

## **South Korea Data Center Market - Investment Analysis & Growth Opportunities 2023-2028**

Market Report | 2023-02-15 | 121 pages | Arizton Advisory & Intelligence

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### **Report description:**

The South Korea data center market size will reach USD 6.74 billion by 2028, growing at a CAGR of 9.89% from 2022 to 2028.

### **KEY HIGHLIGHTS**

- The increasing demand for migration to cloud platforms by various sectors is attracting local and global cloud service providers. For instance, Neowiz, an online gaming company in South Korea, closed its on-premises data centers to shift to AWS and MegazoneCloud. Neowiz opted for AWS cloud because of its highly reliable and scalable infrastructure and secure environment.
- In terms of 5G connectivity, telecom operators such as SK Telecom, KT Corp, LG Uplus, Samsung, Nokia, and Contela are involved in deploying the 5G network services across the country. For instance, Nokia announced the launch of its private 5G open lab at its Seoul office to support the development of 5G private wireless networks in the country.
- The market is also witnessing the development of several smart city projects that will significantly benefit industrial land availability and data center construction opportunities in the coming years. For instance, in 2021, Sejong City and Hancom Group joined hands to develop a new smart city based on technologies such as artificial intelligence.
- The government established several free economic zones, such as Incheon FEZ, Busan-Jinhae FEZ, Gwangyang Bay Area FEZ, and Yellow Sea FEZ, that will offer space for industrial development with benefits such as tax exemptions.
- Government steps towards the personal data protection law named the Personal Information Protection Act (PIPA) and the establishment of the Korea Data Center Council have strengthened the South Korea data center market.
- The country's market is among the prominently growing markets with a significant rise in job opportunities, and the government of South Korea is leveraging the migration of foreign workforce. For instance, in June 2022, Tencent Cloud signed a four-party Memorandum of Understanding (MoU) with Megazone Cloud, Korea Mobile Game Association (KMGA), and Yeonsung University to encourage cloud-based mobile game developers in South Korea.

### **WHY SHOULD YOU BUY THIS RESEARCH?**

- Market size available in the investment, area, power capacity, and South Korea colocation market revenue.

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- An assessment of the data center investment in South Korea by colocation, hyperscale, and enterprise operators.
- Investments in the area (square feet) and power capacity (MW) across cities in the country.
- A detailed study of the existing South Korea data center market landscape, an in-depth industry analysis, and insightful predictions about industry size during the forecast period.
- Snapshot of existing and upcoming third-party data center facilities in South Korea
  - o□Facilities Covered (Existing): 34
  - o□Facilities Identified (Upcoming): 18
  - o□Coverage: 10+ Cities
  - o□Existing vs. Upcoming (Area)
  - o□Existing vs. Upcoming (IT Load Capacity)
- Data center colocation market in South Korea
  - o□Market Revenue & Forecast (2022-2028)
  - o□Retail and Wholesale Colocation Pricing
  - o□Retail vs Wholesale Colocation Market
- The South Korean market 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 industry.

#### VENDOR LANDSCAPE

- South Korea data center market has the presence of several local and global data center operators such as KT Corp, Kakao Corp, LG Uplus, Digital Realty, Equinix, and others. The prominent growth potential of the market has also attracted several new entrants, such as ESR, Empyrion DC, STACK Infrastructure, SC Zeus Data Centers, Pure Data Centres Group, Princeton Digital Group (PDG), and others.
- The significant opportunities in the South Korea Data Center Market have attracted several joint ventures by local and global investors to construct facilities in the country. For instance, STACK Infrastructure announced a joint venture with ESR Group to develop a data center with a power capacity of around 48 MW in Incheon, South Korea.
- The adoption of renewable energy is gaining traction in the market; most data centers are investing in developing green data centers and targeting carbon neutrality. For instance, Equinix's two new xScale facilities in South Korea are operated by 100% renewable energy sources.
- In terms of IT infrastructure, the market is dominated by global vendors such as Cisco Systems, Dell Technologies, Hewlett Packard Enterprise, Arista Networks, IBM, Atos, Fujitsu, and Lenovo. For instance, Cisco Systems provided its Catalyst 9000 series switches to pharmaceutical company Kolmar Korea for network expansion.
- Local construction contractors dominate the South Korea data center market, including GS E&C, POSCO ICT, Samsung C&T, and Hyundai Engineering & Construction. For instance, Samsung C&T has provided services for constructing IGIS Asset Management's data center in Hanam.

#### EXISTING VS. UPCOMING DATA CENTERS

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

#### REPORT COVERAGE:

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This report analyses the South Korea 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 DCIM
- Tier Standard
  - o Tier I & Tier II
  - o Tier III
  - o Tier IV
- Geography
  - o Seoul
  - o Other Cities

#### VENDOR LANDSCAPE

- IT Infrastructure Providers: Arista Networks, Atos, Cisco Systems, Dell Technologies, Fujitsu, Hewlett Packard Enterprise, IBM, Inspur, Intel, Lenovo, and NetApp.
- Data Center Construction Contractors & Sub-Contractors: BEHIVE Architects, DPR Construction, GS E&C, HanmiGlobal, Hyundai Engineering & Construction, ISG, POSCO ICT, SAMOO Architects & Engineers, and Samsung C&T.
- Support Infrastructure Providers: ABB, Caterpillar, Cummins, Delta Electronics, Eaton, Fuji Electric, Legrand, Mitsubishi Electric, Piller Power Systems, Rittal, Rolls-Royce, Schneider Electric, STULZ, and Vertiv.
- Data Center Investors: Actis, Digital Realty, Dreammark1, Digital Edge DC, Equinix, Hostway IDC, Kakao Corp, KT Corp, LG Uplus, LG CNS, NAVER, NHN Corp, SOLISIDC, SK Broadband, and Samsung SDS.

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-[]New Entrants: Empyrion DC, ESR, OneAsia Network, Princeton Digital Group, Pure Data Centres Group, SC Zeus Data Centers, ST Telemedia Global Data Centres, and STACK Infrastructure.

## KEY QUESTIONS ANSWERED

- []How much is the investment in the South Korea data center market expected to grow?
- []How many data centers have been identified in South Korea?
- []What is the growth rate of the South Korea data center market?
- []What are the driving factors for the South Korea data center market?
- []Who are the key investors in the South Korea data center market?

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