

# South Korea Data Center Physical Security - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

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## Abstracts

The South Korea Data Center Physical Security Market size is estimated at USD 29.38 million in 2024, and is expected to reach USD 75.92 million by 2029, growing at a CAGR of 20.91% during the forecast period (2024-2029).

### Key Highlights

The security measures can be categorized into computer room controls, facility controls, perimeter security, and cabinet controls. The first layer of data center security detects, delays, and discourages unauthorized personnel entry at the perimeter. Upon breach of the perimeter monitoring, the second layer of defense withholds access. It is an access control system which uses card swipes or biometrics. The third layer further restricts access through diverse verification methods by monitoring all restricted areas and deploying entry restrictions such as turnstile with VCA, biometric access control devices for thumbprints, irises, or vascular patterns, and using radio frequency identification. The initial three layers ensure only authorized entry. However, additional security to restrict access is comprised of cabinet locking mechanisms. It addresses the fear of an 'insider threat,' such as a malicious employee.

**Under Construction IT Load Capacity:** The upcoming IT load capacity of the South Korean data center market is expected to touch around 2,000 MW by 2029.

**Under Construction Raised Floor Space:** The country's construction of raised floor area is expected to increase to 5 million sq. ft by 2029.

**Planned Racks:** The country's total number of racks to be installed is expected to reach

270K units by 2029. Greater Seoul is expected to house the maximum number of racks by 2029.

**Planned Submarine Cables:** There are close to 10 submarine cable systems connecting South Korea, and many are under construction. One such submarine cable that is estimated to start service in 2023 is Southeast Asia-Japan Cable 2 (SJC2), which stretches over 10,500 Kilometers with landing points from Geoje, South Korea.

## South Korea Data Center Physical Security Market Trends

### The Video Surveillance Segment Holds a Significant Share in the Market

Sensitive and important data is stored in data centers, so security is a top priority. Data center operators use video surveillance systems to ensure security standards and regulations are met. This allows for monitoring access, detecting unauthorized access, and maintaining compliance.

Data protection laws set strict requirements for data center operators. Video surveillance can help maintain compliance by improving physical security measures.

Furthermore, factors such as growing connectivity and online shopping would contribute to the increasing generation of data and processing facilities. The country's internet penetration rate increased in 2022, while smartphone penetration rose from 81.6% in 2016 to 92.7% in 2021. This percentage is expected to reach 97% by the end of 2029. This represents a proliferation of data centers, thereby increasing the demand for video surveillance. This helps avoid malicious operations within the data center and provides evidence to identify those responsible in the event of an incident.

The South Korean e-commerce market is the fourth largest in the world. According to the South Korean government, the total amount of online transactions across various channels in 2020 reached USD 144.7 billion, an increase of about 20% compared to 2019 (USD 121 billion). These market improvements are driving data center growth and increasing domestic DC storage demand. The growth of the e-commerce industry is expanding the size of data centers and increasing the need for video surveillance. Video surveillance has a powerful deterrent effect, reducing the risk of physical attacks and unauthorized access to critical data.

## The IT and Telecommunication Segment Holds a Major Share in the Market

The ICT industry is a growth engine of the economy, generating nearly 9% of South Korea's Gross Domestic Product (GDP) since 2011. In 2019, the industry's real contribution to GDP reached 10.8%, equivalent to KRW 199 trillion (USD 0.15 billion). The two major sub-sectors of the telecom industry, telecom equipment and services, respond flexibly to changing market demands and technology trends and continuously invest in innovations that drive growth in the ICT industry.

In parallel with the 5G+ initiative, in July 2020, the Moon administration proposed a Korean version of the New Deal based on two pillars: the Green New Deal and the Digital New Deal. Combined with environmental programs, the Digital New Deal paints a grand blueprint for the digital economy. To implement these measures, the South Korean government plans to put more emphasis on developing a DNA-based digital ecosystem. Technologies that facilitate the development of productivity and the production of digital goods and services. Thus, advancements in ICT would increase the country's overall sector.

South Korea stands second in the world rankings of telecom market maturity. It is also planning to roll out the latest telecom technology developments, including around 6G. It enjoys a highly competitive but stable market, with strong government support that enables the rollout of advanced infrastructure in both the fixed and mobile arenas. Further, it is home to the world's top equipment manufacturers, Samsung and LG.

Recently, the government decided to lower the barriers to entry for cloud computing services in the country. The move is expected to make foreign tech giants such as Amazon and Microsoft a threat to domestic companies. The US and Chinese tech firms welcome proposed deregulation despite growing concerns from KT, Naver, NHN, and other domestic cloud service providers about foreign firms' potential domination of local markets, and experts said they are beginning to explore opportunities. Cloud computing services for the public sector. Such developments have increased the need for data centers from the domestic cloud sector, thereby increasing the need for data center security in the country.

## South Korea Data Center Physical Security Industry Overview

The market is highly fragmented due to players like Axis Communications AB, ABB Ltd,

and Bosch Sicherheitssysteme GmbH, which play a vital role in upscaling the capabilities of enterprises. Market orientation leads to a highly competitive environment. The biggest retail and wholesale data center market companies have further tried to make their system secure and safe from thefts. There has been a wave of consolidation in the secondary markets as smaller players seek to scale to compete and big players scale their products in the market. For instance,

August 2023: Securitas signed an expanded 5-year agreement to provide data center security for Microsoft in 31 countries, solidifying a strong relationship. The global agreement includes risk management, comprehensive security technology as a system integrator, specialized safety and security resources, guarding services, and digital interfaces. Securitas ensures that the data center's physical security program remains innovative, robust, and effective. This demonstrates stability as a collaborator, assisting in navigating the challenges of Microsoft's expanding business.

October 2023: Zwipe partnered with Schneider Electric's Security Solutions Group. Schneider Electric plans to introduce the Zwipe Access fingerprint-scanning smart card to its clientele. This card will be integrated with Schneider Electric's Continuum and Security Expert platforms, serving a client base from sectors including airports, transportation, healthcare, and data centers.

Additional Benefits:

The market estimate (ME) sheet in Excel format

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