Saudi Arabia ICT - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

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Report description:

Saudi Arabia ICT Market Analysis

The Saudi Arabia ICT market was valued at USD 59.97 billion in 2025 and estimated to grow from USD 65.45 billion in 2026 to reach USD 101.3 billion by 2031, at a CAGR of 9.13% during the forecast period (2026-2031). Vision 2030's digital-first mandate, sovereign-cloud regulations, and hyperscale investments underpin this expansion, while 5G rollouts, public-sector e-government projects, and mega-projects such as NEOM sustain long-term demand. Cloud deployments already handle close to one-half of enterprise workloads, and data-center capacity is rising as CST imposes strict data-residency rules that carry fines up to SAR 25 million for non-compliance. Meanwhile, talent shortages and local-content rules act as speed bumps, but large-scale upskilling programs and managed-service outsourcing temper the impact. Competitive intensity is increasing as hyperscalers, telecom incumbents, and AI start-ups converge on software-defined services, reshaping revenue pools across the Saudi Arabia ICT market.

Saudi Arabia ICT Market Trends and Insights

Vision 2030 Public-Sector Digitization Programs

Saudi Arabia's climb to 4th in the UN Digital Services Index illustrates rapid e-government progress, with agencies targeting 90% uptake of premium services by 2025 . Platforms ranging from blockchain-based identities to AI chatbots drive steady demand for software, sovereign cloud, and cybersecurity. Unified charging-port rules effective 2025 likewise showcase how regulation can immediately redirect ICT spending, saving consumers SAR 170 million (USD 45.3 million) annually while cutting 2.2 million e-waste

units . Vendors that align with mandated standards secure long-term contracts, reinforce interoperability, and influence procurement norms across the Saudi Arabia ICT market.

5G Network Rollout and Subscriber Monetization

stc Group, Mobily, and Zain KSA collectively lit up nationwide 5G, enabling premium consumer plans and private-network solutions for factories, ports, and energy fields. stc's brand value reached USD 16.1 billion in 2024, reflecting strong 5G monetization. Spectrum auctions, 60% foreign-ownership caps, and infrastructure-sharing rules keep deployment costs manageable, while edge-computing nodes and slicing APIs open new enterprise revenue. Saudi Arabia's telecom revenue base is now forecast to hit USD 22.22 billion by 2029, largely on 5G-linked services.

Shortage of Advanced ICT Talent and Saudization Gap

A 20% talent gap persists in security operations, AI engineering, and cloud architecture, inflating project costs and timelines. Korn Ferry estimates wage inflows of USD 33.6 billion by 2030 as companies outbid each other for scarce skills. Saudization rules require local headcount, yet only 18.6% of private-sector IT posts are held by nationals, forcing heavy spend on academies and managed services. The National Cybersecurity Authority now demands in-house Saudi expertise for all critical-infrastructure audits, driving urgent but slow upskilling programs.

Other drivers and restraints analyzed in the detailed report include:

NEOM and Giga-Projects' Hyperscale DemandAccelerated Cloud and SaaS Adoption by SMEsLocal-Content and Hosting Rules Limiting Foreign Cloud Entrants

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

Segment Analysis

Telecommunication Services retained 31.78% Saudi Arabia ICT market share in 2025 as 5G subscriber monetization ramped. Yet IT Software leads growth at 9.53% CAGR, supported by SDAIA's effort to train 20,000 AI specialists and Vision 2030's goal of USD 135.2-235.2 billion GDP uplift from AI. Enterprise application suites, middleware, and security stacks displace proprietary hardware, while SaaS models unlock cash-flow advantages for SMEs. The Saudi Arabia ICT market size attributable to software platforms is forecast to nearly double by 2030 as organizations modernize legacy stacks and meet cybersecurity mandates. Hardware demand remains steady for edge routers and data-center builds, but value is shifting to orchestration layers, APIs, and analytics engines.

Meanwhile, end-user device vendors tackle the 2025 USB-C deadline that standardizes charging ports, trimming SKU complexity yet pushing firmware redesigns. Network-equipment orders mirror 5G rollout phases and metro fiber densification. Managed IT services flourish because customers outsource technical debt remediation to system integrators that can guarantee compliance and uptime. As such, software's rising share rebalances vendor revenue models away from capex-heavy, low-margin hardware toward subscription-led recurring streams across the Saudi Arabia ICT market.

Large Enterprises commanded 70.62% of Saudi Arabia ICT market size in 2025 owing to multi-billion-dollar budgets in oil, gas, and public administration. However, SMEs exhibit a 10.58% CAGR through 2031, rapidly narrowing the digital-gap. Fiscal incentives, low-touch SaaS provisioning, and pay-as-you-grow cloud bundles pull micro-retailers and manufacturing clusters into formal ICT consumption. Google's AI hub near Dammam specifically tailors language models and analytics to Arabic SME workflows, compressing deployment cycles and cost.

Large-cap entities such as Saudi Aramco still anchor spend with AI-driven field optimization and mega data-lake initiatives. Yet their procurement cycles favor mature vendors able to meet Tier-IV uptime and stringent national-security criteria. Conversely, SMEs tolerate standard SLAs but demand local payment gateways and Arabic interfaces, a niche now addressed by emerging start-ups. The two-tier dynamic balances stability and growth in the Saudi Arabia ICT market, fostering diversified revenue portfolios for service providers.

The Saudi Arabia ICT Market Report is Segmented by Type (Hardware, Software, IT Services, Telecommunication Services), End-User Enterprise Size (Small and Medium Enterprises, Large Enterprises), End-User Industry Vertical (BFSI, Government and Public Sector, Oil and Gas, and More), and Deployment Model (On-Premise, Cloud, Hybrid). The Market Forecasts are Provided in Terms of Value (USD).

List of Companies Covered in this Report:

Saudi Telecom Company (stc Group) Etihad Etisalat Company (Mobily) Mobile Telecommunications Company Saudi Arabia (Zain KSA) Integrated Telecom Company (Salam) Etihad Atheeb Telecommunication Co. (GO Telecom) IBM Corporation Dell Technologies, Inc. Amazon Web Services Inc. (Amazon.com Inc.) Hewlett Packard Enterprise Company Cisco Systems, Inc. Palo Alto Networks, Inc. Trend Micro Incorporated Lockheed Martin Corporation Accenture plc Skillsoft Corp. (Global Knowledge) Al Moammar Information Systems Co. (MIS) nybl Ltd. Virgin Mobile Saudi Consortium LLC Huawei Tech Investment Saudi Arabia Co. Ltd. Oracle Systems Saudi Arabia Ltd.

Additional Benefits:

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

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