

Nigeria Data Center - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

Market Report | 2026-01-16 | 161 pages | Mordor Intelligence

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Report description:

Nigeria Data Center Market Analysis

The Nigeria data center market is expected to grow from USD 322.65 million in 2025 to USD 374.05 million in 2026 and is forecast to reach USD 782.82 million by 2031 at 15.92% CAGR over 2026-2031. In terms of IT load capacity, the market is expected to grow from 209.10 MW in 2025 to 317.40 MW by 2030, at a CAGR of 8.69% during the forecast period (2025-2030). The market segment shares and estimates are calculated and reported in terms of MW. This expansion is underpinned by accelerating cloud adoption, new international cable capacity, and regulatory data-residency mandates, which together position the Nigerian data center market at the heart of West Africa's digital economy. Continuing smartphone proliferation, rising 5G coverage, and the launch of Google's Equiano and Meta's 2Africa submarine cables have sharply lowered latency and bandwidth costs, tilting hosting economics in favor of local facilities. Colocation demand is on the rise as enterprises seek shared infrastructure that addresses Nigeria's persistent 41% grid availability challenge. Meanwhile, hyperscalers and telecom operators are rolling out Tier III and Tier IV sites to capture enterprise cloud migration and government e-governance spending, signaling the evolution of the Nigeria data center market toward large-scale cloud services.

Nigeria Data Center Market Trends and Insights

Smartphone Penetration and Data Usage Boom

Nigeria counted 217.5 million mobile subscribers in 2025, and median mobile download speeds reached 95.62 Mbps as 5G

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coverage grew from 17.2% in early 2023 to 35.7% by mid-2024. MTN Nigeria's pledge to invest USD 3.5 billion over five years affirms sustained traffic growth and a strengthening addressable base for edge workloads. High-bandwidth applications such as video streaming, mobile gaming, and social media are shaping user expectations for low-latency experiences, compelling operators to deploy distributed nodes in proximity to key demand centers. These dynamics intensify utilization rates at existing facilities and spur greenfield builds, keeping the Nigeria data center market firmly on a double-digit growth path. The pervasive mobile paradigm also draws content platforms and CDNs toward Lagos and Abuja, reinforcing the virtuous cycle of capacity demand and infrastructure investment.

Equiano and 2Africa Subsea Cable Capacity

Google's Equiano cable landing in Lagos and Meta's 2Africa dual landings in Lagos and Akwa Ibom collectively add multi-terabit capacity, delivering roughly 20 times the throughput of earlier systems. Flexible fiber-pair switching enables dynamic bandwidth allocation, resulting in reduced backhaul costs and latency compared to offshore hosting. The March 2024 West Africa subsea outage, which cost Nigeria more than USD 590 million in four days, underscored the value of cable redundancy. Immediate benefits include cheaper transit for cloud providers, stronger economics for local content caching, and greater appeal to multinational enterprises evaluating in-country hosting. As additional branches light up, secondary cities gain higher-quality connectivity, seeding future regional data center nodes and diversifying the Nigerian data center market footprint.

Grid Unreliability and Diesel Dependency

Nigeria's grid delivered only 5,639 MW, compared to the 13,625 MW installed in 2025, which pulled reliability down to 41% and forced facilities to rely on costly diesel generation. Self-generated power averages USD 0.28-0.33 per kWh, roughly double the potential rates for compressed natural gas. Operators engineer N+1 to N+2 generator redundancy and maintain large on-site fuel reserves, raising both capex and opex. Frequency instability—recorded between 49.39 Hz and 50.91 Hz—threatens sensitive IT equipment, adding UPS oversizing expenses. Although hybrid solar-battery-diesel pilot plants are emerging, full-scale renewable transitions remain hampered by financing constraints. The combined burden trims investment appetites outside Lagos, weighing on the Nigeria data center market's regional expansion potential.

Other drivers and restraints analyzed in the detailed report include:

Accelerating Enterprise Cloud Adoption
Data Localisation Directives
Naira Volatility and Import Tariffs

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Medium data centers captured 39.48% of Nigeria's data center market share in 2025, reflecting the operational sweet spot between cost efficiency and practicality in power sourcing. Facilities in the 1-10 MW band utilize modular UPS blocks and containerized gensets that align with the patchy grid profile, thereby reducing the risk of stranded capacity. Meanwhile, large facilities are expected to post a 31.93% CAGR through 2031 as hyperscalers, such as MTN's 150 MW Dabengwa site and Airtel's 38 MW Nxtra build, come online. The Nigerian data center market size, attributable to large-footprint projects, is forecast to expand once incremental submarine capacity stabilizes latency and once through-cooling economics improve along the coast.

Demand for mega and massive campuses remains nascent, given limited grid headroom and stringent resilience regulations, although early design-build permits are emerging in Lagos's free-trade zones. Small-edge facilities continue to emerge near university clusters and emerging industrial parks, where IoT telemetry throughput is increasing. Overall, size-mix evolution underscores Nigeria's dual-track trajectory, balancing the rapid rise of hyperscale cloud nodes with pragmatic medium-scale

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deployments that hedge against infrastructure volatility.

Tier III sites commanded 98.20% of Nigeria's data center market size in 2025, as concurrent maintainability is non-negotiable amid regular grid outages. Operators deploy N+1 on power and cooling, ring-protected fiber, and dual-road access to safeguard SLAs. Tier IV, although representing a small base, is projected to register a 97.01% CAGR as BFSI and sovereign-cloud customers seek fault tolerance measured in minutes of annual downtime. Upgrades often entail adding a second independent power pathway and extra chillers rather than ground-up rebuilds, helping operators amortize capex.

Tier II and Tier I sites still host secondary workloads-such as testing, disaster-recovery replicas, and archival storage, especially for SMEs whose budget priorities often outweigh uptime mandates. However, new government IT procurement frameworks increasingly specify Tier III minimum, eroding legacy demand. Hence, the Nigerian data center market is steadily converging toward a Tier III baseline, with selective adoption of Tier IV where regulatory or brand-risk profiles demand near-zero downtime.

The Nigeria Data Center Market Report is Segmented by Data Center Size (Large, Massive, Medium, Mega, and Small), Tier Type (Tier 1 and 2, Tier 3, and Tier 4), Data Center Type (Hyperscale/Self-built, Enterprise/Edge, and Colocation), End User (BFSI, IT and ITES, E-Commerce, Government, Manufacturing, Media and Entertainment, Telecom, and More), and Hotspot. The Market Forecasts are Provided in Terms of IT Load Capacity (MW).

List of Companies Covered in this Report:

Africa Data Centres MDXi (MainOne - an Equinix Company) MTN Nigeria Communications PLC Rack Centre Limited Open Access Data Centres Nigeria Ltd Zenlayer Inc. Digital Realty - Medallion Communications Ltd ipNX Nigeria Ltd Excelsimo Networks Ltd INQ. Digital Nigeria Ltd Hivelocity Inc. Kasi Cloud Ltd Airtel Nxtra Ltd.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

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