RAXIO
The data centre company

The State of Data Centres in Uganda – 2024

As Uganda accelerates its digital transformation, data centres have become a linchpin for economic growth underpinning financial services, public infrastructure, and enterprise digitization. The convergence of cloud adoption, AI, data sovereignty, and sustainability is redefining the role of digital infrastructure in the country's development agenda.

This report highlights the key trends shaping Uganda's data centre market, the challenges facing businesses and operators, and the opportunities poised to unlock national and regional growth.

Digital Trends Reshaping the Landscape

Cloud Adoption Gains Momentum

Cloud computing in Uganda has grown by over 30% in just three years, driven by SMEs, fintechs, and government agencies seeking scalability, efficiency, and compliance according to the Uganda Communications Commission (UCC) report.

This growth demands reliable local providers like Raxio Data Centre, who can deliver secure, enterprise-grade cloud hosting through global partnerships.

Regulatory Shift: Data Must Stay Local

Uganda's Data Protection and Privacy Act mandates local processing and storage of citizen data. The need for local data centre solutions has intensified, ensuring compliance with regulatory requirements while minimizing the risks associated with storage of sensitive data in foreign locations.

As ISO 27001 and GDPR standards become the benchmark, businesses are actively seeking certified providers with compliant infrastructure.

AI and Big Data Drive Infrastructure Demand

Artificial Intelligence is transforming banking, retail, and healthcare but it also demands high-performance computing environments. With financial institutions deploying AI for fraud detection and personalization, low-latency local hosting becomes critical to maintaining compliance and performance.

Sustainability Becomes a Strategic Imperative

Environmental and power reliability concerns have moved green data centre investments to the top of the agenda. With UMEME's exit, businesses are prioritizing partners who leverage hydro and solar energy to ensure sustainability and operational continuity.

The Infrastructure Challenge

High Capital Requirements Hinder Private Builds

✅ Owning private data centres is capital intensive requiring investment in power, cooling, security, and redundancy. For most enterprises, the Total Cost of Ownership is prohibitive, pushing the shift to colocation and managed services.

Power Supply Volatility

✅ Uganda's energy sector is undergoing transformation. Businesses are grappling with pricing uncertainty and power reliability concerns. An uninterrupted power supply is a must-have for any data centre and the usage and dependence on diesel generators as backup causes and hikes operational expenses.

Data centre providers with efficient backup systems and green energy capabilities are becoming the preferred choice.

Cybersecurity and Resilience in Focus

✅ Cybercrime rose by 37% in 2023, according to the Uganda Police Cyber Unit. The rising threat landscape is compelling enterprises to seek secure colocation, compliance-grade security frameworks, and disaster recovery solutions.

Opportunity in Transition

Exit of UMEME Sparks Market Movement
Following UMEME's exit from the energy sector, private data centres are stepping in to fill the void offering reliable, energy-efficient alternatives for businesses that prioritise sustainabilty and operational efficiency.

Public-Private Collaboration is Key
Uganda's National Development Plan III prioritizes ICT and local data storage. Public-private partnerships between government, telecoms, and data centre operators are essential to accelerate national digital infrastructure.

5G and Fibre Rollout Expand the Playing Field
The advent of 5G and nationwide fibre rollout will unlock low-latency computing demand beyond Kampala. Secondary cities are emerging as viable markets for edge computing, cloud adoption, and colocation services.

How Raxio Data Centre is powering Uganda's digital transformation

Raxio Data Centre's state-of-the-art infrastructure is equipped with a reliable 2N+1 design on power supply, cooling, connectivity, and space with 24/7 CCTV monitoring and 7 layers of physical security systems which have successfully offered businesses uninterrupted access to their data and enabled business continuity through reliable data storage and processing.

Cloud adoption is being supported by Raxio Data Centre in such a way that cloud providers can easily house their infrastructure at the data centre, providing flexible storage, computing power, and networking solutions to businesses looking to migrate to the cloud.

Raxio Data Centre is enabling localized data sovereignty by providing Ugandan businesses and government entities a place to host sensitive data in-country hence adherence to regulatory requirements around data sovereignty and avoiding challenges associated with storing data in foreign jurisdictions.

Raxio Data Centre is powering the national push towards smart city projects and e-government services. Having a secure, reliable local data centre is a critical step in facilitating online service delivery, and allowing the citizens of Uganda to access government services digitally as the government of Uganda journeys towards digitizing services.

By providing secure infrastructure for data collection and analytics, businesses are empowered by Raxio to leverage big data for improved decision making especially as they shift towards data driven strategies for growth.

Raxio connects to high speed international fibre optic networks, significantly improving internet connectivity in Uganda and enabling businesses in Uganda to tap into a broader range of digital services from e-commerce to advanced technologies like AI, machine learning, and big data analytics.

Final Word: The Infrastructure Uganda Needs Now

Uganda's digital economy is gaining pace. What it now needs is robust, compliant, and sustainable digital infrastructure to support its growth. Forward looking businesses must embrace cloud, AI, and colocation services to remain competitive and ready for the future.

What Leaders Should Note:

- *Cloud adoption is surging; secure, local infrastructure is critical.*
- *AI, fintech, and e-government require high-performance, compliant environments.*
- *Regulatory and environmental pressures demand local, green data hosting.*
- *Infrastructure transitions present rare opportunities for transformation.*

As Uganda redefines its digital future, data centres are no longer just utility providers they are strategic enablers. The time to invest in this foundational layer of the digital economy is now.

About Raxio Uganda

Raxio Uganda is Uganda's first carrier-grade, Tier III certified carrier-neutral data centre. At the heart of Namanve Industrial Park, Raxio Uganda is ideally located along key fibre routes and delivers best in class colocation, cross connect, fibre and IT infrastructure services.

We work to support industries that are facing increasingly complex and unique IT and regulatory challenges. By providing these industries with the technological infrastructure they need to transform their businesses, Raxio Uganda will help drive economic growth, social development, and digital transformation throughout Africa.

Talk to us today – sales.ug@raxiogroup.com
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