



Monthly Sectoral Review of the Kingdom of Saudi Arabia

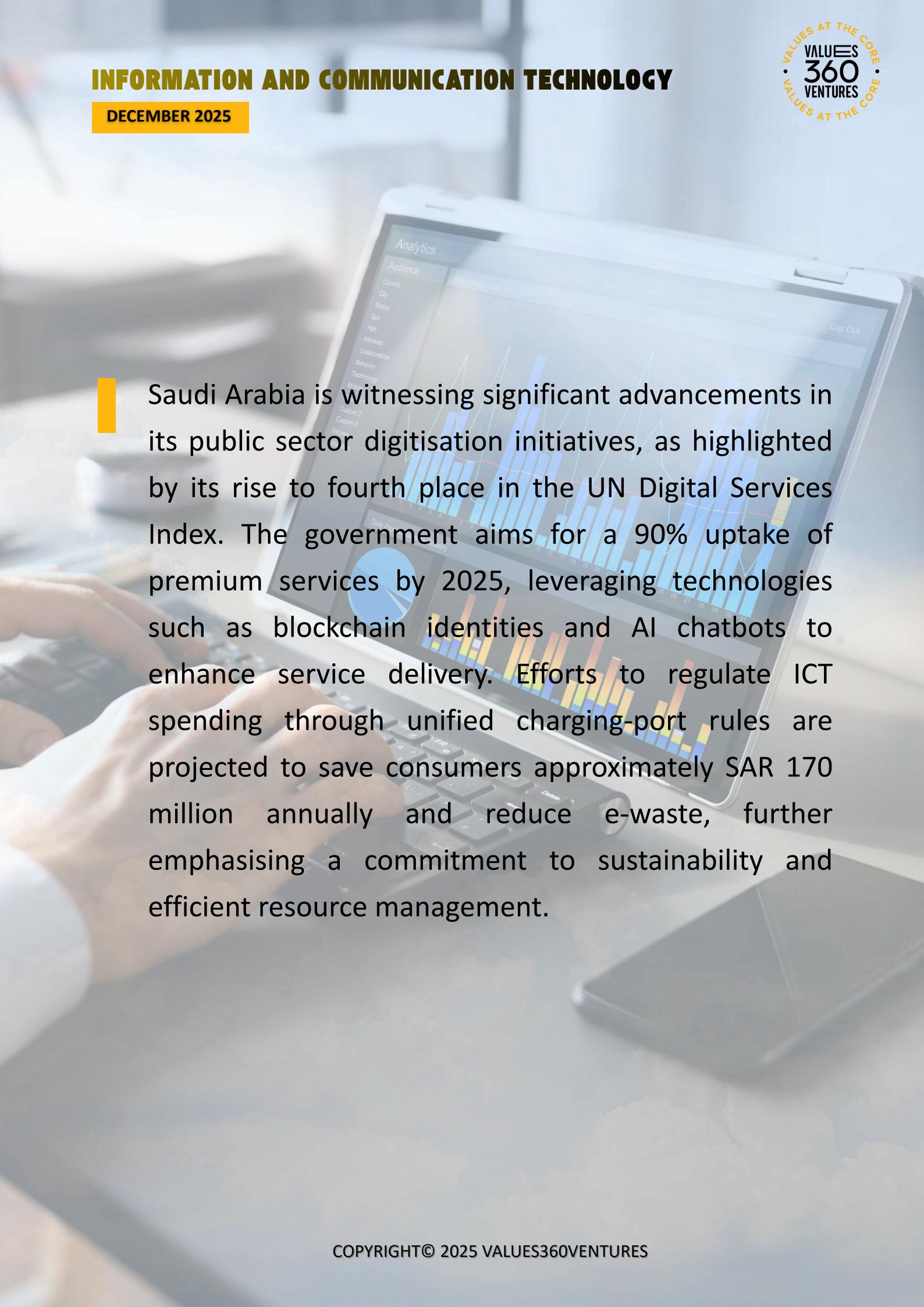
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INFORMATION AND COMMUNICATION TECHNOLOGY

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Saudi Arabia is witnessing significant advancements in its public sector digitisation initiatives, as highlighted by its rise to fourth place in the UN Digital Services Index. The government aims for a 90% uptake of premium services by 2025, leveraging technologies such as blockchain identities and AI chatbots to enhance service delivery. Efforts to regulate ICT spending through unified charging-port rules are projected to save consumers approximately SAR 170 million annually and reduce e-waste, further emphasising a commitment to sustainability and efficient resource management.

The ambitious NEOM and Giga-Projects are fueling unprecedented demand for ICT infrastructure, exemplified by the landmark USD 20 billion agreement between DataVolt and Supermicro for AI data centres. Alongside this, LEAP 2025 is expected to unlock an additional USD 20 billion in AI investments, prompting telecom companies such as Mobily and STC to significantly increase their funding for cables and data centres.

The cybersecurity landscape in Saudi Arabia is also noteworthy, with the nation boasting the Middle East's largest cybersecurity market, valued at \$3.6 billion in 2020 and projected to reach \$9.8 billion by 2026. High-risk sectors, including government and healthcare, are targeted by various cyber threats, underscoring the need for advancements in application security and integrated risk management.

Furthermore, Saudi Arabia's focus on smart cities and IoT is set to position the country as a leader in global connectivity by 2030, with a projected IoT market growth rate of 12.8% annually.

The cloud computing sector is also expanding rapidly, with public cloud spending projected to reach \$2.5 billion by 2026. Initiatives to support small and medium enterprises (SMEs) through sovereign cloud solutions and grants are diversifying the ICT market, which traditionally relied on the oil and gas sector.

The government's strategic investment in AI, 5G technology, e-commerce, and digital payments further underscores a comprehensive approach to modernisation and economic diversification, aiming to foster innovation and enhance digital engagement across all sectors.

References

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