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

Market Report | 2026-02-09 | 142 pages | Mordor Intelligence

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Report description:

Saudi Arabia Data Center Market Analysis

The Saudi Arabia data center market is expected to grow from USD 2.11 billion in 2025 to USD 2.38 billion in 2026 and is forecast to reach USD 4.35 billion by 2031 at 12.84% CAGR over 2026-2031. The IT load capacity stood at 0.41 thousand MW in 2025, growing at a CAGR of 19.96%, to reach 1.03 thousand MW by 2030. The market segment shares and estimates are calculated and reported in terms of MW. Rising IT load requirements, which jump from 0.41 thousand MW in 2025 to 1.03 thousand MW in 2030, underline the structural expansion toward sovereign digital infrastructure. Robust hyperscaler capital inflows, Vision 2030 smart-city initiatives, and nationwide fiber and 5G rollouts are accelerating capacity additions even as operators contend with desert-specific cooling costs. Long-term cloud region commitments from AWS, Microsoft, and Google continue to attract ecosystem partners, while the USD 100 billion sovereign AI initiative HUMAIN signals sustained domestic demand for exascale computing. In parallel, edge facility buildouts are gaining momentum to support latency-sensitive 5G and IoT use cases, enhancing regional content delivery and reducing backhaul costs.

Saudi Arabia Data Center Market Trends and Insights

Rapid Vision 2030 Digital-Government Spend Surge

Mandatory cloud-first directives require all ministries and public agencies to offload legacy workloads into sovereign infrastructure by 2027. The Saudi Data and Artificial Intelligence Authority's Million Saudis for AI program aims to graduate 20,000 local experts

by 2030, driving persistent demand for Tier 4 capacity. Multi-year procurement contracts already signed by core ministries are creating predictable cash flows for operators, enabling confident large-scale build decisions. HUMAIN's USD 100 billion backing further locks in a domestic consumption base that de-risks long-tenor infrastructure returns. Public-sector datasets moving into regional clouds intensify security and uptime requirements, reinforcing Tier 4 dominance and spurring new builds in strategic corridors.

Hyperscaler Cloud-Region Build-outs (AWS, Microsoft, Google)

AWS committed USD 5.3 billion to launch its first local cloud region by 2026, while Microsoft established a regional headquarters in Riyadh with additional capacity pipelines to follow. These long-horizon capex plans confirm investor confidence in sustained enterprise migration from on-premises servers. Hyperscaler arrival triggers a multiplier effect: systems integrators, security vendors, content delivery networks, and SaaS providers co-locate to lower latency and interconnect fees. Competitive tension among global providers accelerates rollouts, compresses pricing, and encourages enterprises to repatriate data from foreign jurisdictions to comply with Saudi data-residency rules.

High Power-and-Cooling OPEX in Desert Climate

Cooling can account for more than 40% of total operating outlays in summer months, denting profitability relative to temperate-zone facilities. Water scarcity restricts evaporative techniques, steering operators toward capital-intensive liquid cooling and closed-loop chillers. Although Saudi Arabia enjoys some of the world's cheapest solar LCOE, backup diesel capacity must remain available to offset grid intermittency during peak heat, inflating total capex. Operators experimenting with treated wastewater and lithium-bromide absorption units demonstrate potential OPEX savings but still face scale-up risk. Ultimately, success hinges on designing thermal envelopes that marry energy efficiency with hyperscaler uptime standards.

Other drivers and restraints analyzed in the detailed report include:

5G and Nationwide Fiber Backbones Fuelling Data TrafficMega Smart-City Projects (NEOM, Red Sea, Qiddiya)Scarcity of Tier-IV-Ready Skilled Workforce

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

Segment Analysis

Massive sites captured 62.12% of 2025 revenue as hyperscalers consolidated compute for AI training and regional cloud services. This dominance reflects economies of scale that lower per-rack power costs and streamline redundancy design. Large facilities, although smaller in footprint, clock a 19.35% CAGR to 2031 as enterprises opt for dedicated premises that bridge the gap between wholesale colocation and in-house builds. Medium installations appeal to regional government entities that need sovereign hosting but lack hyperscale volumes, while small form factors underpin edge-computing use cases along 5G corridors.

Operators bank on land-banking near 380 kV substations, securing grid connections before real-estate values spike. The Saudi Arabia data center market, therefore, gravitates toward two extremes: very large hyperscale parks feeding global clouds, and compact micro-edge boxes processing traffic where it originates. Thermal envelope engineering also differs by size class; massive halls allow shared chill-water plants that drive PUE below 1.25, whereas small edge modules rely on direct-chip cooling to offset space constraints.

Tier 4 facilities accounted for 82.21% of 2025 deployments and are on track for a 20.45% CAGR, reaffirming their status as the bedrock of mission-critical hosting. Banks, ministries, and healthcare platforms insist on 99.995% uptime, forcing operators to

invest in fully redundant power trains and distribution paths. The Saudi Arabia data center market size attached to Tier 4 builds will therefore rise faster than overall capacity, reflecting premium pricing for fault tolerance.

Tier 3 maintains a foothold for dev-test and disaster-recovery estates, but capital cost parity is narrowing as vendors release modular Tier-4 building blocks. Tier 1 and Tier 2 footprints shrink each year, limited to non-critical applications like internal batch processing. Meanwhile, the regulatory licensing regime increasingly embeds Tier-4 attributes such as dual power feeds and advanced fire suppression, shortening the economic gap between Tier 3 and Tier 4 and nudging procurement teams toward the higher tier.

The Saudi Arabia 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, and Enterprise/Edge, and Colocation), End User (BFSI, IT and ITES, E-Commerce, Government, Manufacturing, Media and Entertainment, and More), and Geography. The Market Forecasts are Provided in Terms of IT Load Capacity (MW).

List of Companies Covered in this Report:

Saudi Telecom Company (stc) center3 Company Etihad Etisalat Company (Mobily) Al Moammar Information Systems Company (MIS) Saudi Fransi Capital Nour Communications Co. Ltd. (NourNet) Sahara Net Company for Internet and Communications Ltd. Gulf Data Hub Limited Electronia Company Limited Etihad Atheeb Telecommunication Company (GO Telecom) Detecon Al Saudia Co. Ltd. (DETASAD) Strategic Business Solutions Company (SSBS) Cloud Layers for Information Technology Company Shabakah Integrated Technology Company (Shabakah Net) NEOM Tech and Digital Company DataVolt Saudi Company Khazna Data Centers LLC Equinix Inc. Amazon Web Services Inc. Microsoft Corporation Google Cloud Platform (Google LLC) Alibaba Cloud (Alibaba Group Holding Ltd.) Huawei Technologies Co. Ltd.

Additional Benefits:

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

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