THE AFRICAN DATA CENTER GIGAWATT

How the cloud, the edge and interconnect are transforming African data center market value

Report Summary & Table of Contents

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Introduction: Data centers are a foundational pillar of Africa's age of cloud

- For much of the past decade, data centers were the weak link of Africa's digital infrastructure buildout, a market segment too small and too insular to be meaningful. No longer. As broadband penetration continues to increase, African markets have witnessed an unprecedented wave of data center capacity buildout, driven by the awesome pressure to harness the explosive flows of data traffic sweeping the region, the gravity-like pull of physics and network latency, and the rising but no less powerful demands for national data sovereignty.

- The African market is now in the midst of a seminal phase of construction activity. Around 70 new facilities have been built over the past five years, with 2022 the biggest year of construction to date. Africa's commercial hosting capacity has surged and is now doubling every three years. Global investors are taking notice; Digital Realty and Equinix, the world's largest data center colocations providers have entered the market with acquisitions, perhaps the clearest indication yet of the mainstreaming of African networks into global interconnected platforms.

- Today, African data centers are some of the most highly-valued assets in the region's digital infrastructure fabric. They are one of the most essential pillars of Africa's emerging age of cloud, a phase of prodigious explosion in Internet traffic, cloud adoption, and integration of software into daily life and business operations.

- The rise of the data center market has unleashed a new set of questions around overbuild risk, true demand potential, likely hyperscaler destinations, edge strategies, sustainability in the face of power and water shortages, and overall investor value.

- As is now hallowed Xalam tradition, this report explores all these questions, providing arguably the most in-depth view into the growth, economics and overall potential of Africa's burgeoning data center industry. Our commitment remains unyielding, to deliver to you the best research value for money you will find on this topic, on these markets. Anywhere. We hope this report will live up to that standard.

Malaikum Xalam.

Report structure

Markets and companies covered

This report focuses on Africa at a broad level, with countries covered at varying levels of depth. Countries and players covered are as follows:

Markets covered with good depth

- South Africa
- Nigeria
- Kenya
- Ghana
- Egypt
- Ethiopia
- Morocco
- Cote-d'Ivoire

Other key markets explored

- DRC
- Mauritius
- Mozambique
- Senegal
- Tanzania

Sample companies mentioned

- Acronis
- Africa Data Centres
- Akamai
- Alibaba
- AMS-IX
- Asteroid
- AWS
- Canal+
- DE-CIX
- Digital Parks Africa
- Digital Realty
- Dimension Data
- Equinix
- Ethio Telecom
- Google
- GPX
- Huawei
- IBM
- Inq
- Inwi
- IXAfrica
- KasiCloud
- LINX
- Liquid Intelligent Technologies
- MainOne
- Maroc Telecom
- Microsoft
- MTN
- Multichoice
- N+One
- NTT Data
- Onix
- Open Access Data Centres
- Oracle
- Orange
- OVH
- PAIX
- Paratus
- Rack Centre
- Raxio
- ST Digital
- Stackpath
- Symantec
- Telecom Egypt
- Telkom/BCX
- Tencent
- Teraco
- Vantage Data Centers
- Vodacom
- Wingu
- WIOCC

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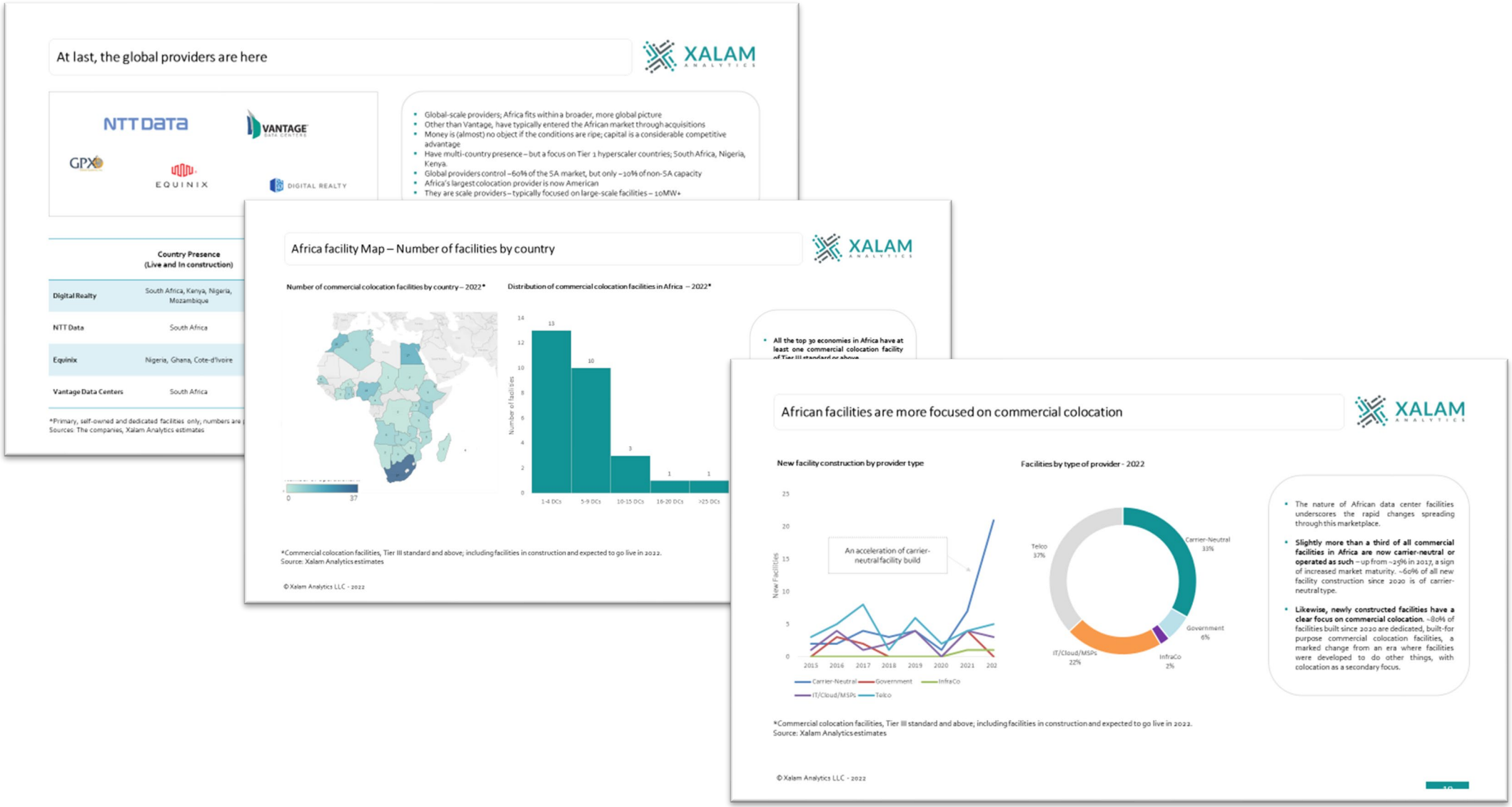

At last, the global providers are here

- Global-scale providers; Africa fits within a broader, more global picture
- Other than Vantage, have typically entered the African market through acquisitions
- Money is (almost) no object if the conditions are ripe; capital is a considerable competitive advantage
- Have multi-country presence – but a focus on Tier 1 hyperscaler countries; South Africa, Nigeria, Kenya.
- Global providers control ~60% of the SA market, but only ~10% of non-SA capacity
- Africa's largest colocation provider is now American
- They are scale providers – typically focused on large-scale facilities – 10MW+

	Country Presence (Live and In construction)
Digital Realty	South Africa, Kenya, Nigeria, Mozambique
NTT Data	South Africa
Equinix	Nigeria, Ghana, Cote-d'Ivoire
Vantage Data Centers	South Africa

*Primary, self-owned and dedicated facilities only; numbers are
Sources: The companies, Xalam Analytics estimates

Africa facility Map – Number of facilities by country

Number of commercial colocation facilities by country – 2022*

Distribution of commercial colocation facilities in Africa – 2022*

- All the top 30 economies in Africa have at least one commercial colocation facility of Tier III standard or above

*Commercial colocation facilities, Tier III standard and above; including facilities in construction and expected to go live in 2022.
Source: Xalam Analytics estimates

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African facilities are more focused on commercial colocation

New facility construction by provider type

Facilities by type of provider - 2022

- The nature of African data center facilities underscores the rapid changes spreading through this marketplace.
- **Slightly more than a third of all commercial facilities in Africa are now carrier-neutral or operated as such** – up from ~25% in 2017, a sign of increased market maturity. ~60% of all new facility construction since 2020 is of carrier-neutral type.
- **Likewise, newly constructed facilities have a clear focus on commercial colocation.** ~80% of facilities built since 2020 are dedicated, built-for purpose commercial colocation facilities, a marked change from an era where facilities were developed to do other things, with colocation as a secondary focus.

*Commercial colocation facilities, Tier III standard and above; including facilities in construction and expected to go live in 2022.
Source: Xalam Analytics estimates

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Packages & Pricing

Summary package

- Full report in PDF
- 106 pages, including ~75 Charts and Visuals
- 40 charts with underlying data in Excel
- Enterprise license

Price: $2500

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