

Saudi Arabia ICT - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

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Abstracts

The Saudi Arabia ICT Market size is estimated at USD 50.60 billion in 2024, and is expected to reach USD 76.05 billion by 2029, growing at a CAGR of 8.49% during the forecast period (2024-2029).

Key Highlights

Fast internet, wireless connections, and cloud computing are transforming several businesses. BFSI, pharmacy, healthcare, retail, and education are among the businesses undergoing significant change due to the increasing relevance of smart gadgets and the internet during a pandemic. With the introduction of Industry 4.0 in the manufacturing sector, numerous factories are embracing digital technology to improve, automate, and upgrade the whole process. Industry 4.0 technology, such as robotization, is already commonplace in many enterprises.

According to the Communications and Information Technology Commission (CITC) of Saudi Arabia, by 2026, roughly 97.6% of people should be online as the government solicits additional funding for broadband networks. Mobile internet speed has improved to 105.42 Mbps, owing to the liberalization of more than 1100 GHz spectrum and its availability to operators. Saudi Arabia is now ranked sixth internationally and second among the G20 nations, outpacing the global average by about 250%.

Saudi Arabia is striving to stay ahead of the curve. In June 2022, Saudi Arabia adopted a new Information and Communications Technology (ICT) law covering telecommunications and information technology (IT) sectors, including digital infrastructure, new technologies, e-government, and enabling apps and services.

Cloud-related skills are among enterprises' widely requested skills for the digital transition, followed by statistical analysis, data mining, middleware, and integration software. Due to the low availability of digitally skilled ICT workers, companies increasingly rely on experts who combine digital, organizational, process and change management skills.

The high dependence on external sources to balance the skill deficits exposes the risk of data theft in the country. The expanding use of cloud services and IoT devices introduces new vulnerabilities that demand expertise in digital and ICT security technologies posing a challenge to the market studied.

Saudi Arabia ICT Market Trends

Energy and Utilities to Witness Major Growth

Saudi Arabia's oil and gas industry is driven by adopting information and communication technologies to improve efficiency, optimize operations, and enhance sustainability across these industries' value chains. The Government of Saudi Arabia plans to increase oil production by 1 million barrels per day by 2026. The expansion in oil production is anticipated to create new job opportunities in the oil and gas segment and boost the adoption of staffing and recruitment solutions across organizations. The GDP of Saudi Arabia is also expected to increase with the expansion of oil production.

Cloud technology is anticipated to grow strongly in the country's energy and utilities segment. It offers lucrative growth opportunities in the Kingdom's oil and gas sector. Customers are accelerating their journeys to the cloud. Firms like Amazon Web Services (AWS) invest in the region to serve the growing customer base.

In February 2024, Saudi Arabia's ACWA Power, a developer, co-owner, and operator of a power generation portfolio, announced a financial closure of USD 14 billion, embarking on various projects, including NEOM's USD 8.5 billion green hydrogen facility, Ar Rass photovoltaic project and the Al-Shuaibah 1 and the Al-Shuaibah 2 solar PV projects, crucial components of Saudi Arabia's National Renewable Energy Program. ACWA Power announced its plans to explore further opportunities and collaborations to expand its presence in Saudi Arabia.

In November 2023, The consortium of Abu Dhabi-based Masdar, EDF Renewables, and Saudi conglomerate Nesma entered a power purchase agreement to construct a 1.1GW solar plant in Saudi Arabia. Located in Al Madinah province, the solar facility will be one

of the world's largest single-site projects, generating clean electricity to meet the needs of 190,000 Saudi households annually while helping avoid 1.8 million tons of CO₂ emissions.

In October 2023, Saudi Arabian mobile operator Zain Saudi Arabia signed a MoU with Huawei Technologies to cooperate on green energy solutions for 5G networks. Zain will utilize Huawei's iPowerStar intelligent energy-saving solution, which supports differentiated equipment energy efficiency and frequency band coverage and enables energy-saving features. The companies will explore end-to-end energy saving and reducing carbon emissions generated throughout the equipment lifecycle. According to Huawei, the company's solutions have helped Zain Saudi Arabia minimize electricity usage of its mobile networks by 28% in 2022.

Overall, the growing digitalization of the energy and utility industries in Saudi Arabia drives the sector toward increased efficiency, safety, and sustainability. The sustainability trend in the energy and utility sectors is expected to be prevalent, thus encouraging companies in the industry to adopt advanced digital technologies to meet sustainability goals and reduce the cost of operations.

Western Region of KSA to Witness Significant Growth

Saudi Arabia's ICT sector is setting new standards as the digital transformation of the Kingdom has gained momentum in recent years. This includes investment in 5G, smart cities, startups, and advanced technologies, including cloud, AI, cybersecurity, and IoT.

The western segment of Saudi Arabia's ICT market includes the areas of Mecca, Medina, Jeddah, etc. The most populated and economically active cities in Saudi Arabia are found in the western segment. These include the commercial hub of Jeddah and the two holiest places in Islam, Mecca and Medina.

To meet the rising demand for innovation and digital services, the Western segment has seen large expenditures in ICT infrastructure to improve connectivity and encourage entrepreneurship. Some examples include constructing data centers, fiber optic networks, and ICT parks.

In line with its Vision 2030 strategy, the Saudi government started several projects to support digital transformation in the Western segment. Programs like the National

Digital Transformation Program (NDTP) are designed to improve e-commerce, digitize public services, and develop innovation ecosystems in Mecca and Jeddah, among other places.

The IMD World Digital Competitiveness Ranking ranks economies from the most to the least competitive, generating scores from 0 to 100. Saudi Arabia scored 76.99 in the 2023 IMD World Digital Competitiveness Rankings. Several cities in Saudi Arabia are in the IMD smart city index and contribute to market growth. Smart city development, cloud infrastructure development, and enabling the growth of IoT technology are on the agenda in the Saudi Vision 2030.

Saudi Arabia ICT Industry Overview

The Saudi Arabian ICT market is fragmented, with the main factors governing this force being sustainable competitive advantage through innovation, levels of market penetration, barriers to exit, power of competitive strategy, and firm concentration ratio. The major players in the area are IBM Corporation, DELL Technologies Inc., Palo Alto Networks Inc., Amazon Web Services Inc. (AMAZON.COM INC.), and nybl.

January 2024 - IBM launched its regional headquarters in Riyadh. The launch of the regional headquarters extends IBM's presence in the Kingdom and reiterates the company's commitment to enhancing Saudi Arabia's digital transformation.

October 2023 - Salam partnered with Yogosha, the global provider of offensive Security Testing. This partnership contributes to Salam's offering by allowing Salam to scale its capacity to cover more customers with a global strike force of over 800+ highly vetted international Security Researchers. Yogosha, as a global Offensive Security Testing leader, can offer regional customers these premium offensive services via Salam infrastructure in Saudi Arabia to comply with local data residency regulations.

Additional Benefits:

The market estimate (ME) sheet in Excel format

3 months of analyst support

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