



# SMB security spending in the Middle East and Africa: trends and forecasts 2019–2024



Eileen Zimbler



## About this report

This report provides forecasts for spending on security-related technology by small and medium-sized businesses (SMBs) in the Middle East and Africa (MEA).<sup>1, 2</sup>

This report quantifies the revenue opportunity for security vendors in 7 key categories and 20 sub-categories. It is based on:

- Analysys Mason's *SMB Technology Forecaster*, which has been updated to reflect the impact of the COVID-19 pandemic on the SMB market
- our 2019 IT survey of 507 SMBs in MEA
- economic indicators, such as GDP and population growth
- vendor and supply-side indicators, such as pricing and financial reporting
- Analysys Mason's ongoing discussions with security vendors and service providers.

### WHO SHOULD READ THIS REPORT

- Security vendors that want to identify key areas for revenue growth, both in terms of business segments and individual services.
- Security vendors that are considering targeting the SMB market.
- Third-party service providers (such as managed service providers (MSPs) and operators) that are seeking partnerships with security vendors.

### SPENDING CATEGORIES<sup>3</sup>

- **Endpoint security:**
  - encryption (on-premises)
  - secure content management (on-premises)
  - web/messaging security (cloud + on-premises)
- **Mobile security:**
  - mobile application management (cloud + on-premises)
  - mobile device management (cloud + on-premises)
- **Network security:**
  - firewall (on-premises)
  - identity and access management (cloud + on-premises)
  - intrusion detection/prevention (on-premises)
  - other security and vulnerability management
  - security information and event management (cloud + on-premises)
- **Security hardware:**
  - dedicated security appliances
  - unified threat management appliances
- **Cloud security:**
  - hosted security software
- **Product support services:**
  - security support
- **Remotely managed IT security services:**
  - remotely managed security services

<sup>1</sup> We define small businesses as those with 0–99 employees, and medium-sized businesses as those with 100–999 employees.

<sup>2</sup> The countries modelled in the Middle East and Africa are Egypt, Israel, Kenya, Nigeria, Saudi Arabia, South Africa, United Arab Emirates and the rest of MEA.

<sup>3</sup> A full description of each category is included in the appendix of this report.

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11. Endpoint and network security: spending on these services will grow at a CAGR of 5%, but their share of total security spend will decline during the forecast period
12. Mobile security: mobile security spending in MEA is expected to grow rapidly as SMBs contend with an increasing number of mobile devices and users
13. Cloud security: spending on cloud-based security will grow the faster than any other security category, driven by the rising migration of business processes to the cloud
14. Security hardware: the security hardware share of total cyber-security spending will decline as SMBs shift to cloud-based security solutions
15. Security management: SMBs are prioritising outsourced cyber-security management, which is driving growth in managed security spending
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## Security overview: the demand for hosted/cloud-based, mobile and remotely managed security services will drive growth in SMB security spending

Strong growth in spending on cloud, mobile and remotely managed security services is driving the increase in overall spend on cyber security by SMBs in MEA. Spending on on-premises solutions is expected to grow much more slowly.

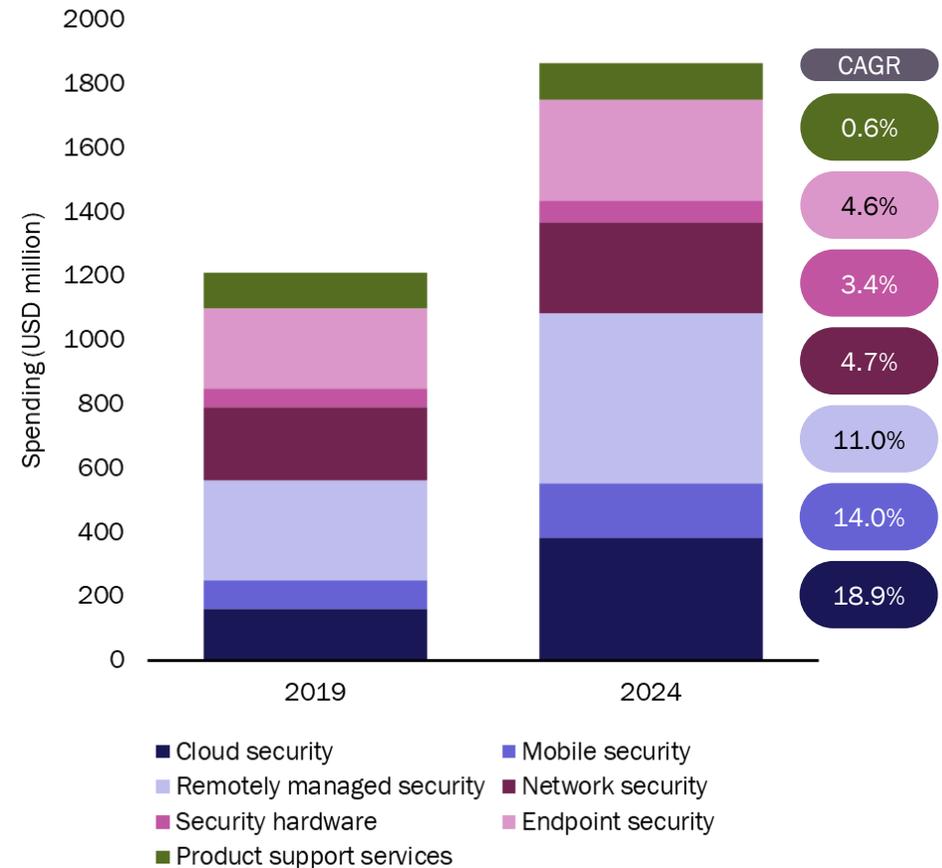
**Cloud security.** SMBs in MEA spent USD161 million (13% of total security spend) on cloud/hosted security in 2019; this share is expected to increase to USD383 million (21% of all security spending) by 2024. First-time deployments of cloud-based security solutions by SMBs in MEA are expected to rise by 14% annually through 2024.

**Remotely managed security.** SMB spend on managed security will increase by 11% annually between 2019 and 2024, driven by a rise in the number of firms adopting managed security services. In 2019, SMBs in MEA spent USD314 million on managed security and are projected to spend USD529 billion by 2024.

**Mobile security.** In 2019, mobile security spend by SMBs in MEA was USD88 million, and this is projected to increase to USD170 million in 2024. SMBs in MEA spend less per firm than the worldwide average, and their spending is expected to grow less rapidly through 2024.

Spending on on-premises solutions such as endpoint and network security and hardware will grow more slowly than that on cloud, mobile and managed security. Both the number of first-time deployments and the costs for on-premises solutions are falling.

Figure 3: SMB security spending by category, MEA, 2019 and 2024



Source: Analysis Mason



Executive summary

Worldwide trends

Trends by security category

Trends by business size

Trends by routes to market

Forecast methodology and assumptions

**About the author and Analysys Mason**

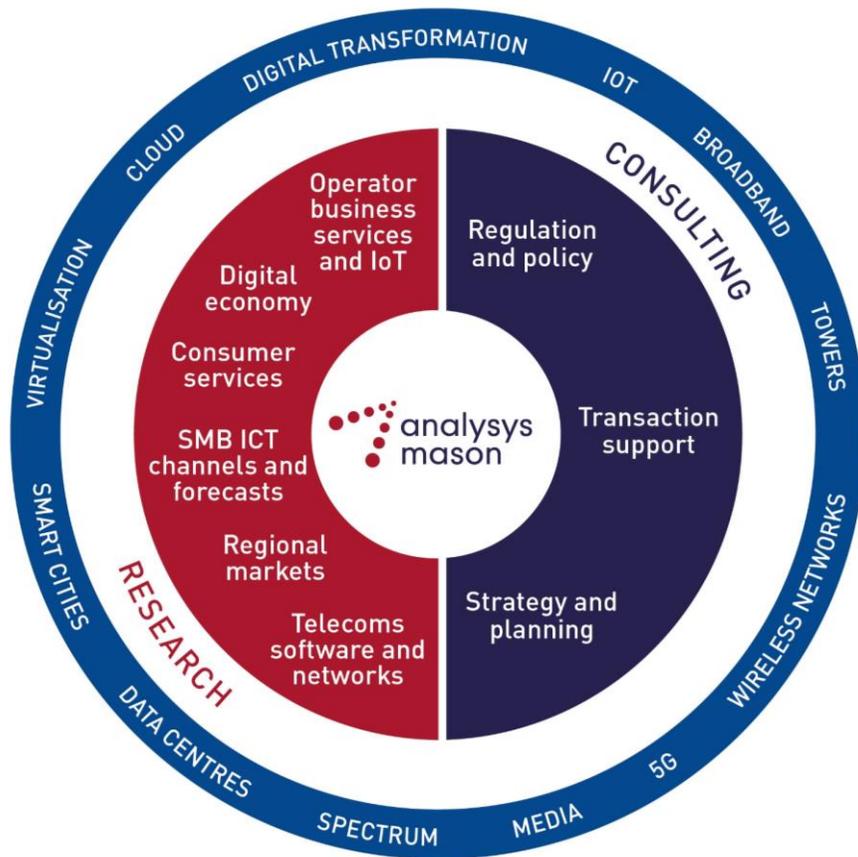
## About the author



**Eileen Zimble** (Senior Analyst) is in Analysys Mason's *SMB ICT channels and forecasts* research team. She has more than 25 years of experience in IT market research and manages a global team of analysts and consultants that focus on SMB ICT research services. Eileen oversees the primary research and analysis process that informs many Analysys Mason programmes, including the PCs and mobile devices programme. She is also involved in custom research projects for leading IT vendors such as Cisco, Dell, HP, Intel and Microsoft. Prior to joining Analysys Mason, Eileen held roles at AMI-Partners (acquired by Analysys Mason) and IDC/LINK, a leading consulting and research firm focused on PCs, telecoms and consumer electronics, where she authored a number of research reports on small business computing and multimedia. Eileen holds an MBA in Finance as well as a Bachelor of Arts in Liberal Arts from Hofstra University.

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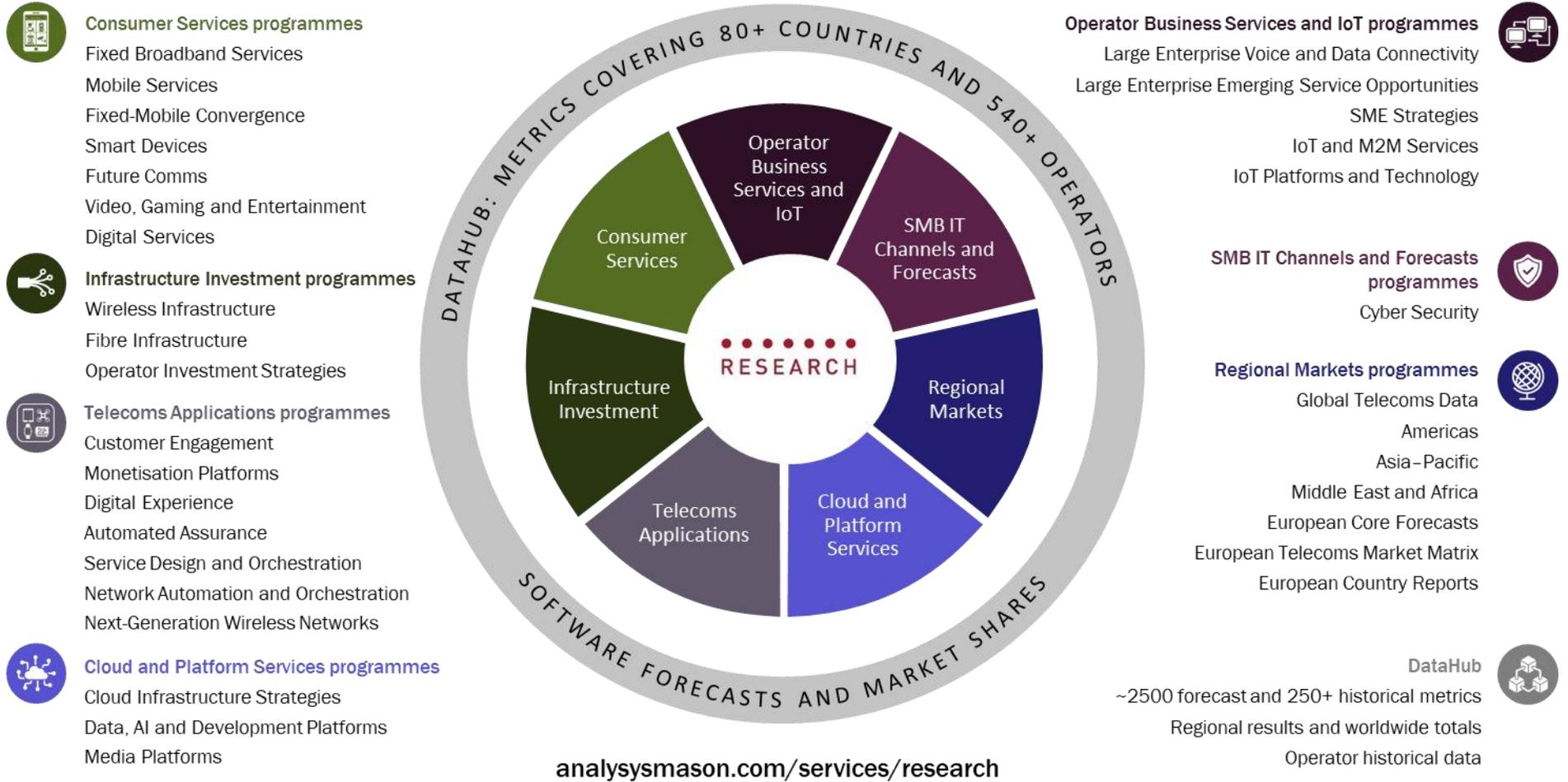
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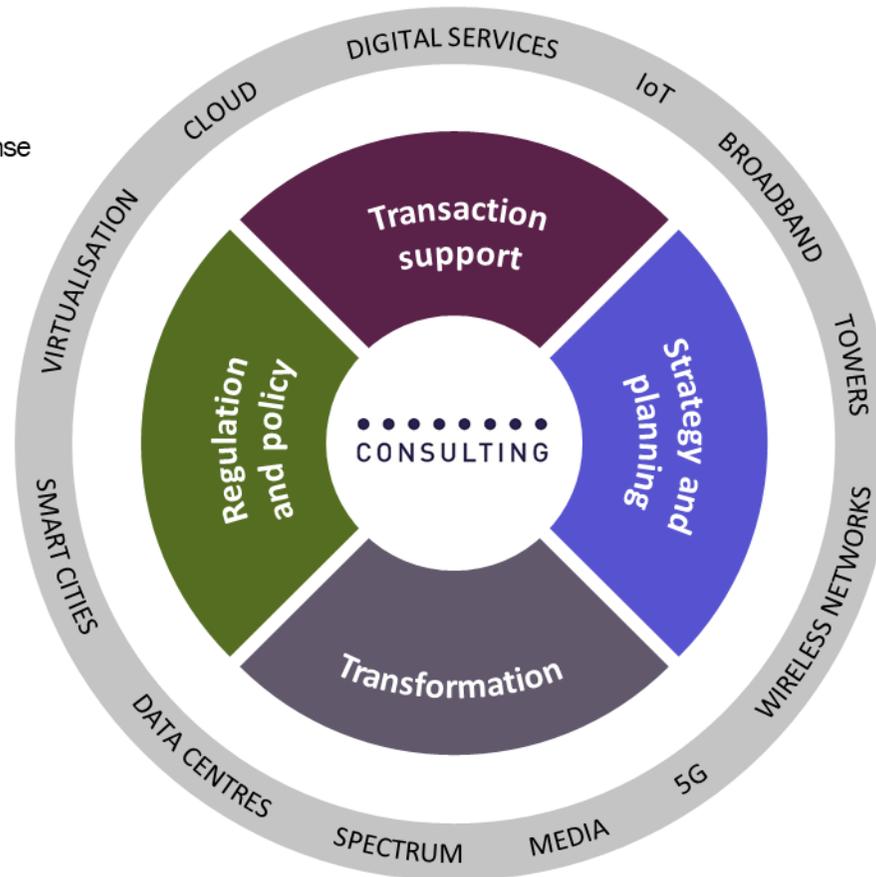
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- Policy development and response
- Ex-ante market reviews, remedies, costing...
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- Ex-post / abuse of dominance
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