

Digital Infrastructure Platforms

INVESTMENT OPPORTUNITY

ICT



Digital Infrastructure Platforms

OPPORTUNITY'S DESCRIPTION: To create and localize additional Content Delivery Networks (CDN) providers.



DEMAND

MARKET SIZE, USD MN

- Market forecasted to grow at CAGR of +27% to reach USD 49.61 billion in 2026.

INVESTMENT HIGHLIGHTS

- Expected impact on telco sector to reach SAR 2.2 Bn+
- Increase the demand on DC services
- KSA targets to localize 48 members in the national IXPs by 2025.

INVESTMENT OVERVIEW

VALUE PROPOSITION

- The new trends of technologies are built on a very low latency applications which requires the content and services to be as close as possible to the customers
- To enhance the resiliency of digital infrastructure more investments are needed to build multiple nodes for CDNs on a global scale.
- The customers quality of experience needs to be enhanced for all type of business (e-commerce, government, media, finance).

KEY DEMAND DRIVERS

- +1900 digital platforms are available in the kingdom that can utilize CDNs to enhance experience.
- The kingdom has an ambitious plan to be a hub for gaming which requires the utilization of CDNs to serve the region.
- The need for dynamic location-based content is very crucial to the success of businesses and CDNs provide this capability.

MARKET OVERVIEW

MARKET READINESS AND COMPETITOR ANALYSIS

- National connectivity is covering 96% of Saudi Arabia.
- Internet speed are among the top 10 in mobile speeds.
- The presence of SAIX; a neutral internet exchange.
- Local demand on content is the highest in the region.
- Lack of CDNs in Saudi market, and most of the demand is served from other countries.

GLOBAL TRENDS

- Rapid increase in demand to CDNs services
- Increase demand on enhanced QoE
- CDNs started to rely on edge data centers to enhance the experience of the end users.

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SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low Medium High

- KSA has limited number of Content Delivery Networks (CDNs), and targets to increase the number of local CDNs, Domain Name Servers (DNSs) services, and security services around different regions in KSA.
- Emerging applications requires low-latency connectivity to support the adoption of cutting edge technology.

ECOSYSTEM ANALYSIS

FDI	-	
Political status	--	--
Data center and cloud environment		

Current opportunities in KSA



KEY STAKEHOLDERS

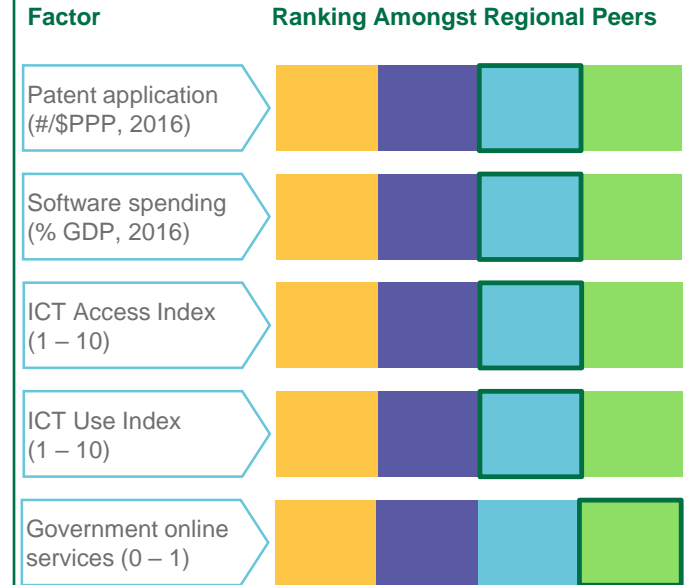


ENABLING FACTORS

ENABLERS

- National connectivity is covering 96% of Saudi Arabia.
- Internet speed are among the top 10 in mobile speeds.
- The presence of SAIX; a neutral internet exchange
- Growth of the local Data Center Business to reach 1300MW by 2030

COST OF DOING BUSINESS IN KSA



Bottom 25% | Top 75% | Top 50% | Top 25%

DEFINITIONS

#	SCORECARD SECTION	DEFINITIONS
1	Market size	Size of market in value/volume in KSA and/or Region (MENA/GCC) covering future projections based on available estimates from published /government sources
2	Business drivers	A select number of factors that will influence future demand for the related product/service
3	Investment highlights	An overview of key financial metrics summarizing the investment opportunity along with the expected return based on the suggested investment size
4	Value proposition	Summary of key differentiators that position KSA as a strategic choice over other regional/global peers
5	Market readiness	An overview of KSA market structure, market maturity and level of participation by local and global players
6	Global trends	Latest business developments within the sector/product category
7	Scalability and localization	Ease of scaling the business across the value chain or into new adjacent products or geographies that would maximize the opportunity's investment returns and the ability and potential to locally manufacture the product and its components
8	Import dependency	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
9	Value chain analysis	The process or activities that would potentially need to be carried out to deliver the underlying product or service
10	Key stakeholders	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
11	Enablers	Factors that enable investment in the underlying opportunity
12	Cost of doing business in KSA	Key factors that position KSA as a competitive destination for investment in the region. Productivity adjusted wages do not include cost of \$1.23/hour towards annual recurring charges including work permit, resident identity (iqama) and health insurance

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