Data Center Server Market In 2029

The Business Research Company's Data Center Server Global Market Report 2025 – Market Size, Trends, And Forecast 2025-2034

LONDON, GREATER LONDON, UNITED KINGDOM, December 18, 2025 /EINPresswire.com/ -- Data Center Server Market to Surpass $82 billion in 2029. Within the broader Information Technology industry, which is expected to be $12,711 billion by 2029, the Data Center Server market is estimated to account for nearly 1% of the total market value.

[Which Will Be the Biggest Region in the Data Center Server Market in 2029](#)
North America will be the largest region in the data center server market in 2029, valued at $30,302 million. The market is expected to grow from $21,193 million in 2024 at a compound annual growth rate (CAGR) of 7%. The strong growth can be attributed to the increasing digital transformation across industries and technological advancements.

Data Center Server Market Drivers & Restraints 2025

The Data Center Server Market is expected to grow to $82 billion by the year 2029 at a CAGR of 8%

Drivers
- Rise in 5G Connectivity
- Shift Towards Digital Transformation Across Industries
- Growing Adoption of IoT Devices

Restraints
- Cybersecurity Threats
- High Capital Investment Requirements

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Top 5 Segments
Data Center Server Global Market Report 2025

- Commercial Servers
- Rack Servers
- Industrial Servers
- IT and Telecom
- BFSI (Banking, Financial Services And Insurance)

$37 B $32 B $22 B $21 B $17 B

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Which Will Be The Largest Country In The Global Data Center Server Market In 2029?
The USA will be the largest country in the data center server market in 2029, valued at $26,595 million. The market is expected to grow from $18,768 million in 2024 at a compound annual growth rate (CAGR) of 7%. The strong growth can be attributed to the increasing digital transformation across industries and rising 5G connectivity.
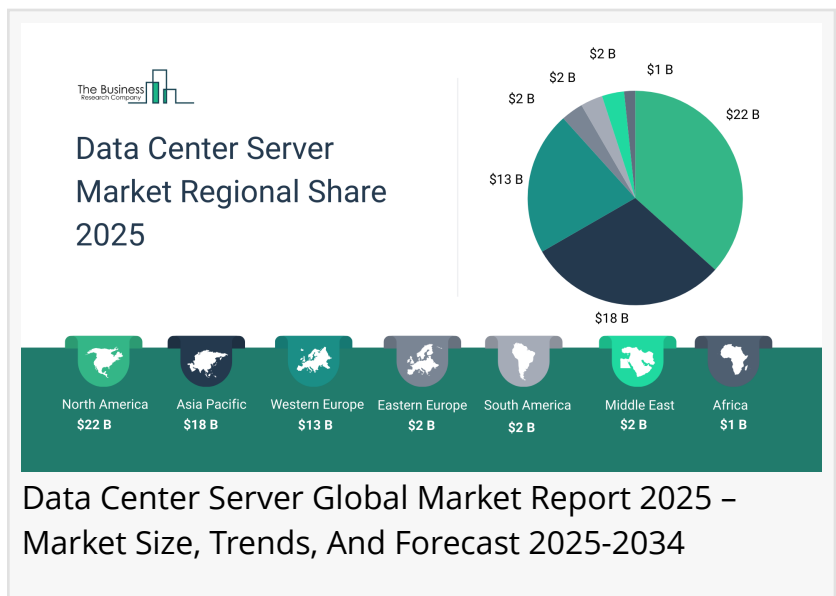
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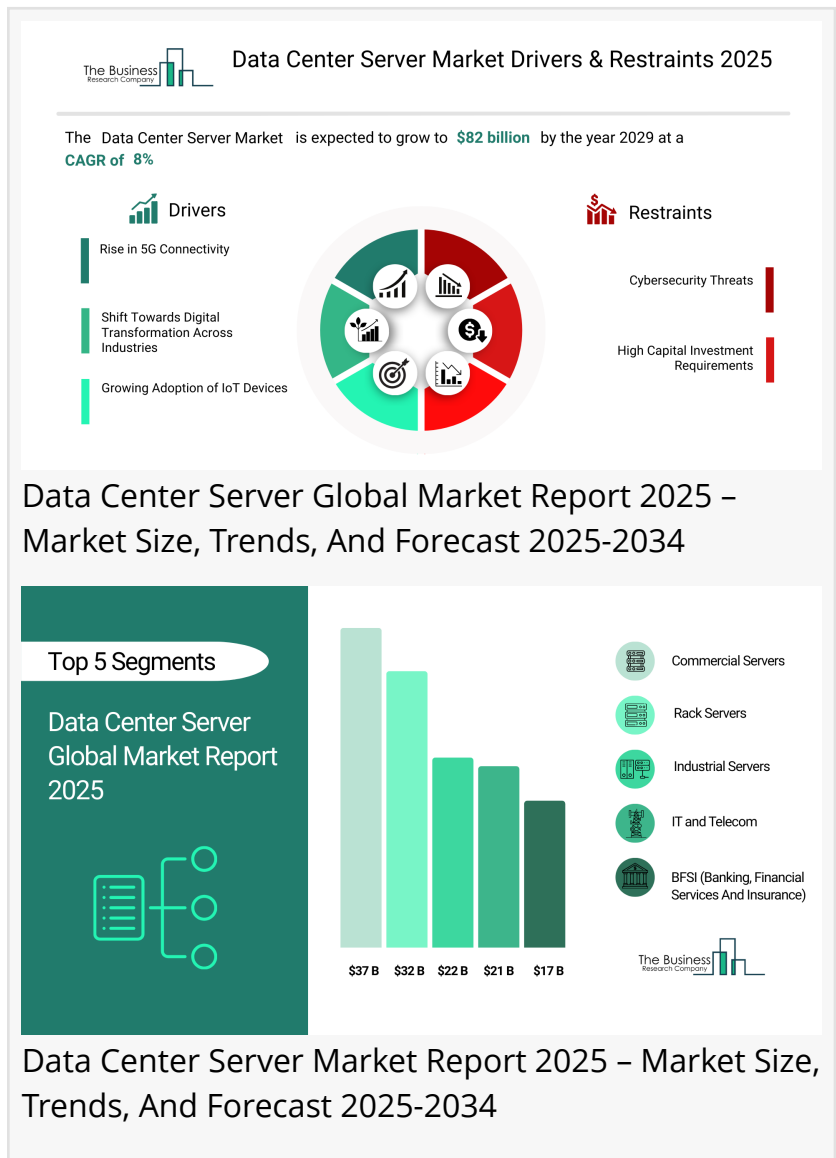
What will be Largest Segment in the Data Center Server Market in 2029?

The data center server market is segmented by product into rack servers, blade servers, micro servers and tower servers. The rack server's market will be the largest segment of the data center server market segmented by product, accounting for 51% or $42,246 million of the total in

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2029. The rack servers market will be supported by increasing demand for scalable infrastructure in data centers, rising adoption of high-performance computing solutions for complex workloads, growing investments in hyperscale data centers, enhanced cooling and power efficiency features improving operational performance, rising preference for easy deployment and maintenance, expanding digital transformation initiatives across industries, and increased demand for virtualization and cloud-based services.

The data center server market is segmented by application into industrial servers and commercial servers. The commercial server's market will be the largest segment of the data center server market segmented by application, accounting for 65% or $53,694 million of the total in 2029. The commercial servers market will be supported by increasing demand for centralized data management in retail and hospitality sectors, rising adoption for managing large volumes of customer data, growing deployment in educational institutions for learning management systems, enhanced integration with CRM and ERP solutions improving business operations, rising preference for secure storage solutions in healthcare, growing need for remote workforce management tools, and expanding e-commerce industry requiring improved server performance.

The data center server market is segmented by verticals into BFSI (banking, financial services and insurance), IT and telecom, government, defense and other verticals. The IT and telecom market will be the largest segment of the data center server market segmented by verticals, accounting for 37% or $30,737 million of the total in 2029. The IT and telecom market will be supported by rising demand for scalable infrastructure to support 5G deployments, increasing adoption of cloud-native applications requiring high-performance servers, growing investments in software-defined networking (SDN) solutions for flexible data management, enhanced demand for content delivery networks (CDNs) improving latency performance, rising deployment of AI and machine learning applications for predictive analytics, increasing integration with edge computing platforms, and expanding adoption of remote collaboration tools driving higher server utilization.

What is the expected CAGR for the Data Center Server Market leading up to 2029?
The expected CAGR for the data center server market leading up to 2029 is 8%.

What Will Be The Growth Driving Factors In The Global Data Center Server Market In The Forecast Period?
The rapid growth of the global data center server market leading up to 2029 will be driven by the following key factors that are expected to reshape industrial quality assurance and manufacturing processes worldwide.

Rise In 5G Connectivity - The rise in 5G connectivity will become a key driver of growth in the data center server market by 2029. As 5G networks enable faster data transmission and support a surge in connected devices, enterprises and service providers are scaling up their data center capabilities to process and store large volumes of data generated at the edge. The rollout of 5G is also driving investments in edge computing, requiring more distributed server infrastructure to ensure real-time data processing closer to end users. As a result, the rise in 5G connectivity is anticipated to contributing to a 1.5% annual growth in the market.

Shift Towards Digital Transformation Across Industries- The shift towards digital transformation across industries will emerge as a major factor driving the expansion of the data center server market by 2029. Companies in sectors such as banking, healthcare, manufacturing, retail, and telecommunications are adopting cloud computing, artificial intelligence (AI), big data analytics, and Internet of Things (IoT) to streamline operations, improve customer experiences, and enhance decision-making. This transition is leading to increased investment in high-performance servers that can support workloads such as AI-driven applications, real-time analytics, and automation. Consequently, the shift towards digital transformation across industries capabilities is projected to contributing to a 1.0% annual growth in the market.

Growing Adoption Of IoT Devices- The growing adoption of IoT devices within digital manufacturing processes will serve as a key growth catalyst for the data center server market by 2029. As industries such as manufacturing, transportation, healthcare, and smart cities deploy IoT-enabled solutions to monitor assets, automate processes, and gain real-time insights, the need for robust computing and storage infrastructure is increasing. This surge in IoT deployments is leading to a higher volume of data that requires low-latency processing, pushing organizations to invest in edge and core data center servers. Therefore, this growing adoption of IoT devices across digital manufacturing operations is projected to supporting to a 0.5% annual growth in the market.

Surge In AI applications - The surge in AI applications will become a significant driver contributing to the growth of the data center server market by 2029. As organizations across sectors such as healthcare, finance, automotive, and retail integrate AI-driven solutions for tasks like predictive analytics, natural language processing, image recognition, and automation, they require advanced server infrastructure to process and analyze large datasets quickly and

efficiently. AI models, particularly those based on deep learning and machine learning algorithms, demand significant processing power, memory, and storage capacity, accelerating the deployment of GPU-accelerated and AI-optimized servers in data centers. Consequently, the surge in AI applications strategies is projected to contributing to a 0.3% annual growth in the market.

Access the detailed Data Center Serve Market report here: https://www.thebusinessresearchcompany.com/report/data-center-server-global-market-report

What Are The Key Growth Opportunities In The Data Center Server Market in 2029?

The most significant growth opportunities are anticipated in the commercial data center server market, the data center server rack market, and the data center server for IT and telecom market. Collectively, these segments are projected to contribute over $41 billion in market value by 2029, driven by surging demand for high-performance computing, cloud-based infrastructure expansion, and the increasing deployment of AI and IoT workloads. This rapid growth reflects the ongoing digital transformation across industries, with enterprises investing heavily in scalable, energy-efficient data center solutions to support advanced analytics, automation, and connectivity. As organizations continue to modernize their IT ecosystems, the data center and server markets are poised to experience strong momentum, fueling sustained innovation and capacity expansion within the global IT infrastructure landscape.

The commercial data center server market is projected to grow by $18,609 million, the rack data center server market $11,461 million, and the data center server for IT and telecom market by $11,295 million over the next five years from 2024 to 2029.

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