Data Centre Mediterranean – a growth region driven by cloud, content and sub-sea cable connectivity.

Submitted by: Tariff Consultancy Ltd
Thursday, 24 June 2021

Datacentrepricing.com (DCP) has completed new research into the countries* that surround the Mediterranean Sea, providing a unique survey for the first time of Data Centres in the region. " The Mediterranean region has a population of around 500 million, served by just under 500 facilities with DC raised floor space of 1 million m2."

From the 19-country markets, DCP finds that forecast Data Centre revenue growth rates will range from 41 per cent (Malta) up to 106 per cent (Israel) over the four-year period mid-2021 to mid-2025, with an average growth rate of 67 per cent across the Mediterranean Sea region.

The growth in Data Centre revenues is typically composed of three core elements, the increase in new Data Centre capacity, increased customer utilisation and increased price levels.

But for each country market there are three key drivers of growth impacting the Mediterranean region as a whole including:

The introduction of cloud services: In those countries with a number of Cloud Service Providers (CSPs) present there is a clear impact on Data Centre usage. This is most clearly seen in the Israeli market, where AWS, Google Cloud Platform, Oracle & Microsoft all aim to launch cloud services in Israel in 2021 to 2022, with an increase in Data Centre revenues.

The abundance of sub-sea cable connectivity: The Mediterranean is well served by sub-sea cables connecting Europe with Africa, the Middle East & Asia. There are also cables planned from Portugal which will connect to South America. But not all countries have become a landing point hub. In France, Marseille has become a content hub which has generated a Data Centre cluster specialising in the hosting of content services to Africa, the Mediterranean, Middle East & Asia using direct connections to sub-sea cables.

The importance of content services: Content services are being established in 3rd party Data Centre facilities to serve local population centres and improve latency and performance. But the adoption of digital content in proceeding at different speeds. But some countries, such as Spain & Portugal, since the start of 2021 have seen the announcement of large new hyperscale Data Centres which, if realised, are set to transform their markets.

Although the extent of the Data Centre development varies by each Mediterranean country market, there are common themes emerging. Most countries, even in North Africa, are seeing the introduction of Carrier Neutral facilities and are adopting cloud services for enterprises and Government institutions.

Individual markets are promoting connectivity hubs, typically through the promotion of a local Internet

Exchange Point (IXP) in countries including Albania, Morocco and Bosnia -Herzegovina, although the impact has not been uniform, as many users prefer to interconnect in larger IXP markets (such as the Frankfurt DE-CIX) where there is an abundance of connectivity partners available.

Overall, there is more investment entering the Mediterranean market - including the large markets of Israel, Spain and Turkey – with other markets set to follow suit - with investment also being seen in Greece with Digital Realty's acquisition of Lambda Hellix in November 2020.

*Albania, Algeria, Bosnia & Herzegovina, Croatia, Cyprus, Egypt, France, Greece, Israel, Italy, Lebanon, Malta, Monaco, Montenegro, Morocco, Portugal, Slovenia, Spain, Tunisia & Turkey

About the DCP Data Centre Mediterranean report: The DCP Data Centre Mediterranean report surveys the key Data Centre markets in 17 countries around the Mediterranean region (including Albania, Algeria, Bosnia & Herzegovina, Croatia, Cyprus, Egypt, France, Greece, Israel, Italy, Lebanon, Malta, Monaco, Montenegro, Morocco, Slovenia, Spain, Tunisia and Turkey).
For each Mediterranean country the report provides a summary of the Data Centre Providers & facilities by space and power, with profiles of the key providers and a forecast for Data Centre space, power, pricing & revenues from 2021 to 2025. The DCP Data Centre Mediterranean report costs GBP £1,995 for a single user licence. Further information on the report is to be available on DCP's LinkedIn page and on our website at: www.datacentrepricing.com.

About DataCentrePricing.Com (DCP): DCP is a London-based research company which specialises in Data Centre research & consultancy and has over 15 years of experience. DCP has published a wide range of reports on the Data Centre market worldwide including on the European, Chinese, Caribbean, African, Asian & Middle Eastern Data Centre markets. DCP also provides the Euro-Data Centre Trends Tracker subscription service which is published twice a year. Further information on DCP's products are available on the Data Centre Pricing website at: www.datacentrepricing.com. DCP is a subsidiary of Tariff Consultancy Ltd (TCL) which also provides a range of research & consultancy into fixed & mobile services worldwide under the Telecoms Pricing sub-brand (www.telecomspricing.com).