

# Saudi Arabia Data Center Market to Reach USD 6.17 Billion by 2031, Establishing Itself as a Top-Tier Middle East Hub

Riyadh, Jeddah, NEOM, Makkah, Madinah, Al Qassim, and Al Ahsa are gaining traction for new data center

CHICAGO, IL, UNITED STATES, March 12, 2026 /EINPresswire.com/ -- [Saudi Arabia's data center market](#) is entering a high-growth expansion phase, driven by hyperscale demand, cloud adoption, and AI infrastructure investments. The market was valued at USD 2.08 billion in 2025 and is projected to reach USD 6.17 billion by 2031, growing at a CAGR of 19.84%.

Report Snapshot:

MARKET SIZE (INVESTMENT): USD 6.17 Billion (2031)

MARKET SIZE (AREA): 1,232 Thousand Sq. feet (2031)

MARKET SIZE (POWER CAPACITY):308 MW (2031)

CAGR - INVESTMENT (2025-2031):19.84%

COLOCATION MARKET SIZE (REVENUE):USD 2.16 Billion (2031)

HISTORIC YEAR:2022-2024

BASE YEAR:2025

FORECAST YEAR:2026-2031



Saudi Arabia's Data Center Expansion Is Accelerating - Nationwide

Dammam remains a leading data center destination in Saudi Arabia, driven by strong fiber networks, dependable power infrastructure, and proximity to key industrial zones. However, as enterprise digitalization, cloud adoption, and hyperscale investments expand across the Kingdom, demand is spreading beyond a single hub. Cities such as Riyadh, Jeddah, NEOM, Makkah, Madinah, Al Qassim, and Al Ahsa are increasingly attracting new data center projects, signaling a shift toward a more distributed and scalable national digital infrastructure strategy.



Microsoft, and Tencent are investing to expand their cloud service offerings in the country.”

*Jacob Turner*

## Sustainability Is Now the Investment Filter in Saudi Data Centers

Sustainability is rapidly becoming a defining factor in Saudi Arabia’s data center market. Operators are accelerating investments in low-carbon infrastructure as environmental performance becomes a competitive and regulatory priority. This includes greater use of renewable energy,

deployment of liquid cooling systems to improve efficiency, and the transition from traditional diesel backup generators to HVO-powered alternatives. The broader energy transition is gaining momentum. According to the International Renewable Energy Agency (IRENA), renewables accounted for approximately 5% of Saudi Arabia’s total electricity generation in 2024, with solar contributing around 92% of renewable output and wind accounting for roughly 8%. As renewable capacity expands, it strengthens the foundation for sustainable hyperscale and enterprise data center investments across the Kingdom.

## Is Saudi Arabia Emerging as a Top-Tier AI Data Center Market and What’s Driving It?

Investment in AI-ready data centers is poised to accelerate in Saudi Arabia as demand for high-performance computing intensifies. Expanding AI workloads are driving the transition toward facilities engineered for advanced processing environments, including large-scale GPU clusters, high-density racks, liquid cooling systems, and significantly higher power capacity. This shift is already underway. In December 2025, center3, a subsidiary of stc, signed an MoU with HUMAIN to develop multiple AI-ready data centers across the Kingdom. The initial phase targets approximately 250 MW of capacity, with plans to scale beyond 1 GW over time. As enterprise AI deployment and sovereign digital programs gain momentum, purpose-built AI infrastructure is positioned to become one of the most strategic growth segments within Saudi Arabia’s data center market.

## Saudi Arabia’s Digital Push Is Creating the Middle East’s Next Infrastructure Scale Play

Saudi Arabia’s digital transformation is moving from policy ambition to infrastructure execution. Demand for cloud, AI, IoT, and advanced analytics is translating into tangible network expansion, enterprise adoption, and platform-level modernization across the Kingdom. Vision 2030 is acting as a structural catalyst, accelerating investments in nationwide connectivity, smart city frameworks, and public-sector digitization while creating new opportunities for private capital and technology partnerships. The focus is no longer just digital enablement, it is ecosystem scale. That momentum is visible in recent collaborations, including Telenor’s February 2025 partnership with stc to expand IoT connectivity across Saudi Arabia. As IoT networks, data platforms, and cloud environments mature, the Kingdom is strengthening its position as a high-growth digital infrastructure market in the Middle East.

[Further insights and detailed forecasts are available in the full report](#)

## IT Infrastructure Providers

- Arista Networks
- Atos
- Cisco
- Dell Technologies
- Hewlett Packard Enterprise
- Huawei Technologies
- IBM
- Inspur Group
- Lenovo
- NetApp
- NVIDIA
- Supermicro

## Data Center Construction Contractors & Sub-Contractors

- ABL Technical Services
- Axelerated Solutions
- Al Latifia Trading & Contracting Co.
- ALEC Data Center Solutions
- Alfano Projects
- Ashi & Bushnaq Co. (ABC) for Contracting
- AtkinsRéalis
- Aurecon
- Azura Consultancy
- Capitoline Data Centre Consultants
- Critical Group
- Dar
- Edarat Group
- EGEC
- HATCO for Trading and Contracting W.L.L.
- Hyundai Engineering & Construction
- ICEM
- ICS Arabia
- ICS Nett Inc.
- Inteltec Emirates
- JAMED
- Linesight
- Manens KSA
- Omrania
- RED Engineering Design
- SALFO & ASSOCIATES SA.
- SANA Control Systems
- SAUDI TAAB CONTRACTING COMPANY

- UBIK

#### Support Infrastructure Providers

- ABB
- Aggreko
- Airedale
- Alfa Laval
- Baudouin
- Canovate Group
- Caterpillar
- CHINT
- Cummins
- Delta Electronics
- Eaton
- Enrogen
- GE Vernova
- GRUNDFOS
- Hitachi Energy
- Honeywell
- Legrand
- Mitsubishi Electric
- Rehlko
- Rittal
- Rolls Royce
- Schneider Electric
- Siemens
- STULZ
- Toshiba Corporation
- The Chemours Company
- Vertiv

#### Data Center Investors

- Alibaba Group
- DAMAC Digital
- Google
- Gulf Data Hub
- Mobily
- Oracle
- Quantum Switch
- Sahayeb Data Centers
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