TECNNO
Enable Your Mission

Annual report of the Saudi market in ICT

2024

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Saudi Arabia 31952

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The Size of The Saudi Economy And Its Impact on Development Projects

The Saudi economy is expected to grow from 2.6 trillion riyals to exceed the Digital target of 6.4 trillion riyals by 2030.

The contribution of the private sector will be 65% of the economy by 2030.

The kingdom's economy had grown by 1.1% during the second quarter of 2023, compared to the second quarter of 2022, and the authority attributed the growth in GDP to the increase achieved by the following activities.

Growth in GDP

Non Oil Activity

Government Services Activety

Oil Activity

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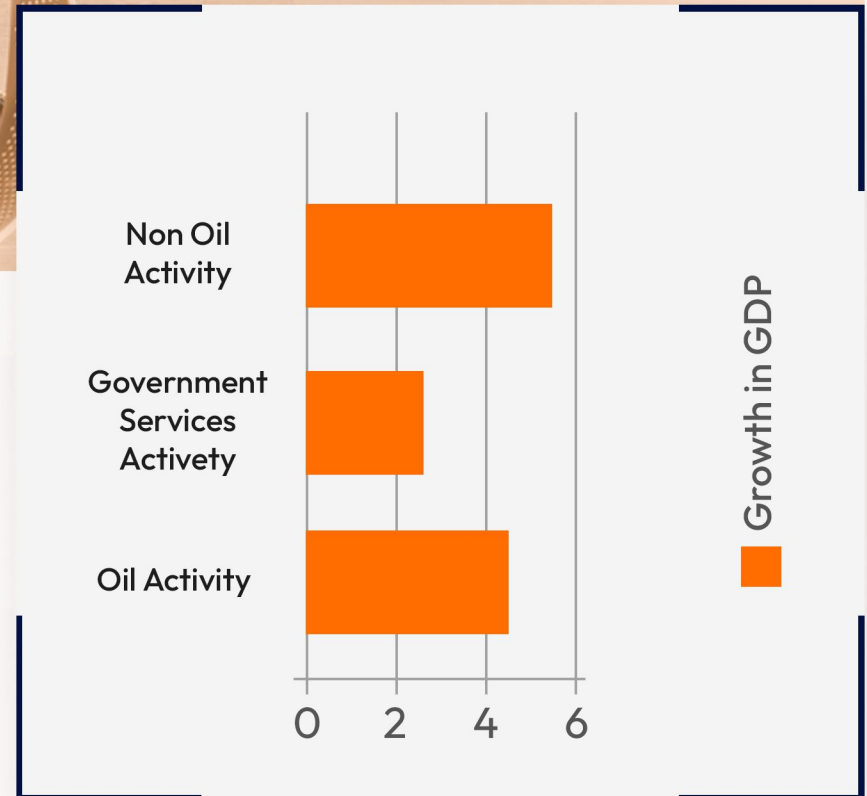
The Size of The Saudi Economy And Its Impact on Development Projects

- The volume of targeted investments

- The value of development projects organized in various regions of the kingdom during the last 5 years from 2017 to 2022 amounted to more than 5 trillion dollars

- 540 projects With a value exceeding 120 Billion dollars proposed by the state in the construction, energy and transport sectors

- 995 foreign companies in the field of contracting

The Volume Of Targeted Invstment In Trillion Riyals

	Construction Sector	New Project
Value	~1.5	~12.5

The Size of The Saudi Economy And Its Impact on Development Projects

The number of small and medium enterprises in the kingdom increased to 1.2 million by the end of the first quarter of 2023, an increase of 4.8% compared to the fourth quarter of 2022.

Percentage of small and medium enterprises according to administrative regions
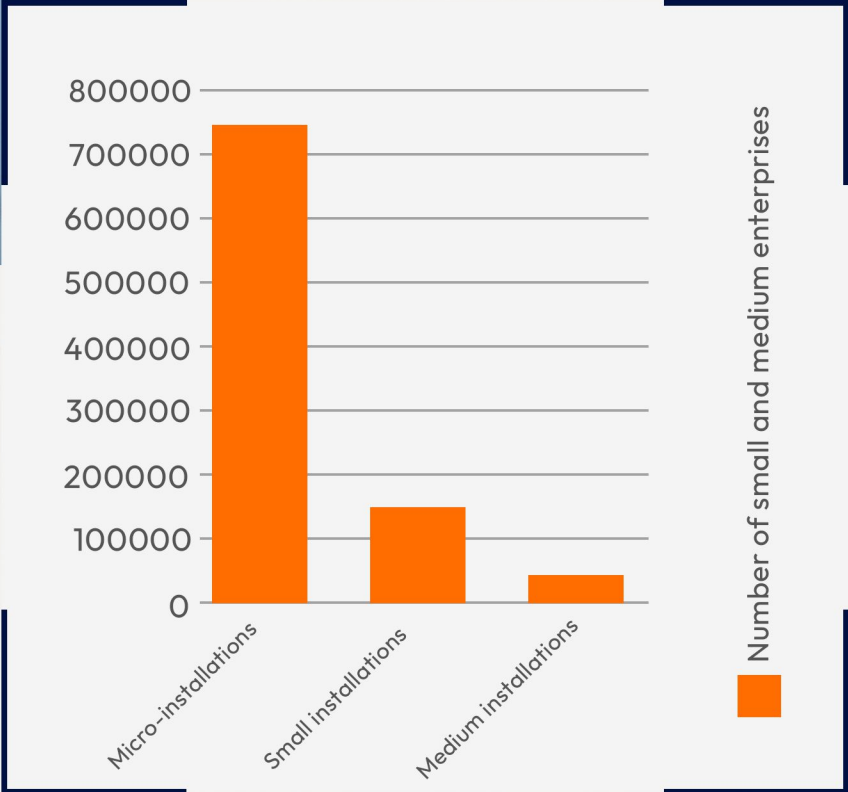
The Digital Economy Sector in The Kingdom of Saudi Arabia

The digital economy exceeded 100 billion dollars in 2023 and is expected to grow to 160 billion dollars by 2025.

The share of the digital economy in Saudi Arabia in GDP reached 14% in 2023 and is expected to grow to 19.2 % by 2025.

And this digital economic growth will depend on four main factors :

→ Foreign investment

→ Population growth

→ Digital transformation

→ Digitization of government services

While The Main Sectors of The **Digital Economy** in Saudi Arabia Include :

- ⊙ E-commerce : is growing rapidly, reaching a value of about 30 billion dollars in 2022.

- ⊙ It is also expected to reach 50 billion dollars by 2025.

- ⊙ Digital financial services are growing steadily reaching a volume of about 20 billion dollars in 2022.

- ⊙ It is also expected to reach 30 billion dollars by 2025.

- ⊙ Digital logistics : is growing rapidly. Its value amounted to about 10 billion dollars in 2022.

- ⊙ While it is expected to reach 15 billion dollars by 2025.

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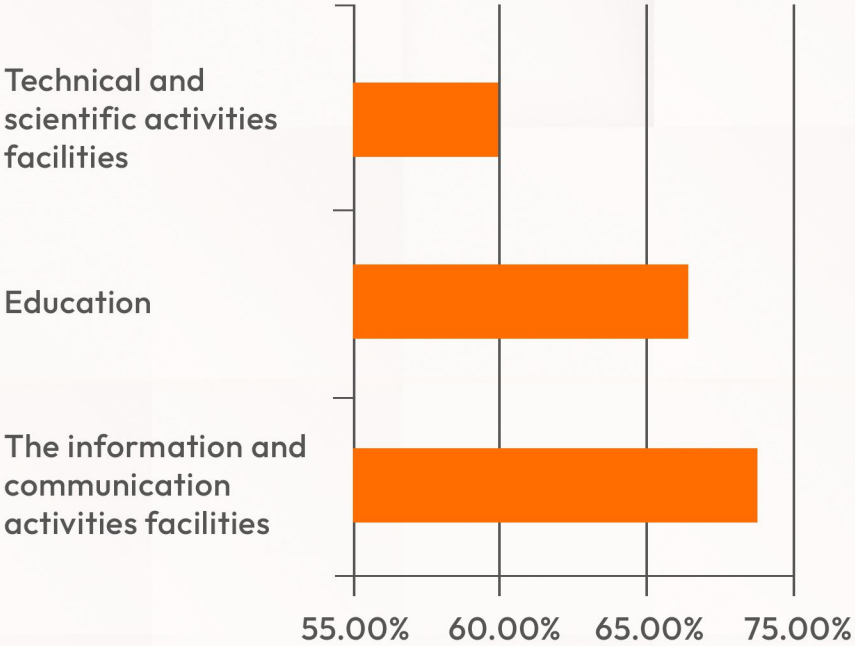6. While it is expected to reach 15 billion dollars by 2025.

The Percentage of Establishments That Purchased Cloud Computing Services Amounted To About 48 % of The Total Establishments Such As:

- Data storage services
- Hosting databases
- Security software app
- Postal services

Technical and scientific activities facilities

Education

The information and communication activities facilities

55.00%   60.00%   65.00%   75.00%

The Facilities Are at The Forefront of Information And Communication Activities :

→ The first of enterprises that purchased cloud computing services was information and communication activities reached (68.3%),

→ This was followed immediately by educational activity facilities (66.9%), and then by activity facilities

→ Professional, scientific and technical percentage reached (60%)

# The **Digital Economy Sector** in The Kingdom of Saudi Arabia

01 The percentage of establishments that provided their services through electronic applications amounted to about 20 % of the total establishments

02 The percentage of establishments that received their purchases electronically amounted to about 18.5% of the total establishments that purchased goods or services through the internet

03 The percentage of establishments that used devices or systems connected to the internet was the highest percentage among establishments about 60%.

service electronic applications, 20%

systems connected to the internet, 61%

purchases electronically, 18.80%
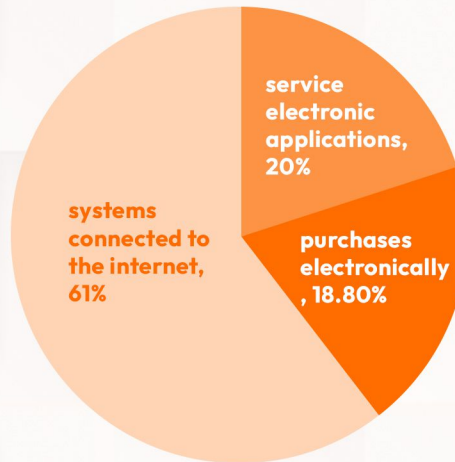
01 Saudi Arabia is the largest and fastest growing digital economy in the Middle East and North Africa region .

02 Saudi Arabia also ranked third in the world in the digital government Maturity Index issued by the World Bank, fourth globally in the readiness of digital organizations, and second in terms of frequency spectrum availability

ICT sector focuses on

Digital infrastructure systems

Enabling digital applications

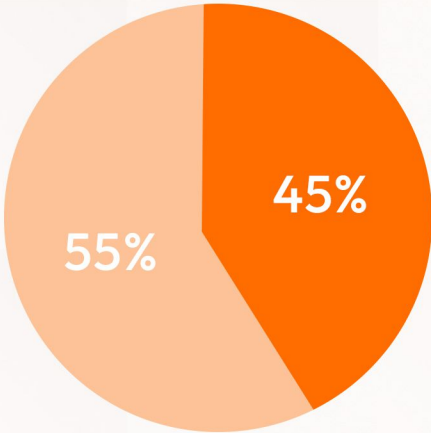Digital government

Emerging technologies

The size of the **communications and information** technology sector in Saudi Arabia
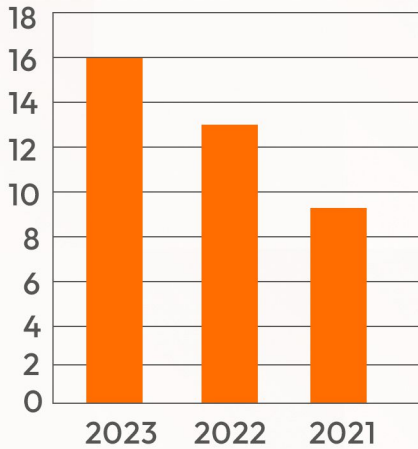
The size of the telecommunications and information technology sector reached about 164 billion riyals (43.4 billion dollars), so that the telecommunications sector represents about 73 billion riyals , and technology about 81 billion riyals, and the information sector will grow by about 12 %

while foreign investments in cloud computing amounted to more than 16 billion riyals ($4.2 billion) compared to 2022, which was estimated at about 13 billion riyals, compared to 2021, which was estimated at about 9 billion riyals .

45%

55%

■ Telecommunication Sector   ■ Information sector

18
16
14
12
10
8
6
4
2
0

2023   2022   2021

■ The volume of investments

The Size of The Communications and Information Technology Sector in Saudi Arabia

01

The technical sector in Saudi Arabia was able to provide 354 thousand jobs as the largest pool of digital talent in the region, and the percentage of women's participation in this sector during the last 3 years was about 25% of the total workforce.

The volume of "high-risk" venture capital investments in Saudi Arabia has reached about 4 billion riyals (987million dollars) To the emerging Saudi digital companies

02

The Size of The Internet of Things Market in Saudi Arabia

→ IOT Is one of the areas that has increased in demand in Saudi Arabia recently, especially with the development of telecommunications and technology infrastructure, after capital investments in the kingdom's digital infrastructure exceeded about 93 billion riyals over the past six years.

→ The IoT sector in the kingdom is expected to grow annually by about 12.8% Due to the growth in the government and logistics sectors and the Fourth Industrial Revolution"

→ More than 82% of local enterprises rely on "Internet of Things" technologies.

→ **One of the most famous investment companies is STC Group, which is strong in building telecommunications infrastructure to support the Internet of things :-**

☞ More than 15.000 telecommunication towers.

☞ More than 85% coverage rate in the urban areas.

☞ 500 million device IoT-enabled devices

→ **It is also expected that 82% of medium and large enterprises in the kingdom Using the Internet of things in its business activities in the top 3 motivators :**
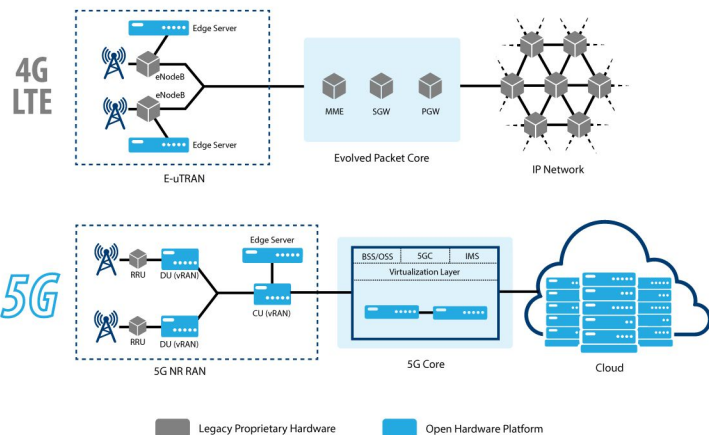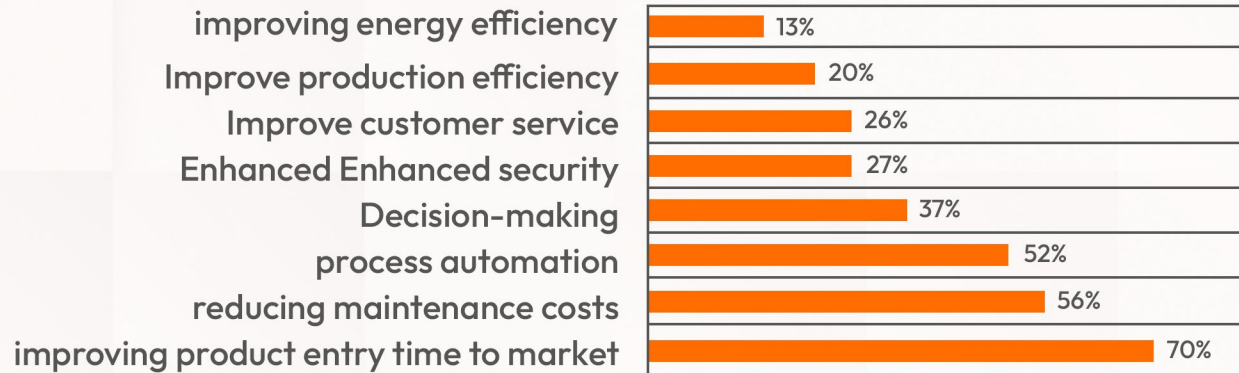
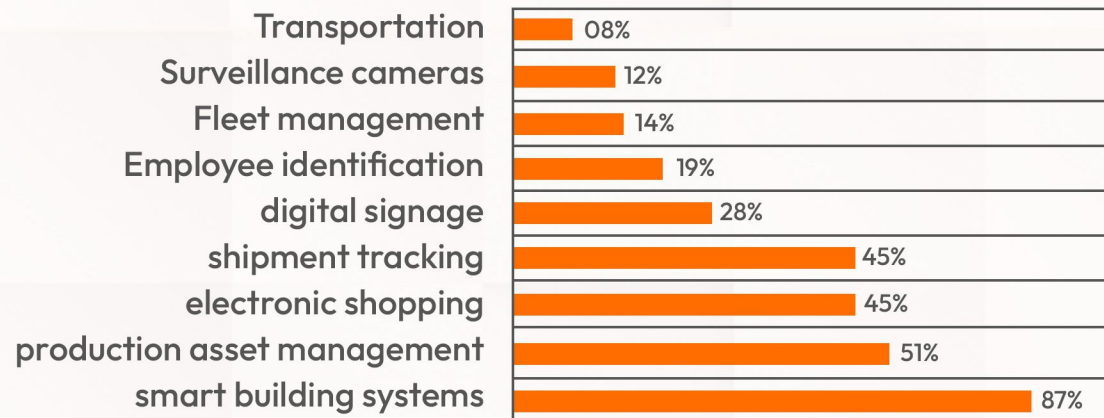☞ Improve production efficiency

☞ Improve customer service

☞ Enhanced security

Factors influencing the implementation of the Internet of things strategy

Factor	Percentage
improving energy efficiency	13%
Improve production efficiency	20%
Improve customer service	26%
Enhanced Enhanced security	27%
Decision-making	37%
process automation	52%
reducing maintenance costs	56%
improving product entry time to market	70%

The best implemented use cases for the Internet of things

Use case	Percentage
Transportation	08%
Surveillance cameras	12%
Fleet management	14%
Employee identification	19%
digital signage	28%
shipment tracking	45%
electronic shopping	45%
production asset management	51%
smart building systems	87%

IoT
Internet of things

The size of the Internet of Things market in Saudi Arabia

The best implemented use cases for the Internet of things

Industrial Internet of things companies	01%
Suppliers of network equipment "Cisco"	02%
Telecommunications service providers	03%
System integration companies	08%
Manufacturers of components and devices	09%
Software suppliers	10%
Suppliers of analysis services	29%
Hardware and application platform suppliers	45%

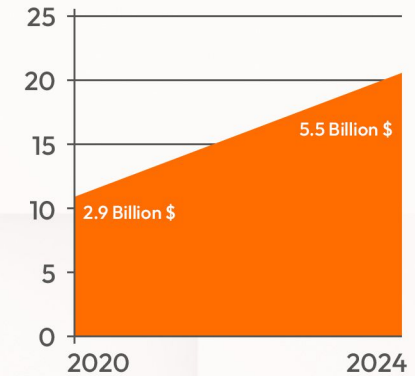# The Size of The Internet of Things Market in Saudi Arabia
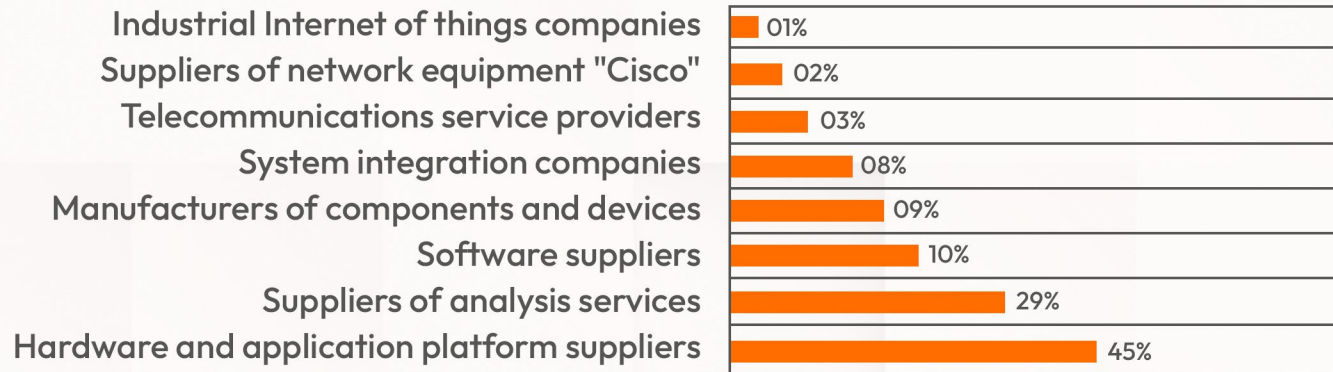
Empowering Data Center's

→ The volume of investments in data canter amounted to about 18 billion dollars in 2022

→ Due to the excellence of Saudi Arabia in an attractive environment for the construction of data canters through a highly reliable and cost-effective energy infrastructure commensurate with global requirements Increasing data canter facilities

→ The number of employees in the field of telecommunications and information technology has reached by the end of 2022 to 340 thousand jobs, the percentage of women's participation of which is 33 % With a localization rate of about 60%

→ **The kingdom targeted the following**

→ Data canter Construction of 1300 MW of Capabilities by the year 2030

→ Green Power Securing 50% of the kingdom's domestic energy needs From renewable energy sources through " Green Saudi Arabia " initiative

→ Cloud computing reduced tariff for electrical energy has been issued, which is 0.048 dollars/kWh for cloud computing data canters
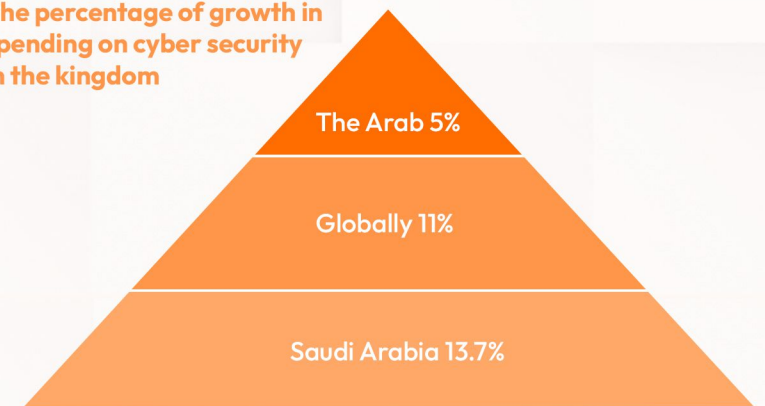
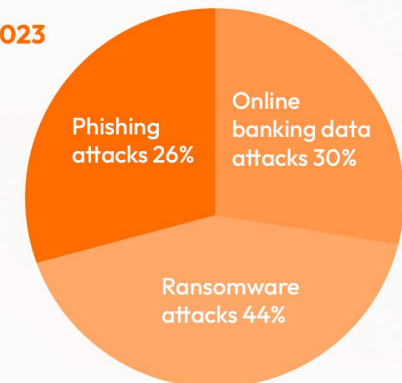# The Volume of Demand For The Cyber Security Market in Saudi Arabia

→ The global cyber security industry is expected to be worth USD 366.10 billion by 2028.

→ The cyber security market in Saudi Arabia is expected to witness a compound annual growth rate of 12.4% between 2020 and 2026 due to Saudi Arabia's efforts to support the strengthening of digital infrastructure and digital transformation within Vision 2030.

→ The size of the cyber security market in Saudi Arabia reached 5 billion riyals in 2023 with a growth rate of more than 14%, which exceeds the global level.

Therefore, it is an attractive field for entrepreneurs

The number of cyber attacks on companies 22.5 Million Cyber Attacks

The average annual cost of cybercrime has increased up to 18.5 million US dollars

The costs of Saudi losses 6.5 Million dollars

Saudi Arabia witnessed a 19% decrease in the number of cyber threats in 2023

Banks across the kingdom are increasingly investing in modern technologies

2.9 Billion $

5.5 Billion $

2020   2024

The percentage of growth in spending on cyber security in the kingdom

The Arab 5%

Globally 11%

Saudi Arabia 13.7%

cyber threats in 2023

Phishing attacks 26%

Online banking data attacks 30%

Ransomware attacks 44%

The Volume of Spending on Information Technology in Saudi Arabia

→ Saudi Arabia accounts for more than 57% of the total tele-communications market in the Middle East and 53% of the IT industries.

→ The total spending in the IT sector is increasing in the Middle East and North Africa, where the total market registered about USD 170 billion in 2023 , and the largest spending rates were concentrated on the following services.

→ The compound annual growth rate of the software market reaches 11 % , as the domestic market for application development and deployment during the current year reached 651 million dollars.
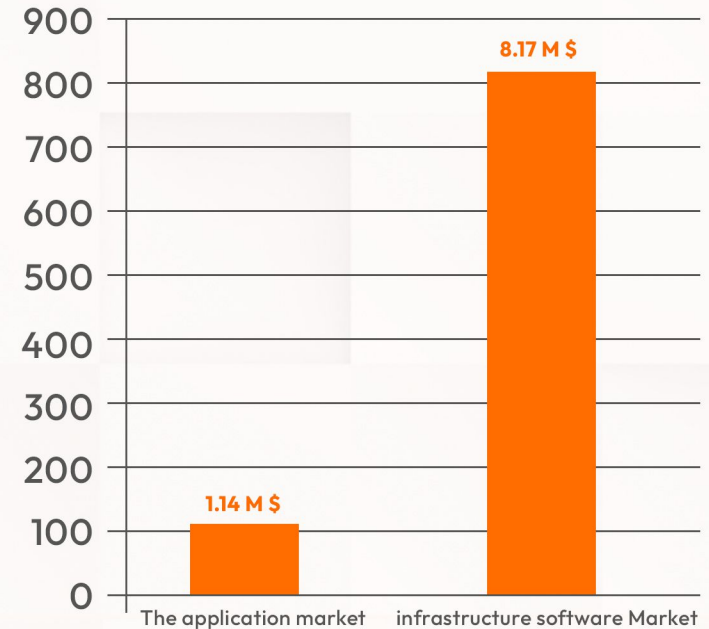
THE TOTAL SPENDING IN THE IT SECTOR	
Sector	**Revenue of Information services activities"**
Telecommunications services	112.5 B
Telecommunications devices	28 B
IT devices	151.3 B
Software	9.6 B
Data center systems	3.4 Bb

IT MARKET REVENUES BY ACTIVITY		
Years	**Revenue of Information services activities**	**Revenue of Computer coding, consulting and related activities**
2022	135.9 M	1.50 B
2023	149.1 M	1.65 B
2025	151.3 M	1.66 B

The Strategic Objectives of The Kingdom's Vision 2030 in The Field of ICT

Create More than 25 thousands Quality jobs in the sectors

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Increasing the size of the it market and merging technologies 50%

Raising the sector's contribution in GDP by 50 Billi on SAR

Increase woman's participation by 50%

**Increasing the level of saudization in the sector jobs to get to 50 %**

The Volume of Spending on Information Technology in Saudi Arabia

→ **The Big Data and AI market in Saudi Arabia is segmented by :**

→ Solution : (Hardware, software, solutions)

→ Industry vertical : (ICT, retail, public and government institutions, BFSI)

→ The Saudi Arabia Big Data And Artificial Intelligence Market size is estimated at USD 0.38 billion in 2024, and is expected to reach USD 2.19 billion by 2029, growing at a CAGR of 34.24% during the forecast period (2024-2029).

→ Mainly due to the growing adoption of data-based AI solutions and developments in machine learning, which enhance market growth opportunities.
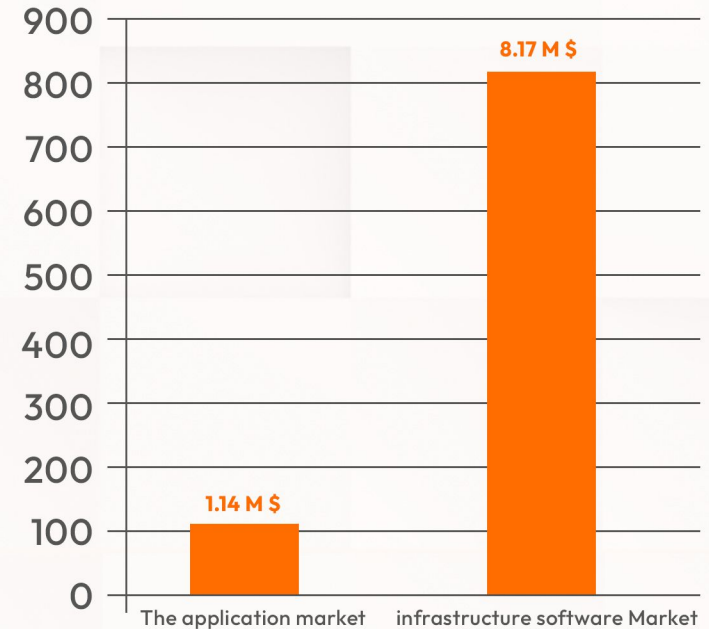
IT MARKET REVENUES BY ACTIVITY

(Bar chart)
- The application market: 1.14 M $
- infrastructure software Market: 8.17 M $

Analysing The Size of The Artificial Intelligence Market in Saudi Arabia
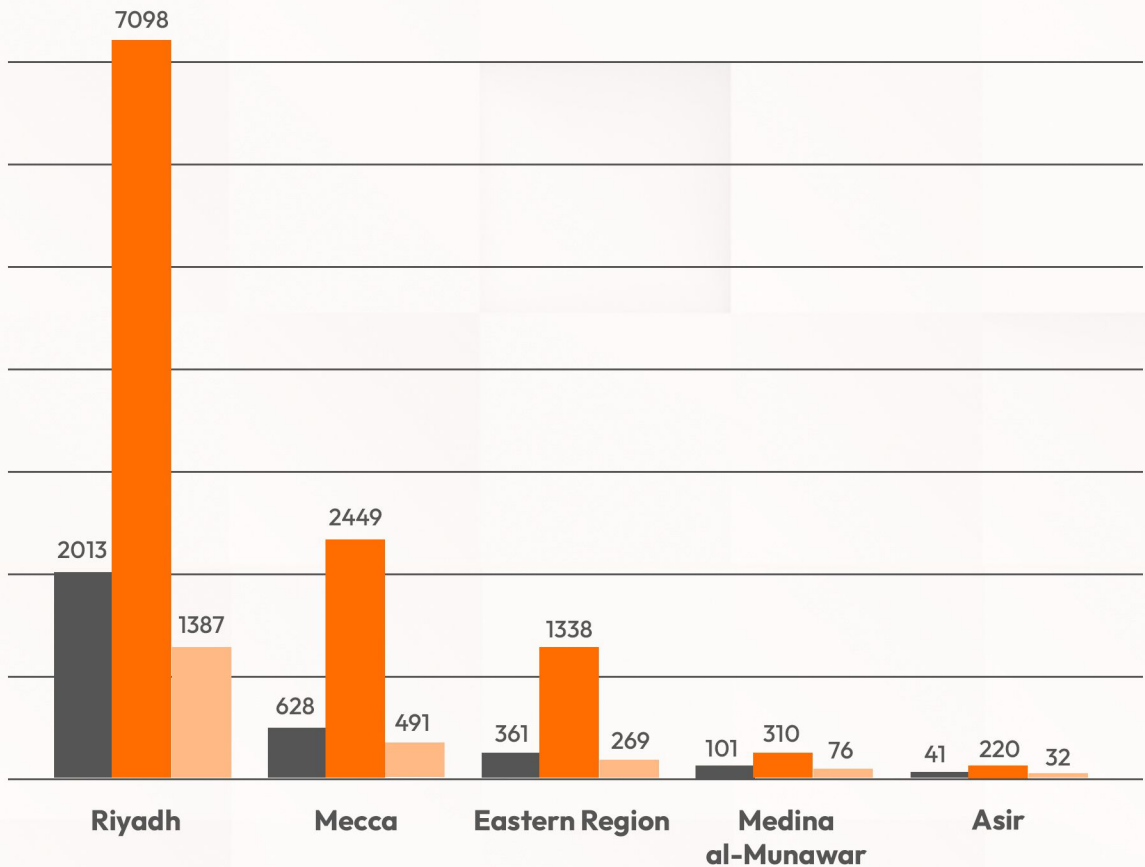
The number of Commercial Registers in the administrative regions according to the different sectors

	Ai Records	Computer programming Records	Robotics Records
Riyadh	2013	7098	1387
Mecca	628	2449	491
Eastern Region	361	1338	269
Medina al-Munawar	101	310	76
Asir	41	220	32

Analysing The Size of The Artificial Intelligence Market in Saudi Arabia

Software

The existing commercial records of the software sector amounted to about 4 thousand records by the end of the fourth quarter of 2023, compared to 3.1 thousand in the same period of 2022, with a growth rate of 28%.

Visual Arts

With regard to visual arts activities, the number of existing business registers by the end of the fourth quarter reached 822, a growth of 103%, year-onyear.

Cloud Computing

It turned out that the number of existing records in the provision of cloud computing services reached by the end of the fourth quarter about 1.7 thousand records, compared to 1.2 thousand in the same period of 2022 with a growth of 40%.
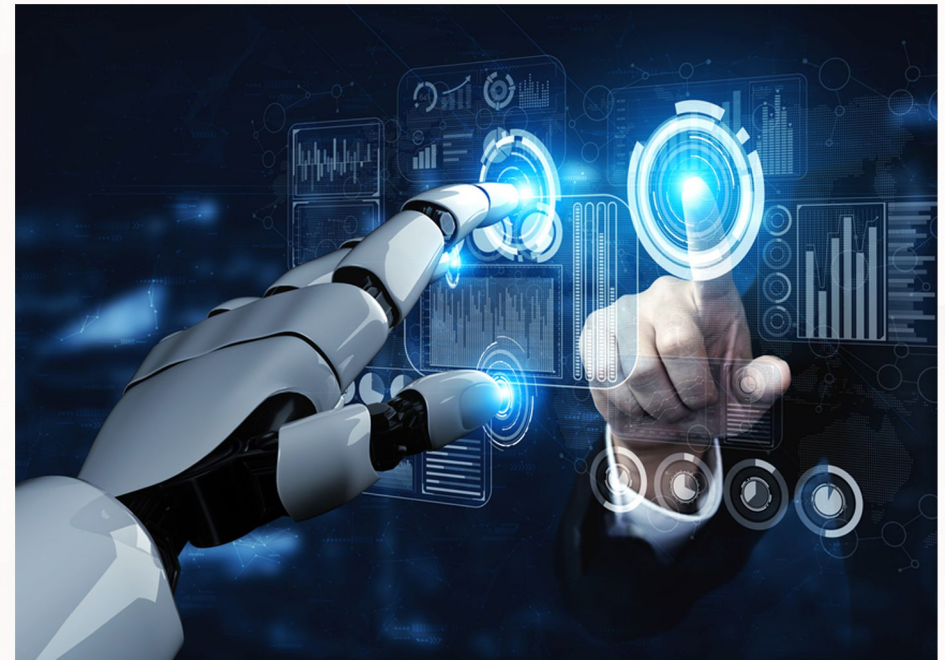
According to the General Authority for Statistics (Saudi Arabia), by 2024, the computer, electrical and optics industry in Saudi Arabia is expected to generate approximately $231.7 million in sales

The Strategic Objectives of The Kingdom's Vision 2030 in The Field of Data And Artificial Intelligence

Training about 40% of the total workforce on the basic skills of data literacy and artificial intelligence

Providing about 15,000 speciaalists and Training of about 5.000 experts in the field of data and artificial intelligence

Motivating about 300 startups in data and artificial intelligence

Attracting foreign investment worth about SAR 30 billion and Establishing local investments of up to SAR 45 billion

Join the list of top 10 countries in open data indicators and Be the top 20 countries in the indicators of artificial intelligence data

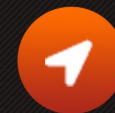Significant progress in environmental and legislative aspects

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