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

Market Report | 2026-02-09 | 183 pages | Mordor Intelligence

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Report description:

Brazil Data Center Market Analysis

The Brazil data center market size reached 0.95 thousand MW of IT load capacity in 2025 and is projected to climb to 1.46 thousand MW by 2030, advancing at an 8.91% CAGR. The Brazil data center market is expected to grow from USD 2.95 billion in 2025 to USD 3.38 billion in 2026 and is forecast to reach USD 6.67 billion by 2031 at 14.58% CAGR over 2026-2031. The market segment shares and estimates are calculated and reported in terms of MW. Growth momentum stems from hyperscale cloud investments, an 85% renewable-energy generation mix, and federal incentives that ease import tariffs for qualifying green facilities. Submarine-cable landings in Fortaleza and government-funded transmission upgrades reduce latency and extend renewable power to secondary cities, supporting edge and AI campuses. At the same time, import duties of up to 100% on IT hardware and multi-level permitting remain near-term headwinds that the Redata program seeks to resolve.

Brazil Data Center Market Trends and Insights

Cloud Adoption-Driven Hyperscale Expansion

Enterprises shifting to cloud-native workloads are fueling hyperscale capacity, as illustrated by Microsoft's USD 2.7 billion and Amazon's USD 1.8 billion commitments, which eclipse previous capital cycles. Hyperscalers partner with local operators, such as Ascenty and Scala, to navigate licensing, grid interconnection, and environmental regulations, thereby compressing construction timelines. Hyperscale footprints are adding power at a 10.1% CAGR, outpacing the broader Brazil data center market, as firms

seek scalable, cloud-integrated solutions over traditional retail colocation. The trend is anchored in Sao Paulo and Rio de Janeiro, while radiating to cooler southern states where land and renewable power are cost-competitive. Wholesale leasing models grow in tandem, enabling enterprises to offset capex while maintaining control of high-density racks.

Abundant Renewable-Energy Mix Cuts Carbon Intensity

Renewables already supply more than 85% of Brazil's grid, giving operators a low-carbon advantage for energy-intensive AI clusters. Hydroelectricity remains the backbone, while wind and solar costs continue to fall, lowering the levelized cost of energy by 27% and 46% respectively, by 2040. A USD 9 billion federal transmission plan links interior wind corridors to urban consumption centers, opening new zones for hyperscale campuses that still need fiber backhaul. Corporate power-purchase agreements indexed to renewable energy certificates attract international investors committed to science-based decarbonization targets. Strict water-efficiency standards in the upcoming Redata rules further align facility design with sustainability mandates.

High Import Tariffs Inflate IT Equipment CAPEX

Brazil imposes duties that can reach 100% on critical hardware, raising outlays to USD 40-50 million per MW and constraining new builds. Although the Ex-Tarifario program offers case-by-case reductions, cumbersome applications deter timely procurement. Multinationals sometimes reroute shipments through free-trade zones in Manaus, which adds to the logistics complexity. Tariff uncertainty complicates financial modeling and raises risk premiums demanded by institutional investors. Redata's blanket exemption is expected to restore parity with peers in Colombia and Peru, but only for projects that satisfy strict renewable-energy and domestic-capacity thresholds.

Other drivers and restraints analyzed in the detailed report include:

Rising Smartphone Usage Fuels Data CreationFederal Tax-Incentive Policy for Green Data CentersComplex Multi-Level Permitting Slows Projects

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

Segment Analysis

The segment holding a 18.74% share in 2025 consists of medium facilities ranging from 5 MW to 20 MW that serve enterprise colocation and regional cloud nodes. They remain core to current deployments because they strike a balance between capital efficiency and proximity to dense user clusters. Large facilities, however, are projected to record the highest 8.86% CAGR as hyperscalers consolidate dispersed footprints into multi-building campuses requiring 40 MW blocks. Brazil data center market size for large-footprint builds is set to rise sharply as AI systems push rack densities beyond 30 kW. Land acquisition outside Sao Paulo's urban perimeter enables operators to secure lower real estate costs while tapping into the same fiber rings. Investments in dual 138 kV grid feeds and on-site substations support power scaling without encroaching on municipal distribution networks.

The Brazilian data center market is now observing design shifts toward modular power shells that accommodate successive 20 MW increments. Medium facilities incorporate pre-fabricated pods to quickly add capacity for cloud peering nodes, thereby preserving their relevance. Small (sub-5 MW) sites continue to underpin edge and 5G deployments in secondary cities, but their growth lags behind the overall market. Mega facilities above 100 MW are nascent; Scala's AI City could alter share dynamics if the first 600 MW phase comes online before 2028. Overall, graduated capacity tiers enable operators to address diverse workload profiles, ranging from latency-sensitive retail services to GPU-intensive AI training clusters.

Tier 3 data centers dominated the market with a 7.06% share in 2025, providing 99.982% uptime through N+1 redundancy and

affordable price points. They serve the majority of enterprise and government workloads that demand robust resiliency without incurring a premium cost. Tier 4 footprints, though smaller in base, are forecast to log a 9.03% CAGR as financial services, gaming, and AI developers migrate to fully fault-tolerant environments. The Brazil data center market size for Tier 4 builds expands amid stricter uptime clauses in cloud outsourcing regulations and the SBCE carbon-trading rule, which values energy-efficient design.

Operators retrofit existing halls with 2N power chains and distributed redundant cooling to upgrade to Tier 4 without disrupting client operations. Sao Paulo metro leads conversions, followed by Rio de Janeiro, where AI City plans employ fault-tolerant architecture from inception. Tier 1-2 facilities cater to edge caching, disaster recovery, and local council archives, particularly in states that offer property tax rebates for first-time data center entrants. Rising cybersecurity norms from ANPD are pushing even mid-sized firms to consider Tier 3 minimums, prompting an overall increase in baseline redundancy standards across the Brazilian data center market.

The Brazil Data Center Market Report is Segmented by Data Center Size (Large, Massive, Medium, and More), 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, Media and Entertainment, and More), and Hotspot (Sao Paulo, Rio De Janeiro, and More). The Market Forecasts are Provided in Terms of IT Load Capacity (MW).

List of Companies Covered in this Report:

Ascenty Data Centers e Telecomunicacoes S A Scala Data Centers Participacoes S A ODATA S A Equinix, Inc Elea Digital S A Cirion Technologies Inc Microsoft Corporation Amazon Web Services Inc Google LLC Oracle Corporation International Business Machines Corporation EdgeUno, Inc NABIAX S A Verizon Communications Inc Kyndryl Holdings, Inc

Additional Benefits:

The market estimate (ME) sheet in Excel format
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