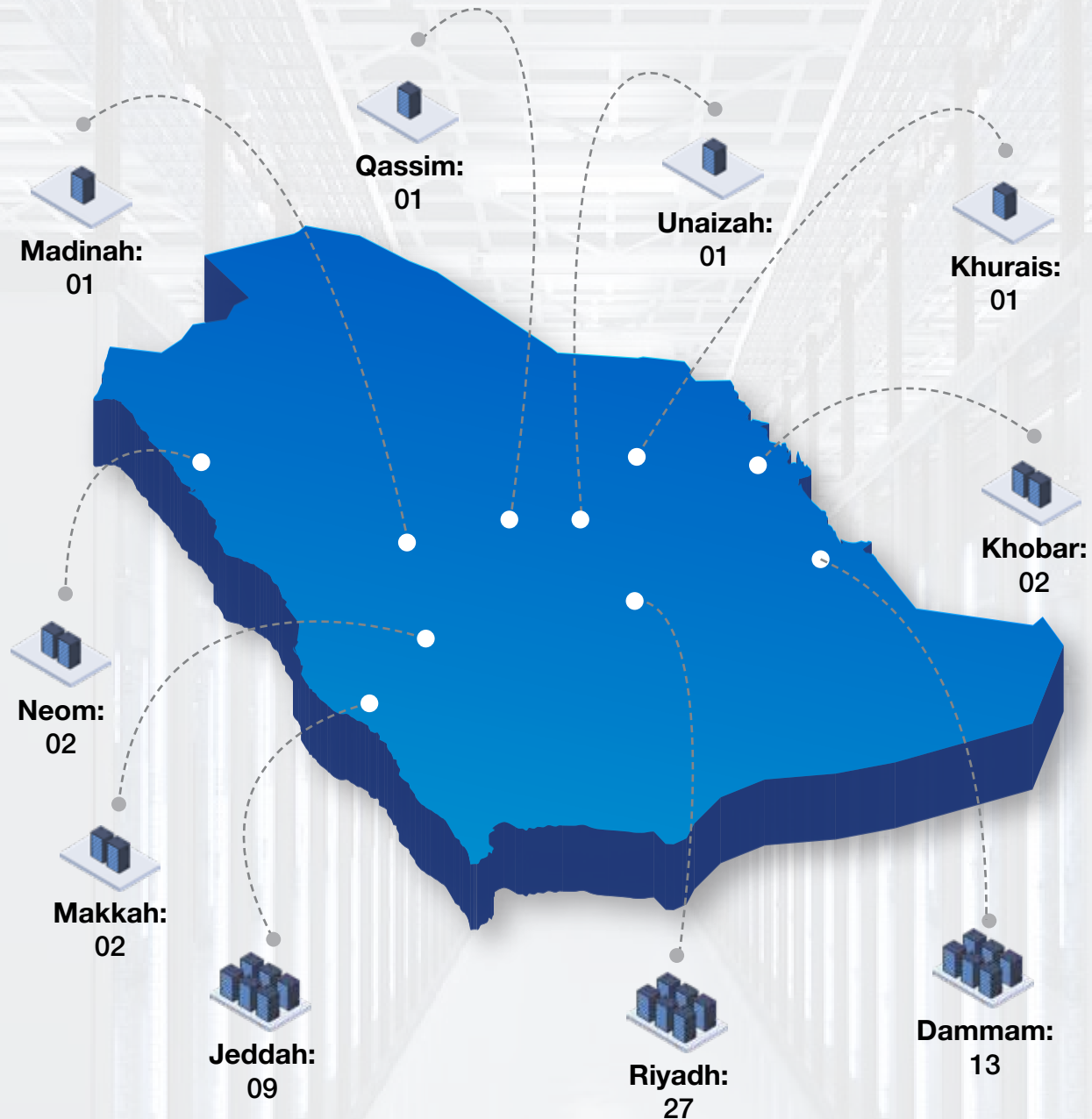


# Saudi Arabia's Data Center Surge:

Shaping the Kingdom's Digital Backbone

# Overview of KSA's Data Center Ecosystem

Vision 2030 is the key catalyst for Saudi Arabia's data center boom as 66 out of 96 strategic objectives are tied to data and AI. The Ministry of Communications and Information Technology oversees the sector's development.

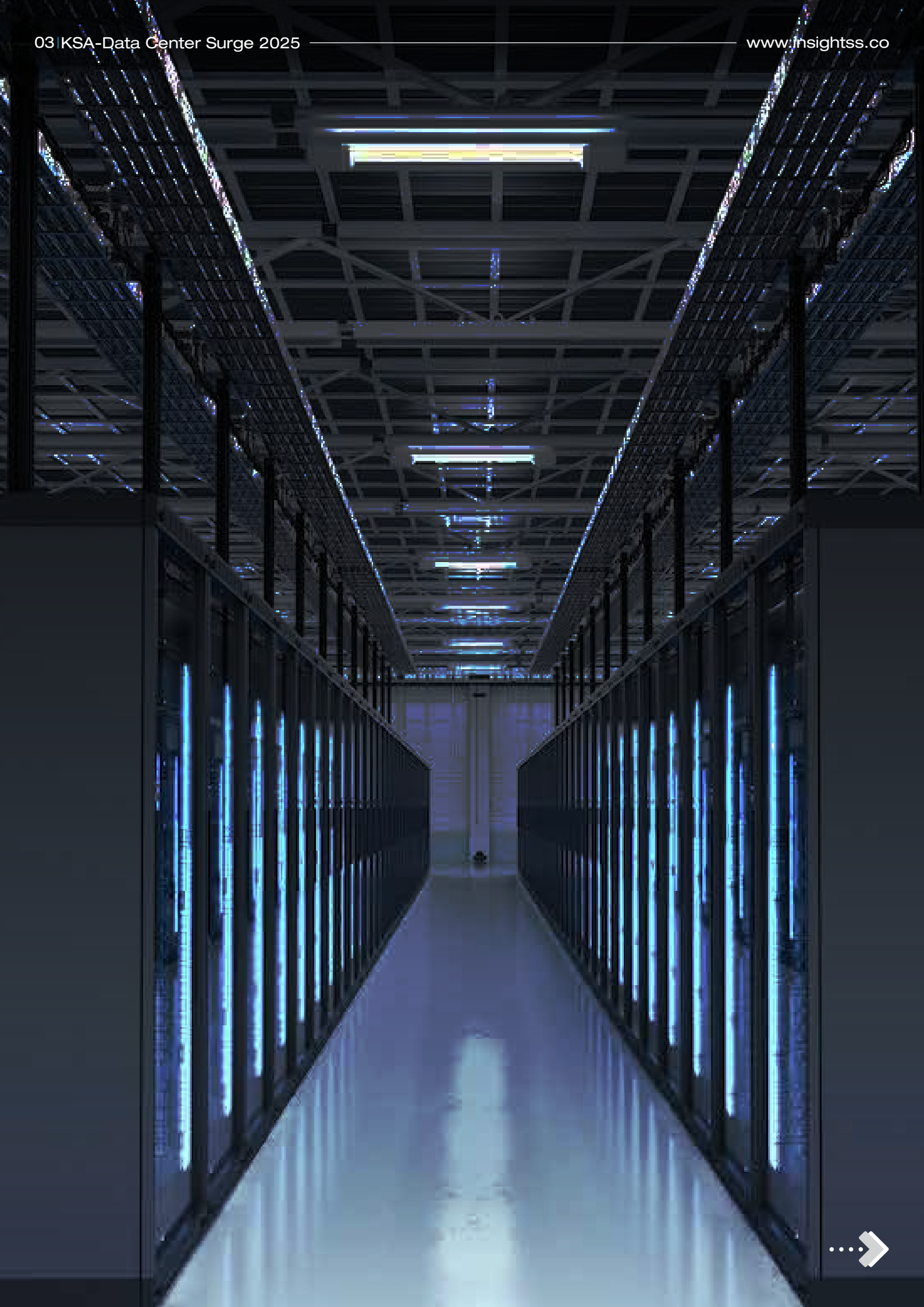


Source: Communication, Space and Technology Commission; *Insights Research*

There are **60+ data centers in total**, with **more than 8** currently under development in the Kingdom.

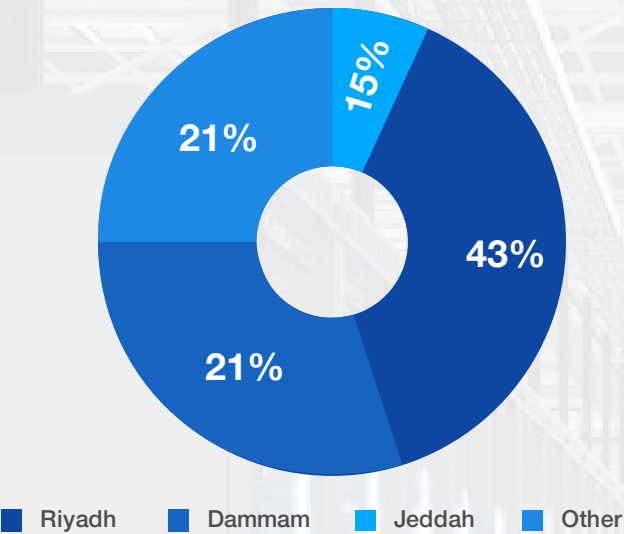






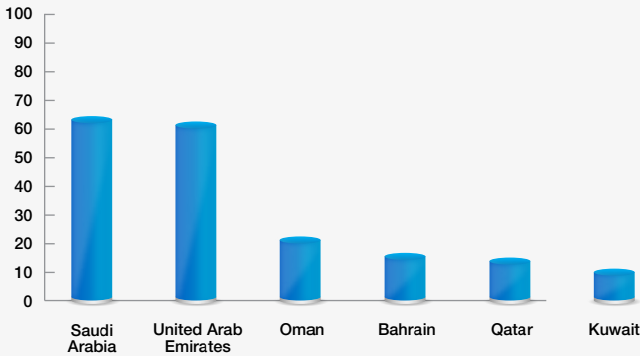
# Data Center Footprint Across Key Saudi Regions

## Data Center Distribution Across Key Regions in Saudi Arabia



Source: Communication, Space and Technology Commission; Insights Research

Number of Data Centers  
(GCC region, as of April 2024)



Source: IMF, Communication, Space and Technology Commission

## Notable Data Centres Capacity

**Riyadh**

- Total Capacity: 441.2 MW
- NourNet: 10 MW
- GO Datacenter: 2 MW
- Mobily Malgha 2: 10 MW

**Jeddah**

- Total Capacity: 125 MW
- MENA Gateway2: 1.5 MW

**Dammam**

- Total Capacity: 41.5 MW
- QST DMM-A: 9 MW
- QST DMM-B: 9 MW

**Neom &Others**

- Total Capacity: 1.5 GW
- ZeroPoint DC:36 MW

# Key Data Center Operators

Data centers across Saudi Arabia are rapidly expanding in both primary hubs and emerging markets. With the advanced and resilient technology of Tier 3, and cutting-edge, fault-tolerant technology of Tier 4 data centers, these sites can support hyperscale operations and address concerns of data latency and security.

## Established Players



### Center3 by STC

- Tier 4 and Tier 3
- 25 data centers



### Mobily

- Tier 4 and Tier 3
- 8 data centers



### Gulf Data Hub

- Tier 4 and Tier 3
- 2 data centers



### NourNet

- Tier 3
- 3 data centers

## Emerging Players



### Quantum Switch Tamasuk

- Tier 4 and Tier 3
- 2 data centers



### Agility

- Tier 3
- 1 data center



### EDGNEX

- Tier 3
- 2 data centers

## Confluence of Factors that Drive KSA Data Centers Market

Stable macroeconomy, strategic government initiatives

Digital transformation paired with robust regional and global connectivity

Investment from leading technology vendors

Competitive electricity tariffs

Solid national digital infrastructure (FTTH, 5G)

Favorable environmental factors

# Government Support as the Catalyst for Data Center Proliferation

The Saudi government has built an investment-friendly environment for data centres, with regulators actively supporting domestic and foreign investors throughout the development process. This institutional coordination de-risks market entry, streamlines execution, and accelerates time-to-market for investors.

## End-to-End Government Enablement Across the Data Centre Lifecycle



Source: ICT, *Insights Research*

## Key Takeaways



Saudi Arabia leads the Gulf in the number of data centers, positioning itself as the regional hub for digital infrastructure.



A robust regulatory landscape, including the Cybercrime Law (2017) and Personal Data Protection Law (2020), underpins a secure and compliant data environment.



A whole-of-government approach is accelerating data center penetration across the country, ensuring alignment across ministries and stakeholders.



The Kingdom's energy cost advantage 30–50% below global averages - makes it highly cost-effective for data center operations.



Public investment in digital infrastructure is catalyzing significant private capital inflows into data center development across the Kingdom. Riyadh and Dammam are emerging as strategic growth nodes.

The \$14.9B in AI-linked commitments announced at LEAP 2025 reinforces Saudi Arabia's ascent as a regional digital infrastructure hub—driven by tightly coordinated public-private initiatives.





# Private Investment Drivers and **Key Challenges**

## Key Challenges



### ESG Challenges

The rapid expansion of AI data centres—demanding up to 10x the power of traditional facilities—intensifies ESG exposure, raising critical questions around carbon intensity, energy portfolio diversification, and the long-term sustainability of grid infrastructure.



### Supply Chain Challenges

Supply chain volatility, amplified by trade wars and protectionist tariffs, poses a material risk to the timely deployment of AI data centres, with critical dependencies on GPUs, AI chips, and advanced thermal infrastructure.



### Structural Challenges

The concentration risk associated with undersea cable routes, especially through high-volatility chokepoints like Bab al-Mandeb, presents a structural vulnerability to Saudi Arabia's digital infrastructure portfolio, potentially impairing data centre uptime, investor confidence, and long-term return on digital assets.

## Breakdown of Recent Investments



\$1B in a 100MW data center



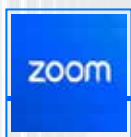
Launching multiple data centers by 2026



Launching a Data Center Academy



Launching a sustainable 1.5GW data center campus in NEOM



Deploying Zoom's first node with centre3



Invested \$238M in cloud infrastructure



Secured \$1.5B to expand AI inference infrastructure and Dammam data center



Investing \$150M in cloud region and availability zones



Developing cloud regions to be launched by 2026



Investing \$5B+ to expand hyperscale data centers with KKR

# Future Outlook

## 01 Data Centres Enabling Saudi's Digital Vision

With \$24.8 billion allocated to digital infrastructure since 2019, data centers are emerging as strategic, high-value digital assets critical to the Kingdom's long-term economic diversification agenda. As digital transformation accelerates across verticals—including e-commerce, fintech, AI, and advanced manufacturing—data centers will function as the foundational enablers of scalable, secure, and high-performance digital services.

## 02 Private Capital Momentum

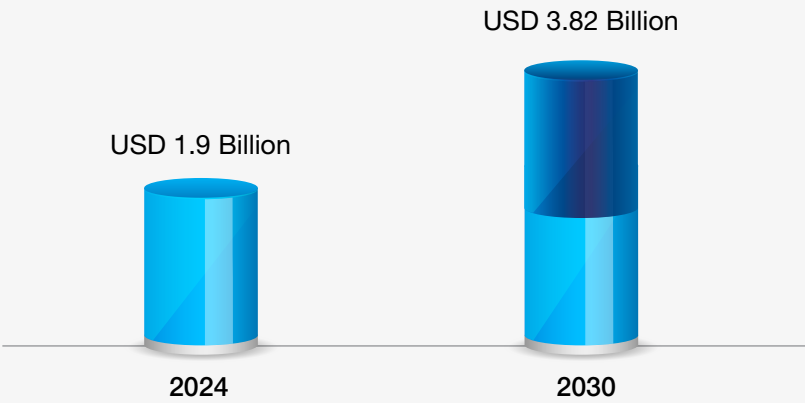
The \$21 billion in private capital committed to data center development in Q1 2025 underscores robust investor confidence in the Kingdom's digital economy, as well as its regulatory and operational maturity. This surge in private sector participation highlights the increasing attractiveness of data centers as a high-yield, strategic asset class.

## 03 Accelerating Non-Oil Economy

The multiplier effects of ICT investments (i.e. data centres) on non-oil GDP are expected to intensify, supported by targeted R&D, and robust public-private partnerships. Policy measures that alleviate financing barriers, intellectual property rights, enhance cybersecurity, and data protection will further unlock innovation and attract FDI.

### KSA Data Center Market

Market value to grow at a CAGR of 12.5%



Source: Insights Research





2025

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