



The Saudi **Data Centre** Landscape

Introduction: KSA - Global Digital Powerhouse

The Kingdom of Saudi Arabia's twin pillars of industrialisation and digital transformation have spawned surging demand for cloud services, AI-ready infrastructure and data storage solutions. Compute power is now a **critical resource** – and the Kingdom is responding at pace to this challenge.

Investment Phenomenon

The Saudi data centre market has experienced **remarkable growth** in the past two years, with unprecedented levels of investment. The market, valued at approximately \$1.33bn in 2024, is projected to reach \$3.9bn by 2030, representing a compound annual growth rate (CAGR) of 19.6%. This growth trajectory reflects Saudi Arabia's position as the fastest-growing data centre market in the Middle East, according to a 2023 report by Knight Frank.

Major global technology companies have made substantial commitments to the Kingdom's digital infrastructure. Amazon Web Services (AWS) pledged over \$5.3bn by 2026 for data centre establishment. In March 2024, DataVolt announced a \$5bn investment plan to construct data centres with a combined capacity exceeding 300MW. ServiceNow committed a direct investment of \$500m, including the creation of two dedicated data centres within the Kingdom. Huawei outlined a \$400m investment plan directed towards developing the Saudi Arabian cloud region over the period 2023-2027.

The LEAP 2024 conference showcased the Kingdom's appeal to investors, with announcements exceeding \$1.5bn and cumulative investments reaching \$13.4bn. More recently, at LEAP 2025, the total pledges to boost KSA's AI and data centre capabilities totalled \$21bn, with Equinix announcing an investment of over \$1bn in a new facility with 100MW of capacity. In late 2024, Al Moammar Information Systems (MIS) signed a letter of intent and leasing contracts with Microsoft, further cementing the Kingdom's position as a digital infrastructure hub.

Investment incentives include competitive electricity tariffs, with average commercial prices of approximately \$0.08 per kWh—30-50% lower than the global average. Saudi Arabia has set ambitious targets for data centre capacity expansion, aiming to quadruple capacity to 1,000MW by 2030. The country currently accounts for 50% of the upcoming data centre capacity in the MENA region, with the Kingdom expected to attract more than \$15bn in data centre investments by 2030, with planned increases in installed capacity from 300MW to 1300MW.

Geographic Distribution and Infrastructure

The Kingdom's data centre landscape is characterised by **strategic geographic distribution** across key urban centres. Riyadh and Jeddah have emerged as established data centre hubs, with Dammam and NEOM developing as promising new markets. The Kingdom currently has approximately 22 active data centres, with 40 additional facilities in various stages of development. These facilities predominantly fall into the Tier 3 and Tier 4 categories, reflecting high standards of reliability and performance.

Saudi Arabia's connectivity infrastructure includes connections to nearly 15 submarine cables, with most landing points in Jeddah alongside points in Al Khobar and Duba. Six additional submarine cables are expected by 2025, with landing points planned for Dubai, Haql, Yanbu, and NEOM. This extensive connectivity framework supports the Kingdom's ambition to become a digital hub connecting Europe, Asia, and Africa.

Why Now?

Technology is at the heart of the Kingdom's Vision 2030 national strategy. Advanced digital infrastructure is critical to support Saudi's aims in AI-applications, space exploration, mobility and advanced manufacturing. The **generative-AI boom** is a key driver in creating a data centre supply deficit, and some estimates predict global demand for data centre capacity could more than triple by 2030. Given it can take a few years for a data centre development to be operational (from conception to operations), it is imperative that work on new developments starts now if the anticipated demand for data centre capacity is to be met by 2030.

Laws and Regulations

Navigating the legal landscape requires **expert knowledge** of a number of key pieces of Saudi law, for example: the **Data Centre Services Regulations** and the **Cloud Computing Services Provisioning Regulations** (both administered by the Communications, Space & Technology Commission), the **Personal Data Protection Legislation** (administered by the Saudi Data and Artificial Intelligence Authority), the regulations of the **National Cybersecurity Authority** and the **Civil Transactions Law**. Regulations are evolving so up to date advice is essential. In addition to requiring expert knowledge of applicable laws, the contractual structure for the full development of a data centre from the ground up comprises many different contracts each of which needs to be expertly handled. These include development agreements, lease agreements, design and construction contracts, MEP contracts, services agreements and any finance agreements that may be required.

Foreign investors are encouraged to participate through various ownership structures, including options for 100% ownership or joint ventures with local entities. A notable regulatory development was announced by Saudi Finance Minister Mohammed Al-Jadaan at Davos 2025, outlining plans for a framework that would treat foreign-owned data centres similarly to embassies. The aim is to create a secure and efficient environment for companies to process data in Saudi Arabia and export it to their home markets and beyond.

JDG

JDG is a **legal consultancy** specialising in **project development** and **technology**, with a core focus on UK and Saudi **data centre matters**. They support leading data centre stakeholders across the value and supply chain covering the lifecycle of data centre developments. Please get in touch with John—a former Manager in the Legal team at NEOM—for further data centre **market intelligence**, **training** and **legal guidance and support**: www.jdgfoster.com / john@jdgfoster.com

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