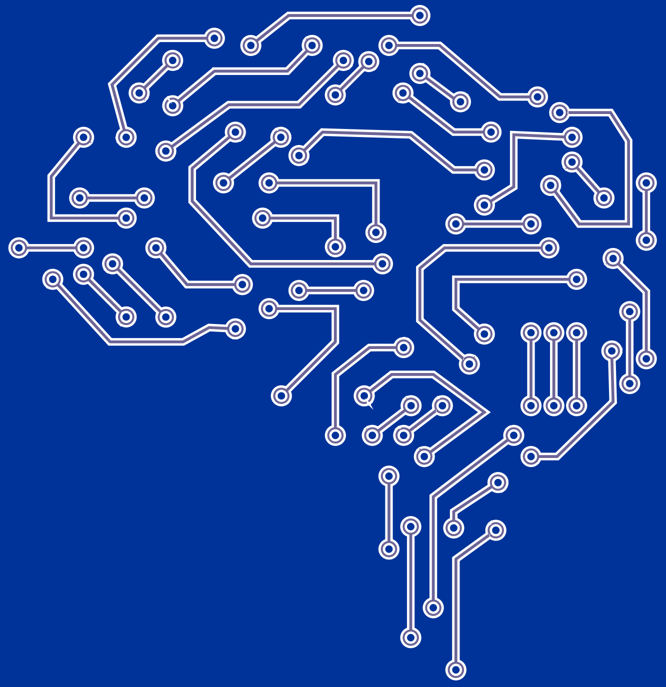
ZAMBIA
DATA CENTER MARKET BRIEFING



A strategic overview of the data center investment opportunity in Zambia

A Xalam Analytics Country Report

July 2025

DATA
GOVERNANCE
IN AFRICA

This report is part of a series of market briefs developed by Xalam Analytics at the behest of Digital Investment Facility (DIF) under the Data Governance in Africa Initiative, on the data center market opportunity in sub-Saharan Africa ("SSA"). This analysis aims to provide key insights into market demand and supply patterns for data center markets, business landscape, regulatory impact and investment returns. The research aims to provide potential investors and stakeholders with the latest information on the data center market in the SSA region.

This country review is based on our assessment of information and data as available to our research. It is further underpinned by our understanding of the marketplace along with market data and insights collected through continuous research. The numbers and estimates in this report are derived from a mix of sources, including estimates from Xalam Analytics' economic models, data providers, regulator data and other sources as may be indicated.

This report is prepared with funds from the Data Governance in Africa Initiative, a project financed by the European Union, Germany, Belgium, Estonia, Finland and France under the Digital for Development (D4D) Hub. Its contents are the sole responsibility of Xalam Analytics and do not necessarily reflect the views of the funders.

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XALAM FRONTIER MARKETS

The Zambia data center investment case

An opportunity to strengthen digital infrastructure in one of Africa's most promising economies

THE OPPORTUNITY

- **A promising, mid-size African economy** in the midst of market reforms.
- **Extensive National Digital Transformation Strategy** to drive economic development through digital transformation.
- Nearly 90% of energy from renewables sources.
- Flexible, open access electricity regime.
- **Zambia has one of the most dynamic terrestrial fiber markets** in Southern Africa.

CHALLENGES & RISKS

- **Economy still relatively fragile**; high inflation and FX risk.
- Relatively moderate to high cost of power.
- **Some oversupply and demand size risk**, with small enterprise base, slow enterprise digital transformation, limited international player deployments.
- **Landlocked status creates constraints to** fiber bandwidth diversity.

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Zambia data center market overview

Estimates as of 2024

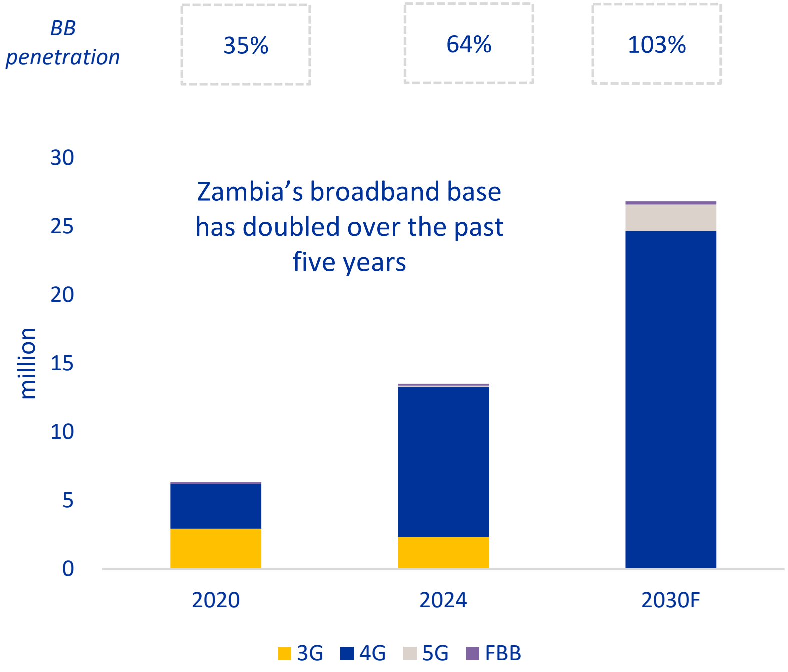
~5	Live DC facilities
2MW	Live critical IT load (1)
NA	Capacity in construction (2)
~2MW+	Long term pipeline (3)
~1	Facilities in construction or in pipeline
~60%	Facility occupancy (4)
$5m	Annual Commercial Data Center Revenue
15%	Data center market CAGR (2024-30)

(1)Capacity that is active, under lease or readily available for lease by third-party customers.
(2)IT load capacity from facilities currently in construction; construction has broken ground; ongoing civil works, installation and commissioning phases are in progress.
(3)Facilities explicitly announced or listed as in development. Some execution phases have been initiated (e.g. land control, energy supply commitments, etc.), but no actual civil works have been undertaken. Capacity expected to be available by the end of 2030.
(4) Percent of available capacity that is effectively being used by third party customers.
Sources: Xalam Analytics estimates, provider data

Key drivers of demand for data centers

Despite persistent macro-economic pressures, the Zambian market is in the midst of accelerated digital infrastructure build

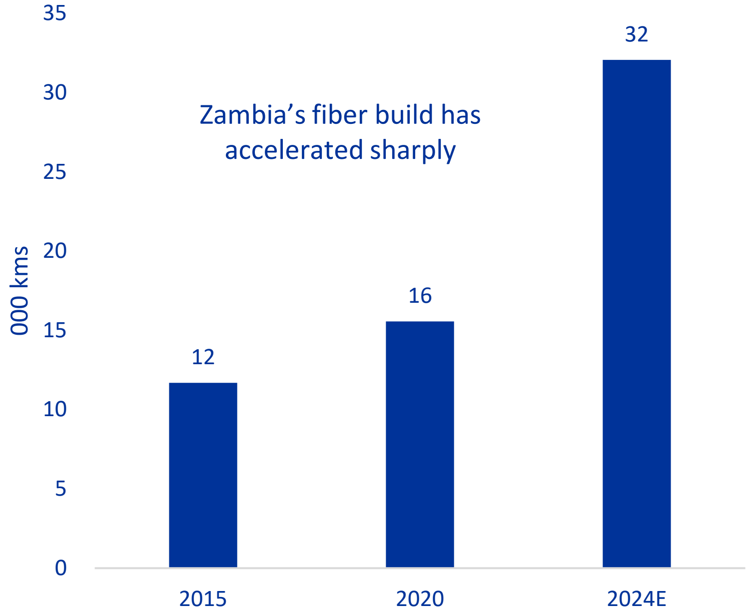
A growing digital customer base
- Zambia broadband connections by type - million



A stable economy, with persistent inflation risk
Sample Zambia economic indicators - 2024

~$25bn GDP	**4%** Real GDP growth
64% Broadband penetration	**15%** Annual inflation

Accelerated digital infrastructure build
Zambia terrestrial fiber – 000 kms



Sources: IMF, ZICTA and provider data, Xalam Analytics estimates

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Data center market conditions

The Zambian digital infrastructure market has become one of the most dynamic in Southern Africa

Data privacy, hosting & investment incentives

- The government passed the Data Protection Act in 2021 establishing rules for the collection, use, storage and transfer of personal data.
- The Act also established the Office of the Data Protection Commissioner to enforce compliance with the new rules.
- The National Digital Transformation Strategy 2023-2027 is Zambia's five-year plan to drive economic development through digital transformation. The strategy has five main areas of focus including digital infrastructure, digital platforms, digital services, digital literacy and skills, and digital innovation and entrepreneurship.

Electricity Market

- Zambia has a generation capacity of ~3.5GW,
- Nearly 90% of energy from renewables sources (mostly hydro).
- Growing IPP presence.
- Zambia has adopted an open access electricity regime that makes it possible to contract IPPs for power service delivery above 1MW.
- Relatively moderate electricity prices - $0.10/kWh.

Fiber market

- Zambia has one of the most dynamic terrestrial fiber markets in Southern Africa; nearly 10 providers offering some form of terrestrial fiber connectivity.
- As a landlocked market, Zambia's providers are focused on developing routes to international cables on Africa's East and West Coasts.
- A relatively dynamic segment, driven by 4G/5G deployment demand, a handful of providers offering FTTx.

State of data center supply

Modest supply growth in a market in need of additional capacity

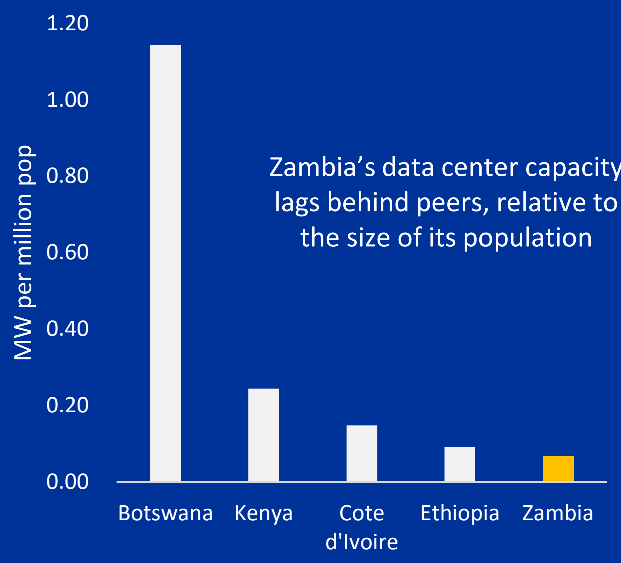
Zambia data center supply – 2024E

Sample market indicators (1)

~5 Live commercial DC facilities	**~2MW** Live IT load
2MW Potential/Full-build IT load (2)	**~50%** % of supply that is carrier-neutral

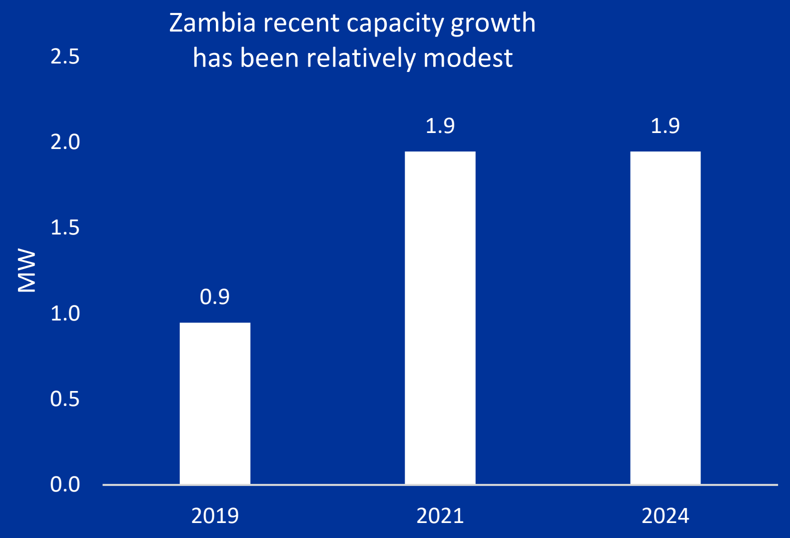
Zambia vs. Sub-Saharan Africa peers

Critical IT load – MW per million population



Zambia data center market – evolution of live supply

Critical IT load - in MW



(1)Numbers are rounded up (2) Potential/Full-build load is facility capacity assuming that all phases of development have been completed. Additional CapEx would be needed to make the residual capacity operational.

Sources: Xalam Analytics estimates, provider data

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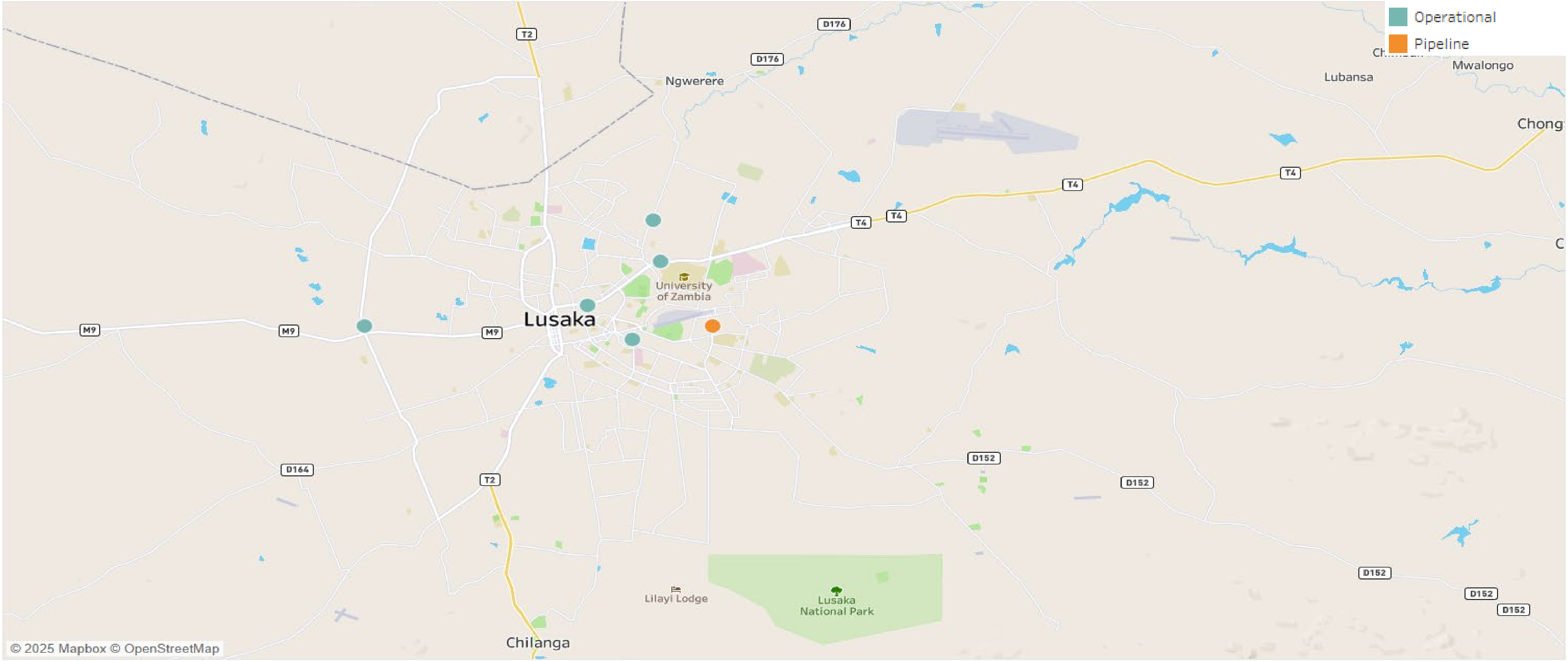
Zambia facility mapping – Lusaka metro



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Key data center market players

Zambia has a diverse data center environment; in a market rife with hybrid providers, carrier-neutral providers are bringing in more dedicated supply

The hybrid telcos & IT providers

MTN
LIQUID INTELLIGENT TECHNOLOGIES
airtel
NETONE Enterprise Technology | Data Center

Primarily focused on mobility, connectivity and IT services - see colocation as an adjacent opportunity.

Government Facilities

Infratel Accessible. Everywhere.

Public sector-focused NDC (1)

Carrier-neutral

PARATUS Always Prepared

Run as carrier-neutral (2)

Future competition/New entrants

Africa DataCentres

More data center specialists are coming to the market

A diverse data center colocation market

- Zambia has a relatively diverse competitive environment. Most providers are hybrid in some form, though they may offer to provide services on a carrier-neutral basis.
- State presence is notable. The National Data Centre is one of the country's largest facilities.
- This is a historically telco-dominated market, and facilities are ostensibly focused on serving the enterprise market.
- The arrival of Liquid/ADC (expected around 2026-27) should bring additional specialization to this market.

*Infratel runs the government's national data center
**The Paratus facility is owned by a fiber infraco but run as carrier-neutral.
Sources: Xalam Analytics estimates, provider data

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GLOSSARY & KEY DEFINITIONS

Key definitions

Data center	While there are a variety of definitions for data centers, this market review is focused on commercial facilities , that is, facilities that lease colocation white space and power capacity to third-party customers on open, commercial terms, and in exchange for a fee. Captive facilities (bank data centers, telco switch sites and similar) are excluded from this assessment. Estimates focus on facilities at Tier II standard and above, unless otherwise indicated. Where applicable, these estimates include cloud hyperscaler self-built facilities.
Live critical IT load	Capacity that is active, under lease or readily available for lease.
Full build capacity	Data center facilities are typically built in phases; the full-build capacity is capacity assuming all potential phases of build have been completed and are live.
Capacity in construction	Facilities that have broken ground; ongoing civil works, installation and commissioning phases.
Pipeline	Facilities explicitly announced or listed as in development. Some execution phases have been initiated (e.g. land acquisition, power supply commitments, etc.), but no actual civil works have been undertaken.
Carrier-neutral	Facilities not specifically affiliated to a connectivity or cloud vendor, with capacity available to all third-party customers, on equal commercial terms, without explicit or implicit constraints or favoritism. This market review uses a loose definition for carrier-neutral, referring to facilities that are purely carrier-neutral, recognized by the market or effectively managed as such.

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Glossary

Below are some of the key abbreviations used in this report

AI	Artificial Intelligence
ASN	Autonomous System Number
bn	billion
CAGR	Compound Annual Growth Rate
CapEx	Capital Expenditures
CDN	Content Delivery Network
Colo	Colocation
DC	Data Center
DIF	Digital Investment Facility
EAC	East African Community
EU	European Union
F	Forecast
FBB	Fixed Broadband
FDI	Foreign Direct Investment
FX	Foreign Exchange
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
ICT	Information, Communications and Technology
ISP	Internet Service Provider
IPP	Independent Power Producer
IT	Information Technology

kW	Kilowatt
kWh	Kilowatt Hour
LLM	Large Language Models
m	million
MNC	Multinational Corporation
MNO	Mobile Network Operator
MRR	Monthly Recurring Revenue
MSP	Managed Service Provider
MW	Megawatts
NDC	National Data Center
OEM	Original Equipment Manufacturer
POP	Point of Presence
PUE	Power Usage Effectiveness
RFS	Ready For Service
SEZ	Special Economic Zone
SSA	Sub-Saharan Africa
USD	US dollar
PUE	Power Usage Effectiveness
RFS	Ready For Service
SSA	Sub-Saharan Africa
YE	Year end

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