 RESEARCH METHODOLOGY

3 EXECUTIVE SUMMARY

4 MARKET INSIGHTS

4.1 Market Overview

4.2 Industry Stakeholder Analysis

4.3 Industry Attractiveness - Porter's Five Forces Analysis

4.3.1 Bargaining Power of Suppliers

4.3.2 Bargaining Power of Consumers

4.3.3 Threat of New Entrants

4.3.4 Threat of Substitute Products

4.3.5 Intensity of Competitive Rivalry

5 MARKET DYNAMICS

5.1 Market Drivers

5.1.1 Growth of the Digital Economy

5.1.2 Robust Adoption of 5G Networks Across the Country

5.1.3 Increasing Usage of the Internet of Things (IoT) and Cloud Services

5.2 Market Challenges

5.2.1 Lack of Skilled Workforce in the Country

5.3 Impact of COVID-19 on the IT Spending

6 KEY TECHNOLOGY INVESTMENTS

6.1 Cloud Technology

6.2 Artificial Intelligence

6.3 Cyber Security

6.4 Digital Services

7 MARKET SEGMENTATION

7.1 By Type

7.1.1 Hardware

7.1.2 Software

7.1.3 IT Services

7.1.4 Telecommunication Services

7.2 By Size of Enterprise

7.2.1 Small and Medium Enterprises

7.2.2 Large Enterprises

7.3 By Industry Vertical

7.3.1 BFSI

7.3.2 IT and Telecom

7.3.3 Government

7.3.4 Retail and E-commerce

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- 7.3.5 Manufacturing
- 7.3.6 Energy and Utilities
- 7.3.7 Other Industry Verticals
- 7.4 By Geography
 - 7.4.1 North
 - 7.4.2 East
 - 7.4.3 West
 - 7.4.4 South

8 COMPETITIVE LANDSCAPE

- 8.1 Company Profile
 - 8.1.1 IBM Middle East FZ-L.L.C
 - 8.1.2 Dell Technologies Inc.
 - 8.1.3 Palo Alto Networks Saudi Arabian Limited Company
 - 8.1.4 Amazon.ae
 - 8.1.5 nybl
 - 8.1.6 Global Knowledge
 - 8.1.7 Cisco (Saudi Arabia) Support Limited
 - 8.1.8 Lockheed Martin Corporation
 - 8.1.9 Trend Micro Incorporated
 - 8.1.10 Al Moammar Information Systems Co.
 - 8.1.11 Hewlett Packard Enterprise Development LP
 - 8.1.12 Accenture PLC
 - 8.1.13 Virgin Mobile Saudi Consortium LLC
 - 8.1.14 Integrated Telecom Company (ITC)
 - 8.1.15 GO Telecom
 - 8.1.16 Zain
 - 8.1.17 Mobily
 - 8.1.18 Saudi Telecommunication Company (STC)

9 INVESTMENT ANALYSIS

10 MARKET OPPORTUNITIES AND FUTURE TRENDS

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