ICTfest

Matera 16 April 2026

Peering market at a glance

Trends, transformations, and regional dynamics of Internet interconnection

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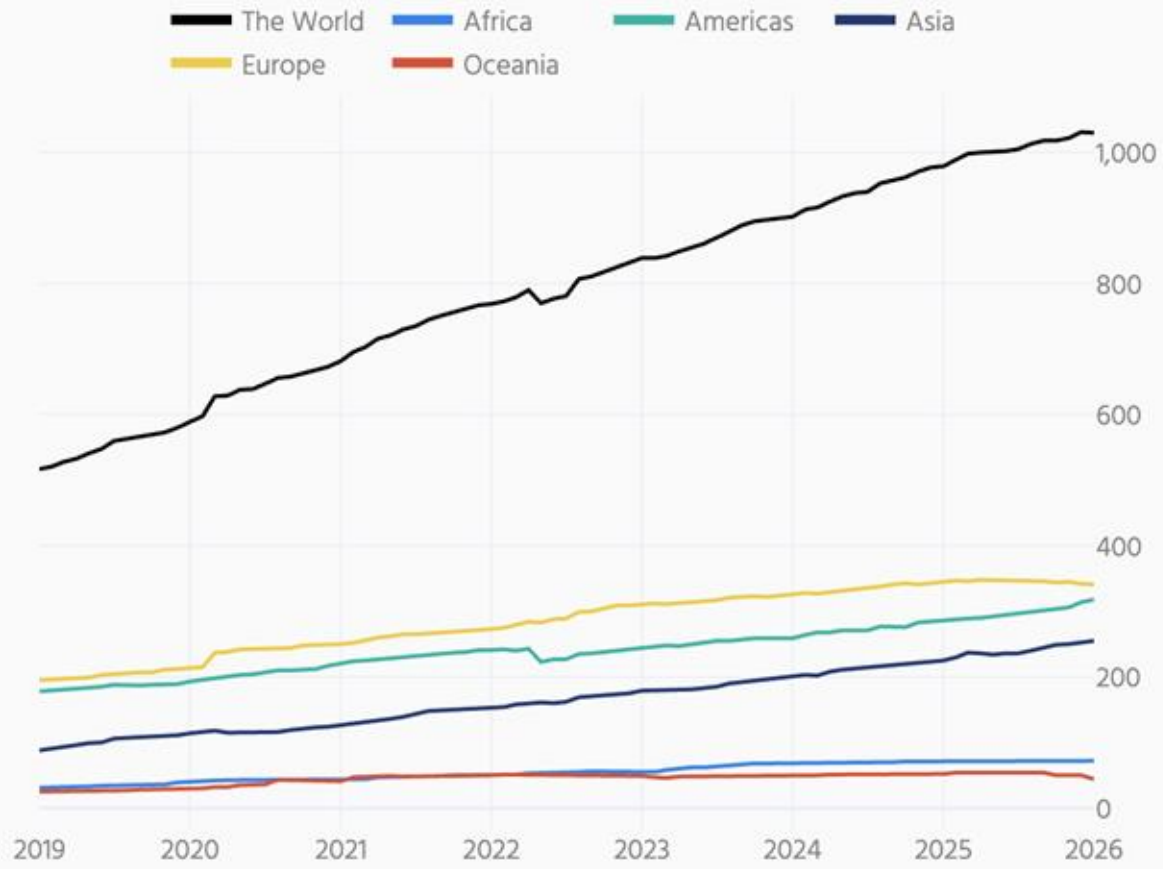
NAMEX
ROMA INTERNET EXCHANGE POINT

Is peering dying?

In recent years a growing narrative in the industry suggests that public peering and IXPs are losing relevance

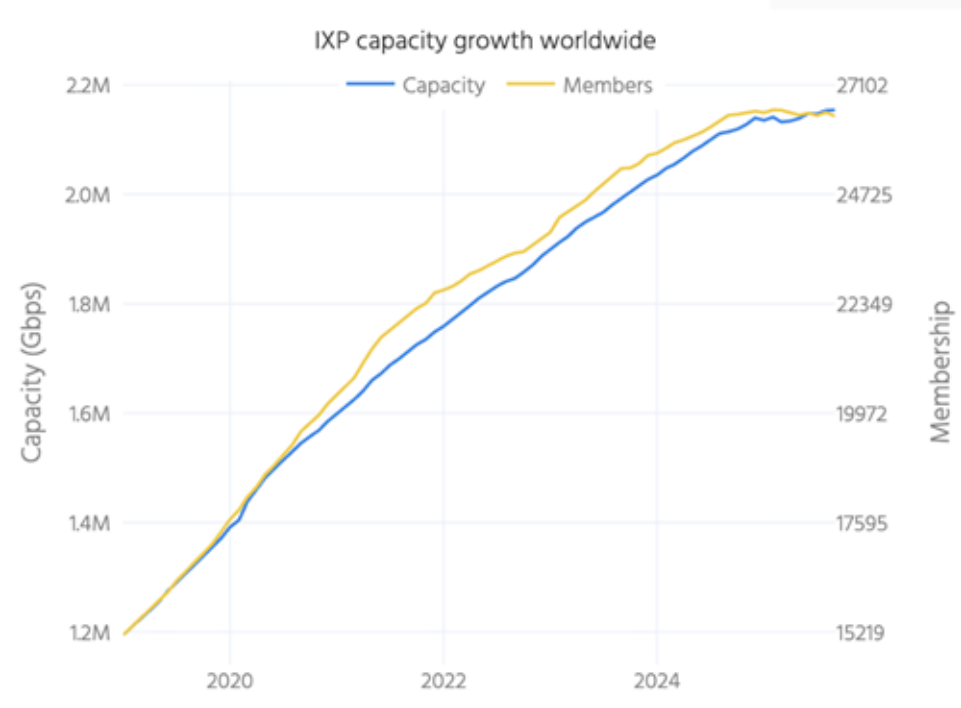


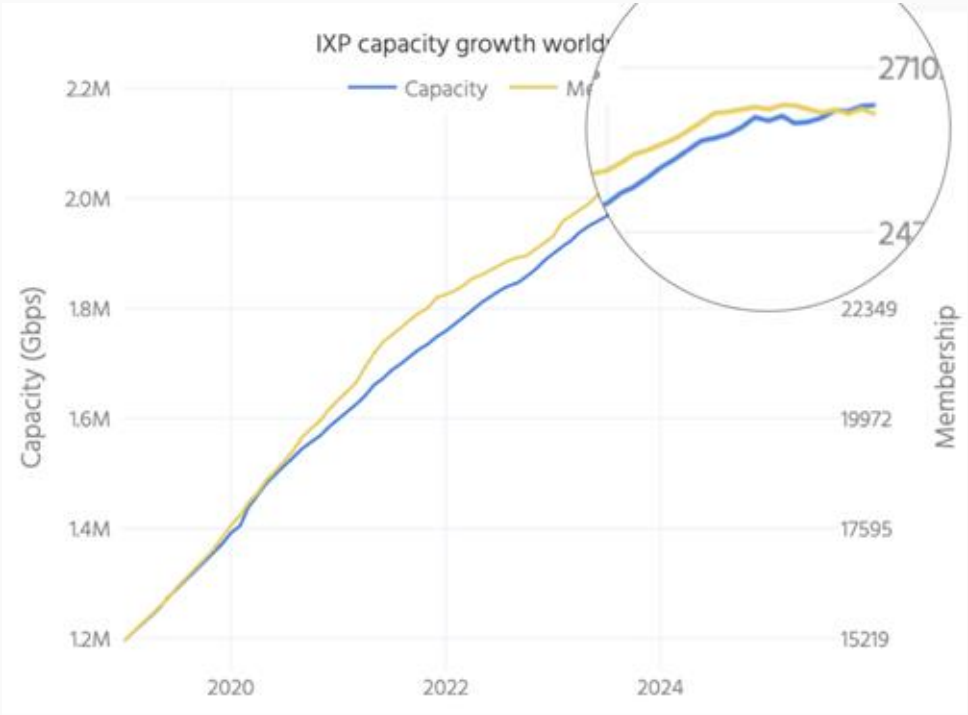
Growth in the number of IXPs worldwide

Is peering dying?

This perception is driven by several observations:

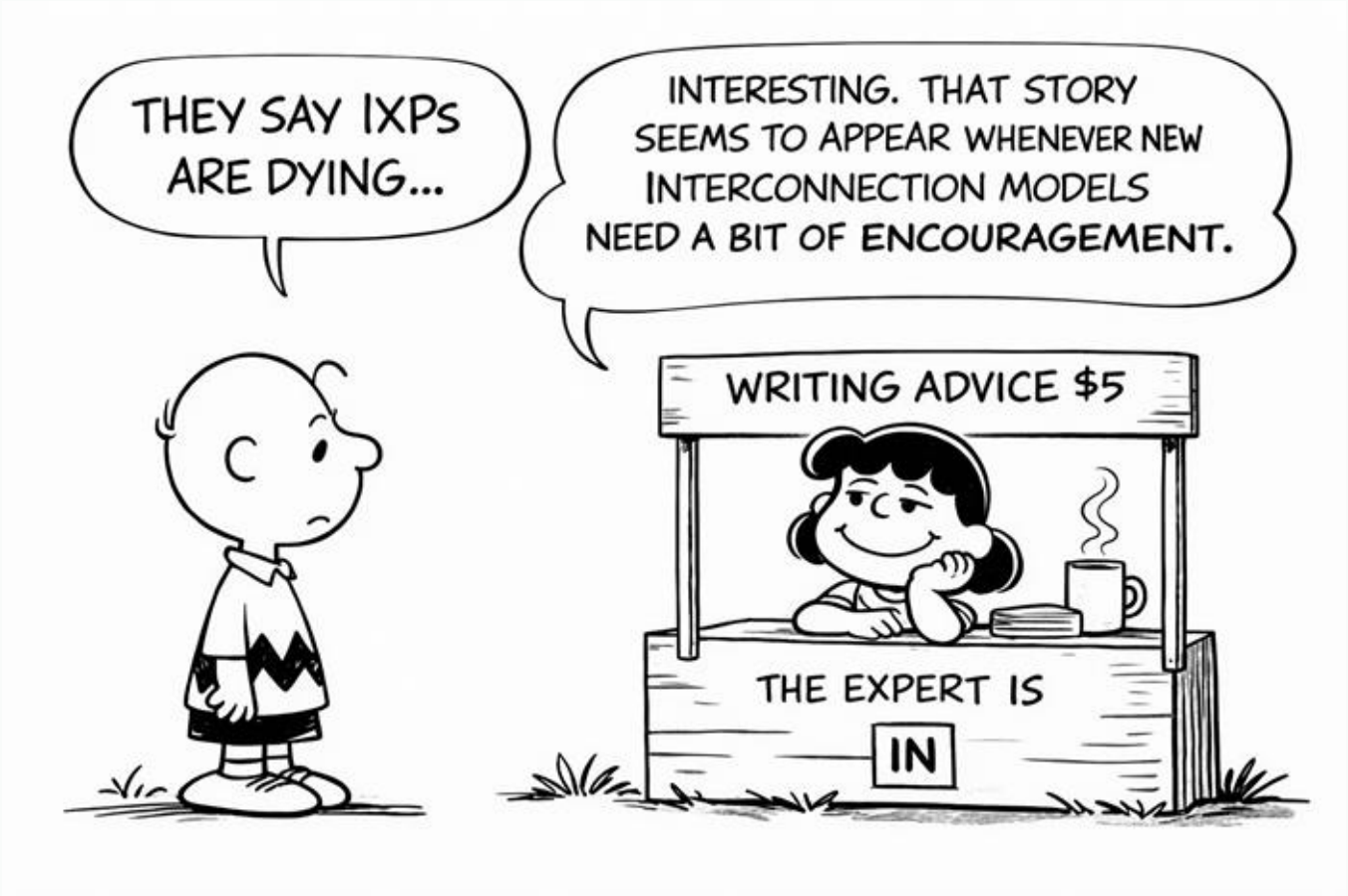
- Slower growth in some large and mature hubs
- Stabilisation of traditional indicators such as membership and capacity
- Increasing use of PNIs, in-network caching and edge architectures
- Greater visibility of alternative interconnection models





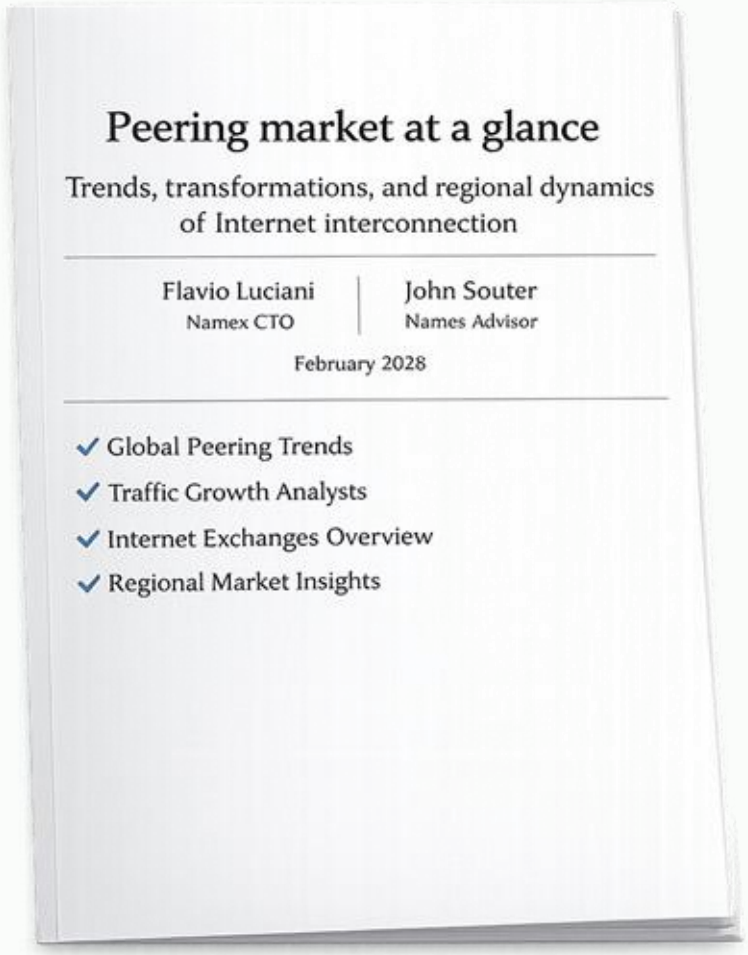
So, what is really happening?

Is this the beginning of a structural decline or a new phase in the evolution of Internet interconnection?



The core thesis of the paper

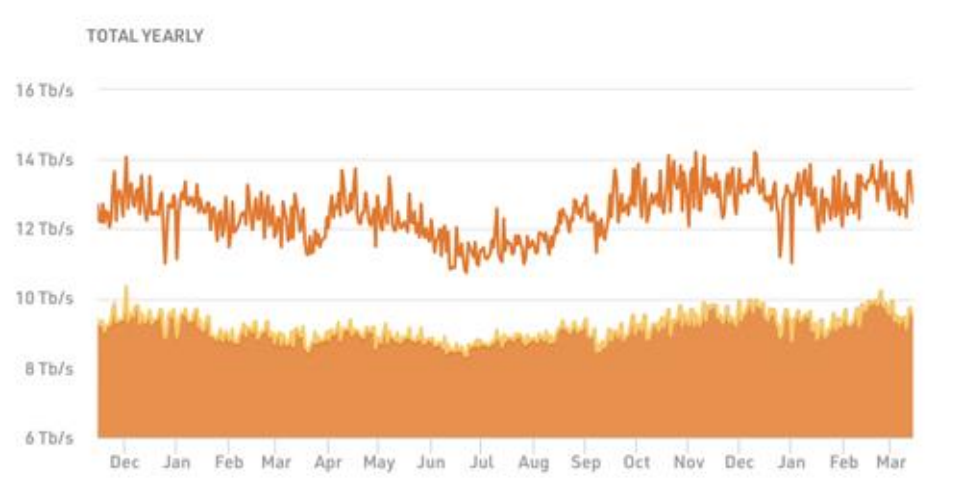
- **The peering market is not declining**
  - The global Internet traffic continues to grow, and that the apparent slowdown in some IXPs does not represent a structural crisis
- **It is undergoing structural transformation**
  - The ecosystem is evolving toward hybrid models where public peering, PNIs, in-network caching and edge architectures coexist
- **Traffic continues to grow**
  - Demand for connectivity, content and digital services remains strong worldwide
- **Traditional metrics are insufficient**
  - ASN counts, membership, and port capacity do not fully capture the evolving dynamics of interconnection



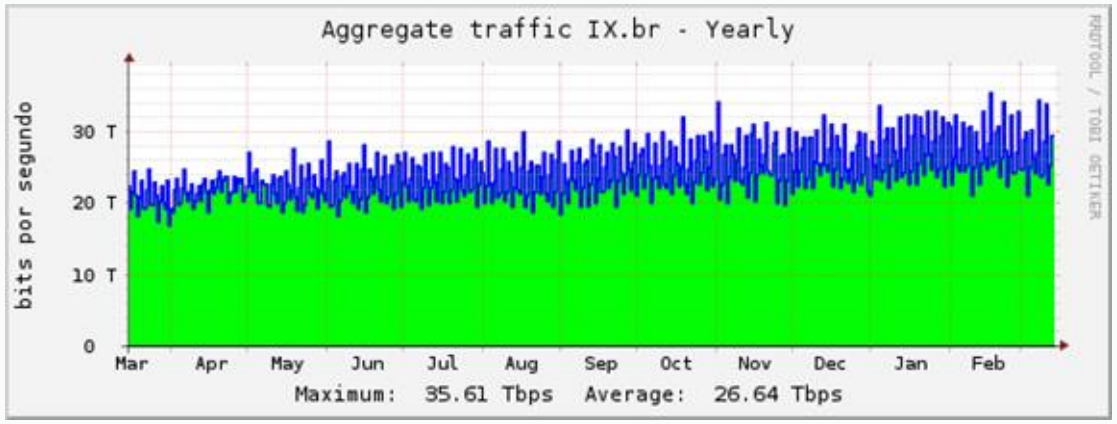
*This presentation does not replicate the full regional analysis, but synthesises the main strategic conclusions. The full paper covers Europe, Latin America, Africa, Asia-Pacific and North America in detail and is available on major technical blogs

Why the misinterpretation exists

- **Slowdowns in mature IXPs**
  - Large European and global hubs have reached a level of maturity, leading to slower growth compared to earlier expansion phases
- **Visibility problem**
  - A growing share of traffic is exchanged outside public fabrics, creating distortions in observable indicators



AMS-IX



IX.br

Why the misinterpretation exists

- **Selective interconnection**
  - Peering strategies are becoming more selective, based on traffic thresholds and strategic priorities

Peering Policy Information	
Peering Policy	https://aka.ms/peering-policy
General Policy	Selective
Multiple Locations	Preferred
Ratio Requirement	No
Contract Requirement	Not Required
Health Check	

Microsoft

Peering Policy Information	
Peering Policy	https://aws.amazon.com/peering/policy
General Policy	Selective
Multiple Locations	Preferred
Ratio Requirement	No
Contract Requirement	Not Required
Health Check	http://ec2-reachability.amazonaws.com

AWS

Peering Policy Information	
Peering Policy	https://cache.edge.apple
General Policy	Selective
Multiple Locations	Preferred
Ratio Requirement	No
Contract Requirement	Not Required
Health Check	

Apple

Peering Policy Information	
Peering Policy	https://www.meta.com/peering
General Policy	Selective
Multiple Locations	Not Required
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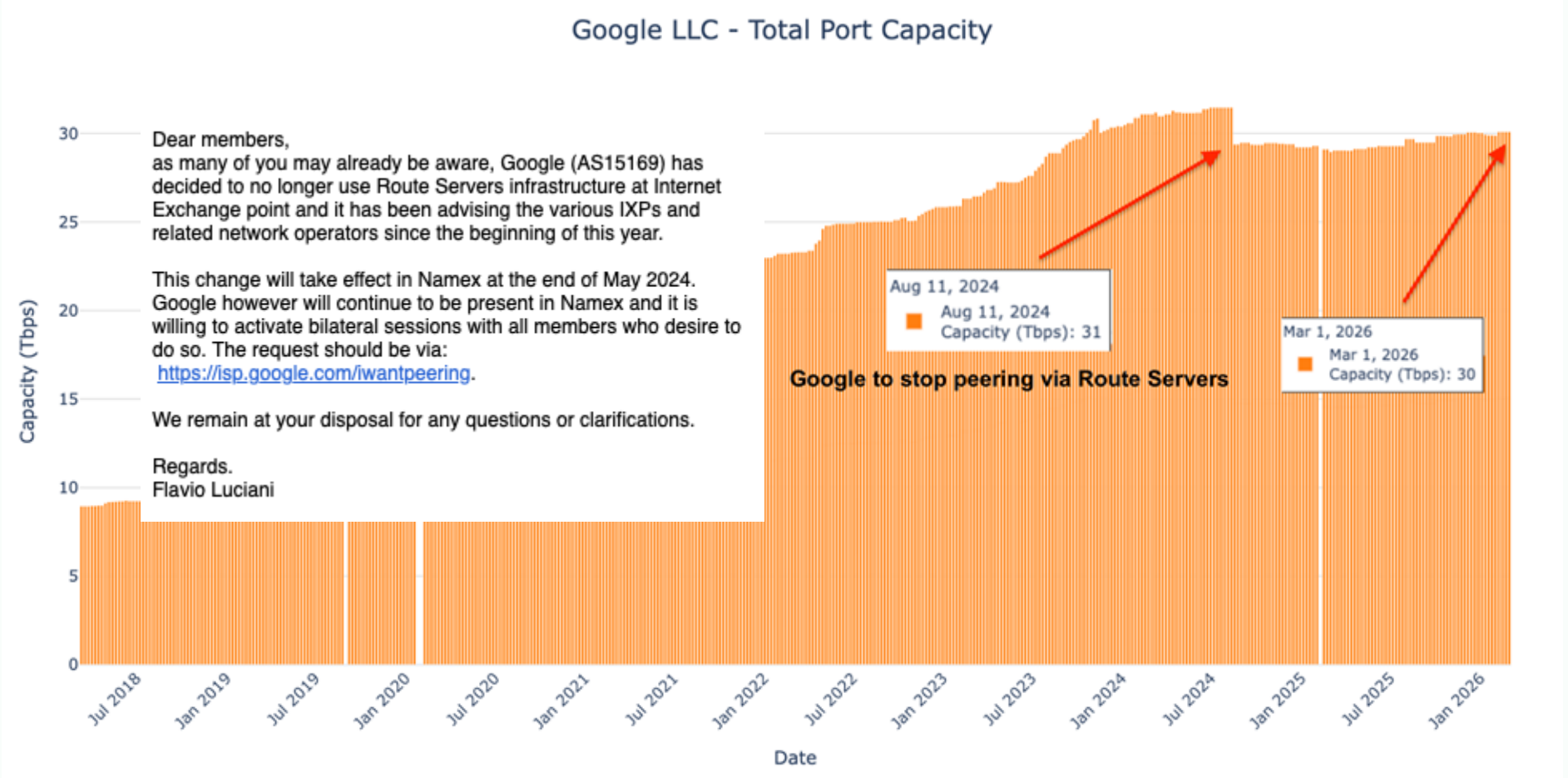
Meta

Source: peeringDB

Why the misinterpretation exists

- **Growth of PNIs and in-network caching (as well as other interconnection models…)**
  - Large networks increasingly prefer direct interconnection for performance and economic reasons



This graph is created thanks to CAIDA snapshots

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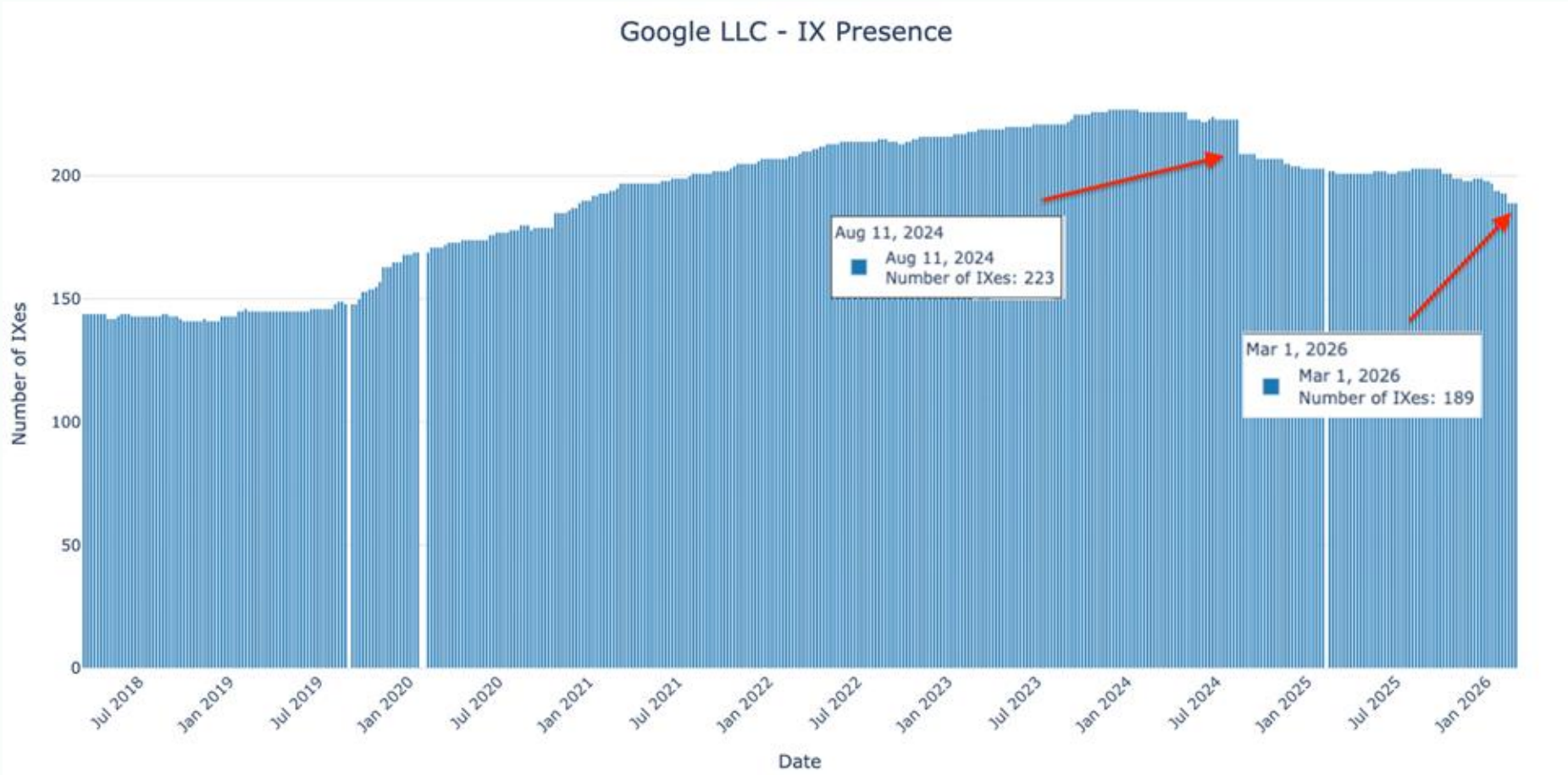

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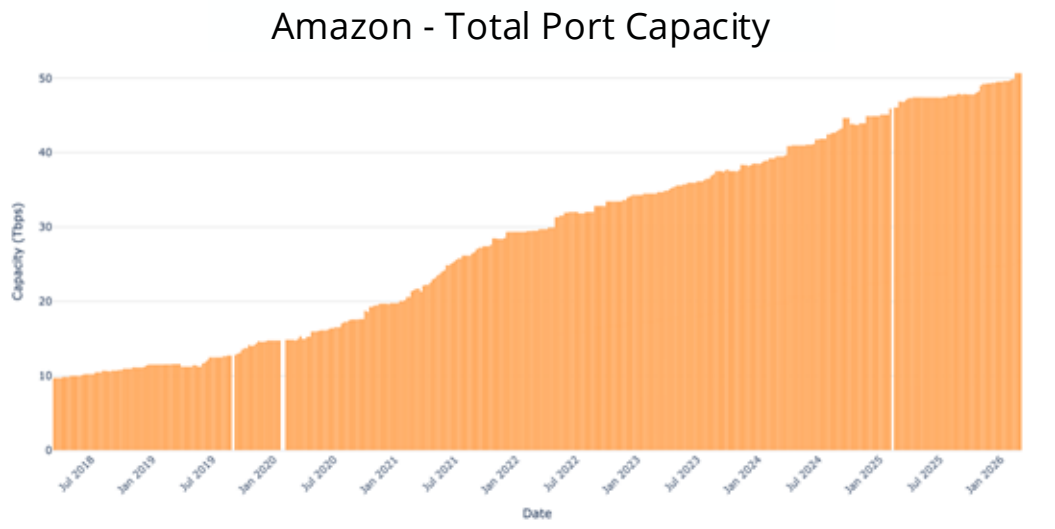
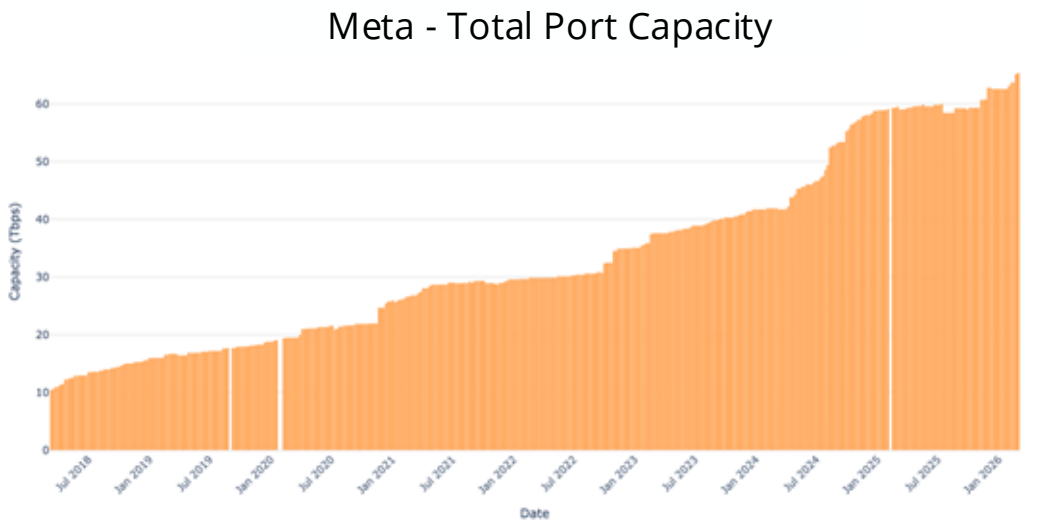
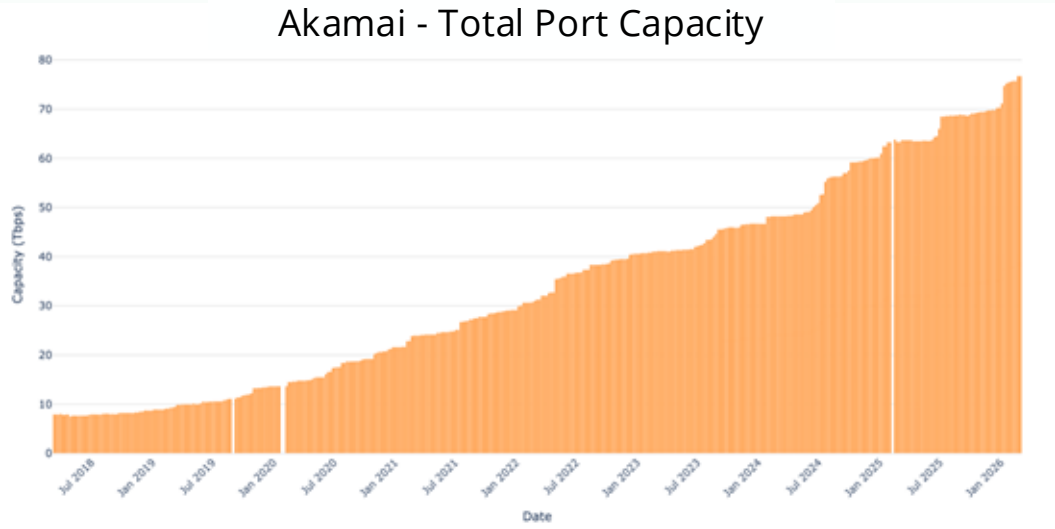
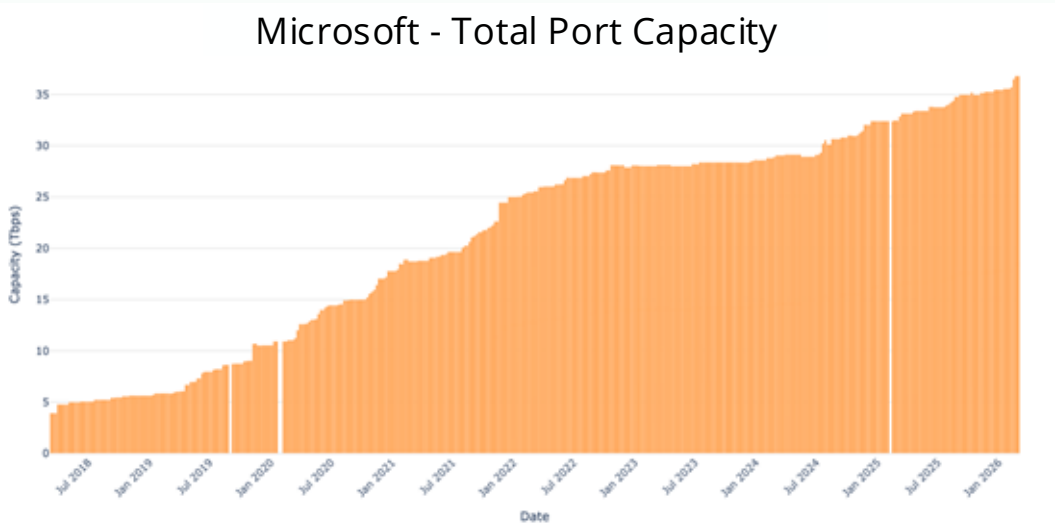
There isn't a slowdown everywhere...









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Structural changes in traffic

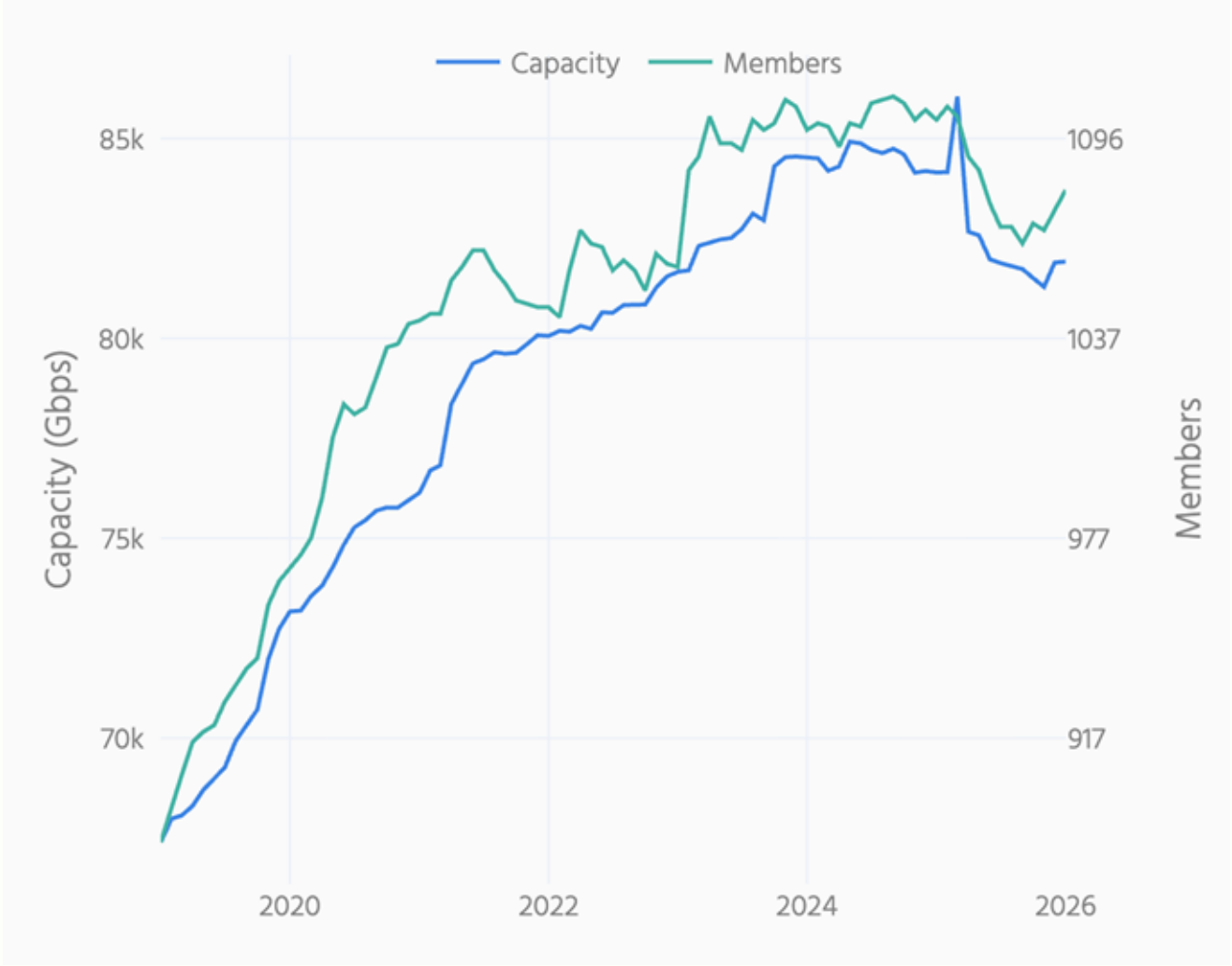
- **Traffic concentration**
  - A small number of content and cloud providers generate a large share of global traffic
- **Higher traffic per network**
  - Even with stable IXP membership, the amount of traffic exchanged continues to increase
- **Reduced marginal contribution**
  - Smaller networks have less impact on overall traffic growth
- **Alternative interconnection paths**
  - A significant portion of traffic flows through PNIs and distributed architectures

The new interconnection hierarchy

- **Public peering remains essential**
  - It continues to provide the most efficient way to interconnect a broad ecosystem of networks
- **PNIs for high-volume traffic**
  - Large operators prioritise private interconnection when scale justifies the investment
- **In-network caching**
  - Bringing content closer to users reduces latency and transport costs
- **Edge architectures**
  - Content and compute are increasingly distributed

Mature vs emerging markets

- **Mature hubs stabilising**
  - **Europe** and major global hubs show stability rather than decline



United Kingdom

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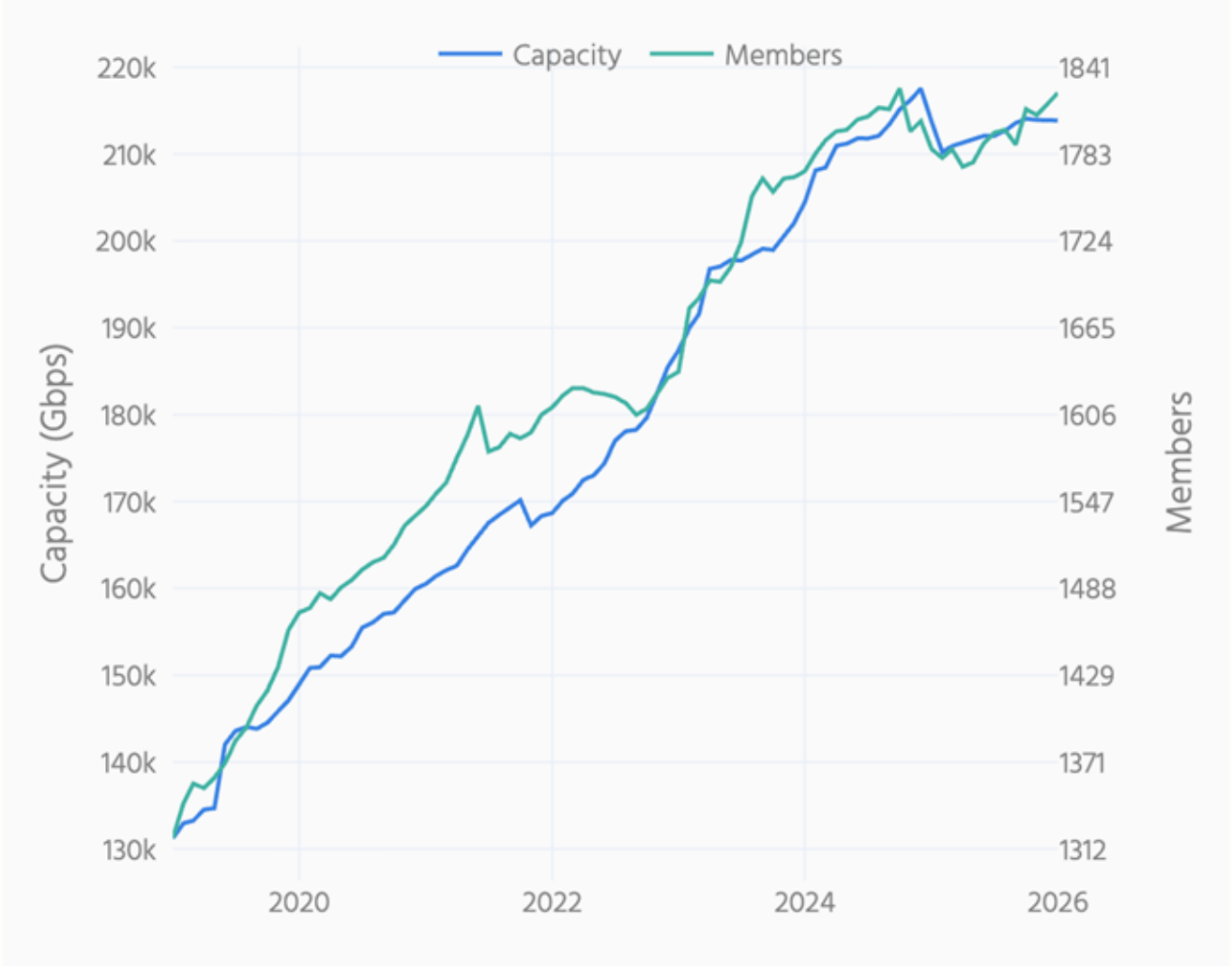

The Netherlands

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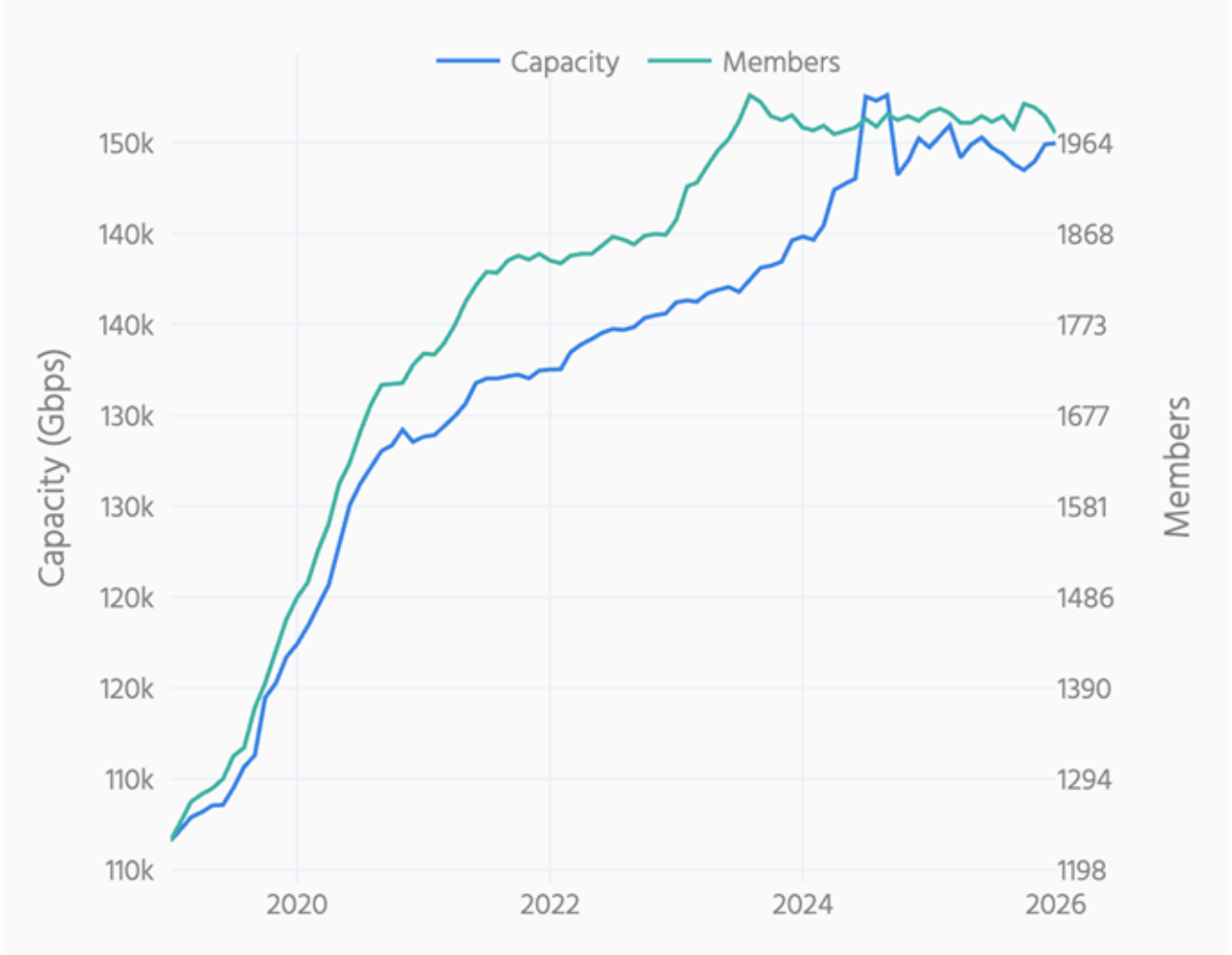
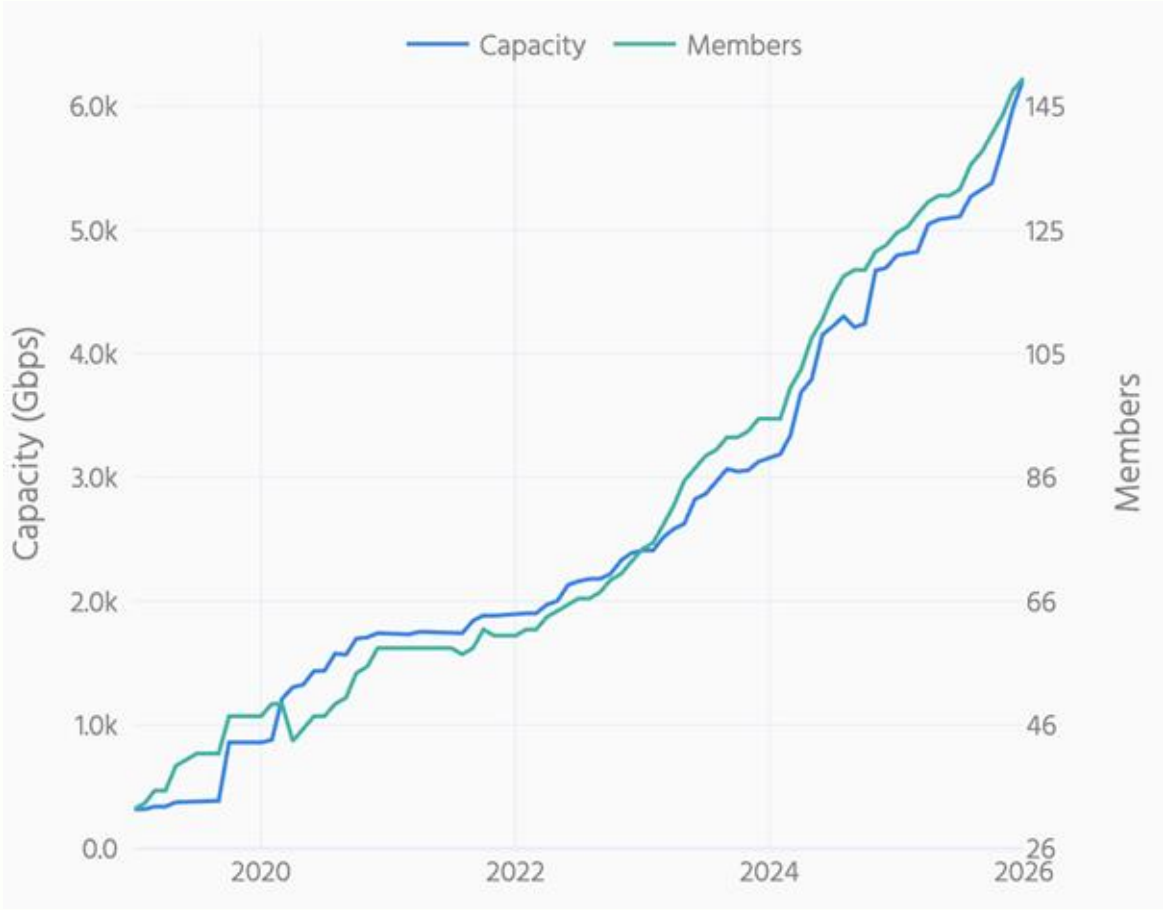


Germany

Mature vs emerging markets

- **Growth shifting to emerging regions**
  - **Africa**, Asia and Latin America are experiencing stronger expansion



Kenya

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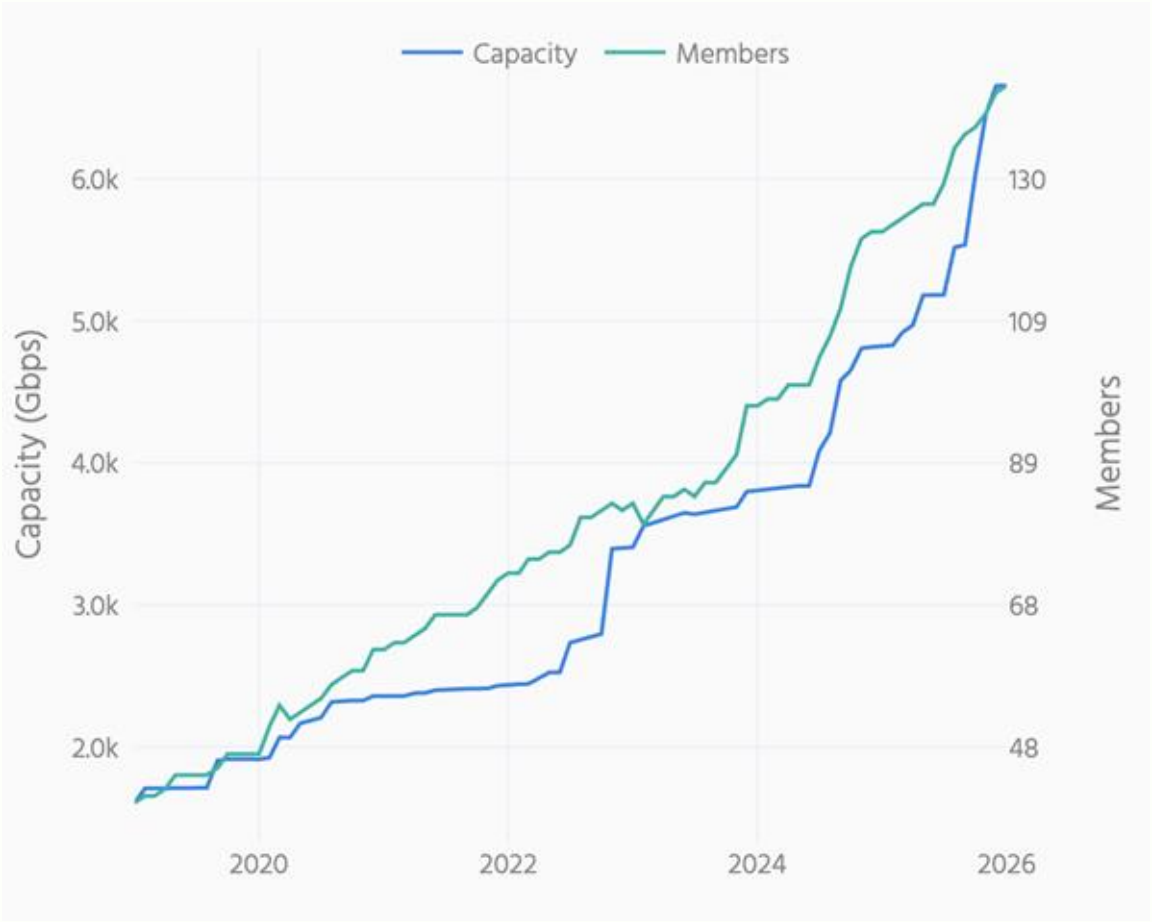

Nigeria

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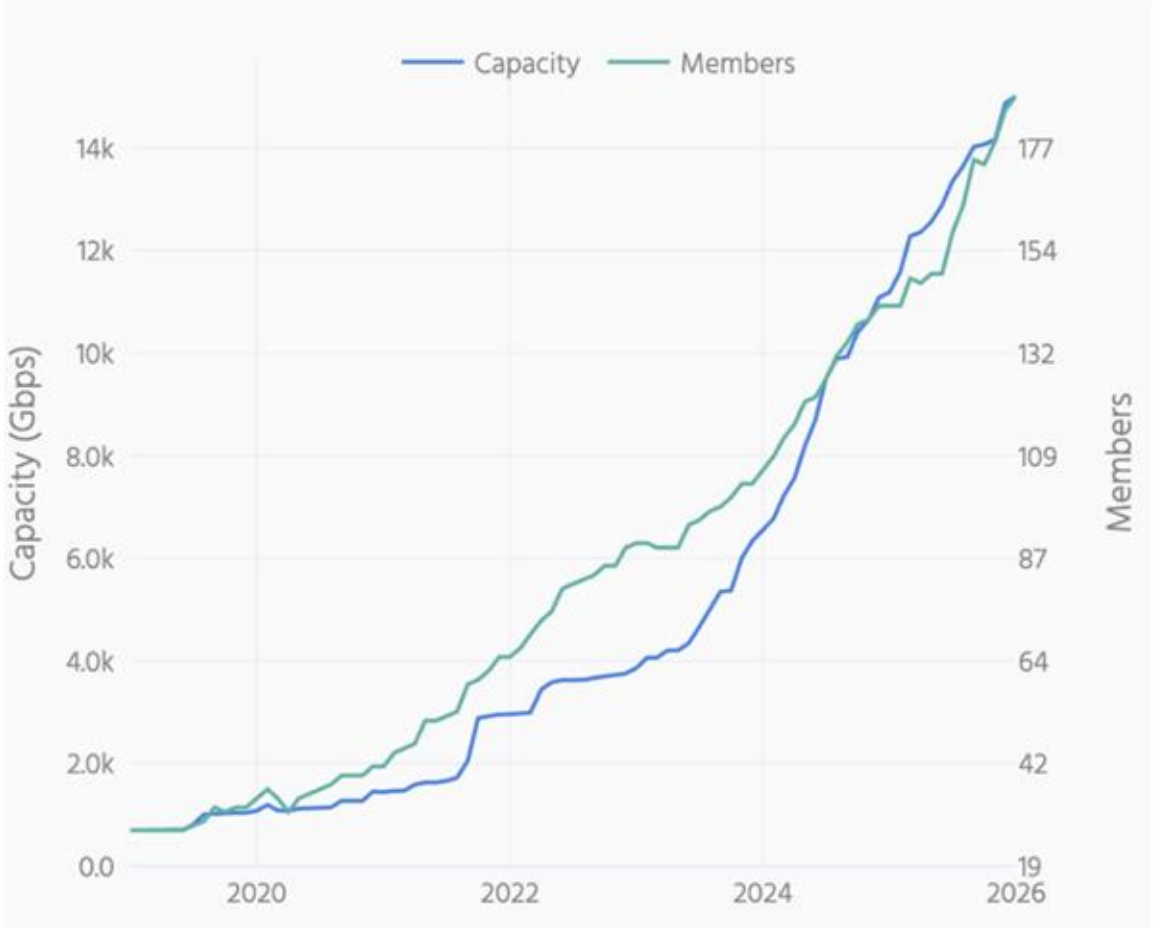

Philippines

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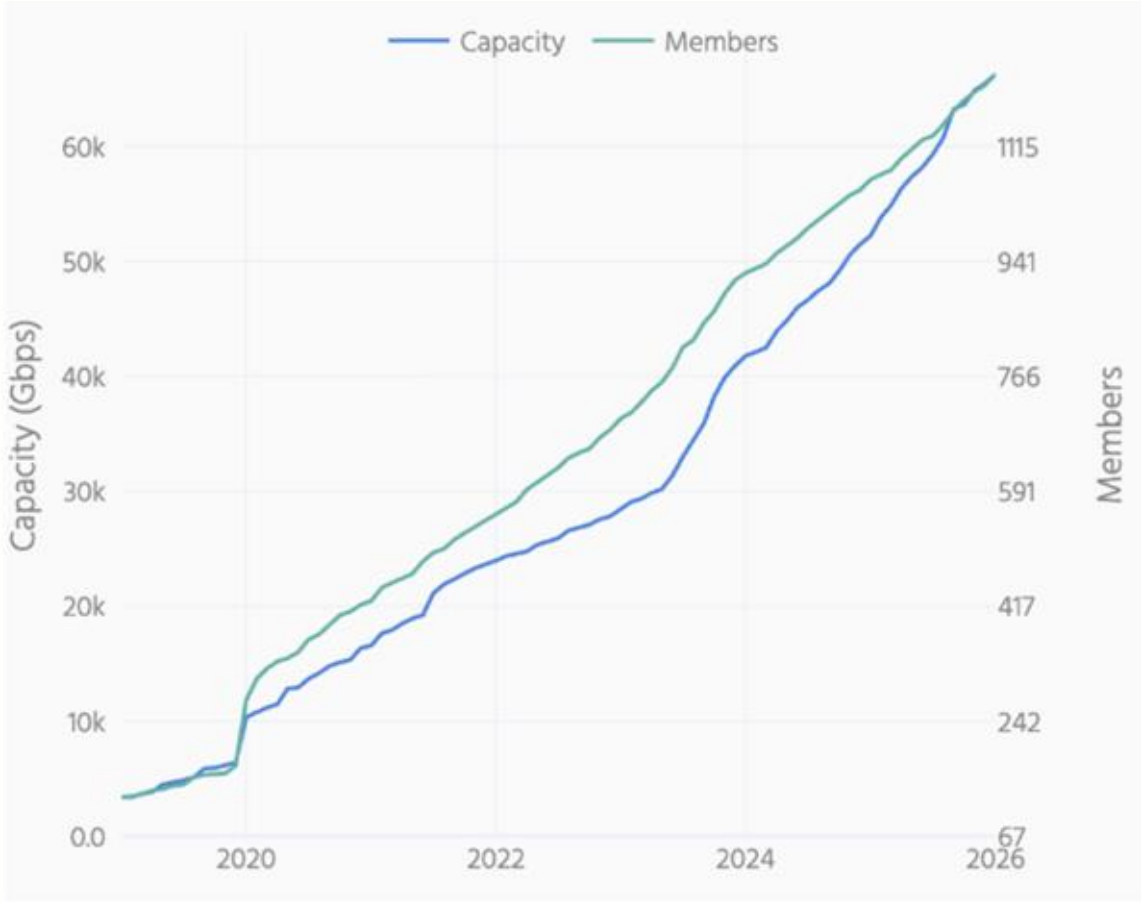

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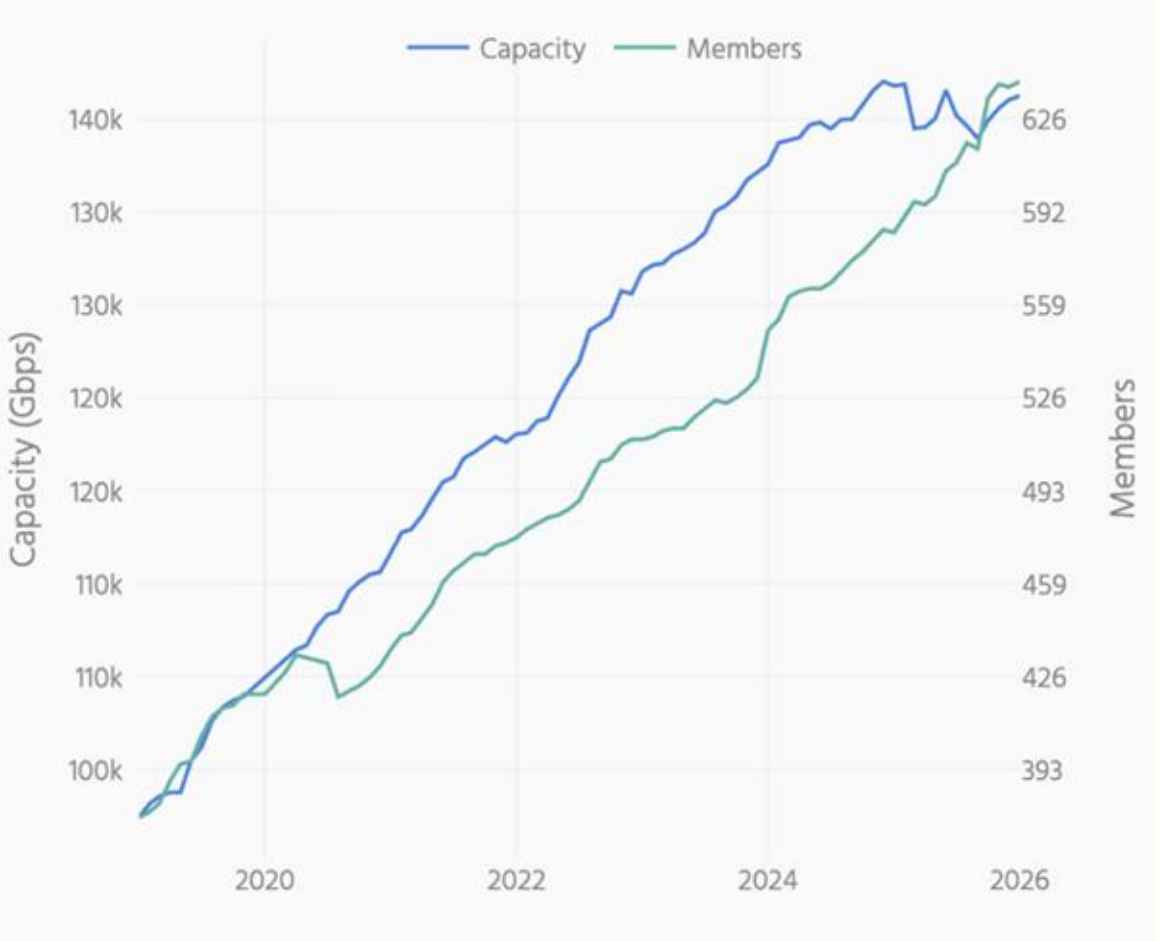

Japan

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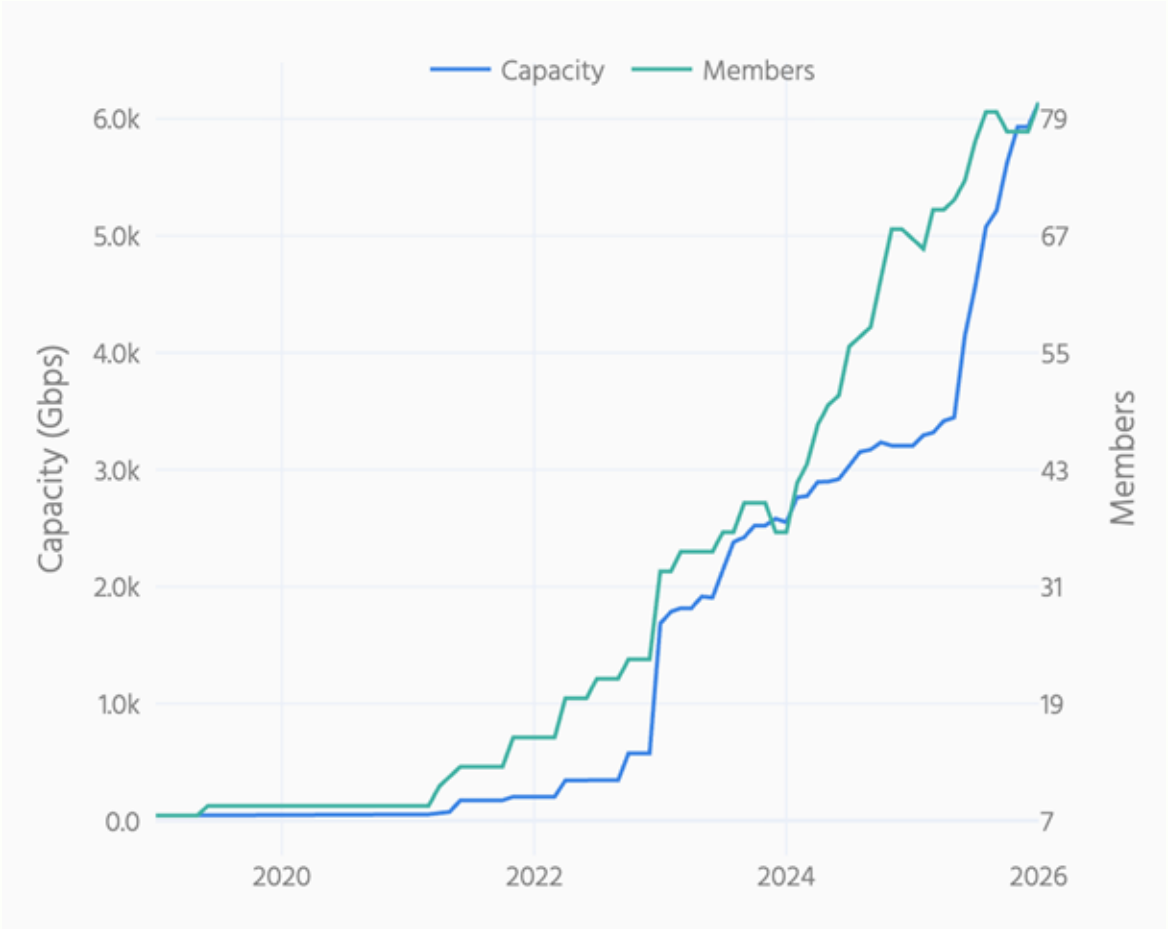

Mexico

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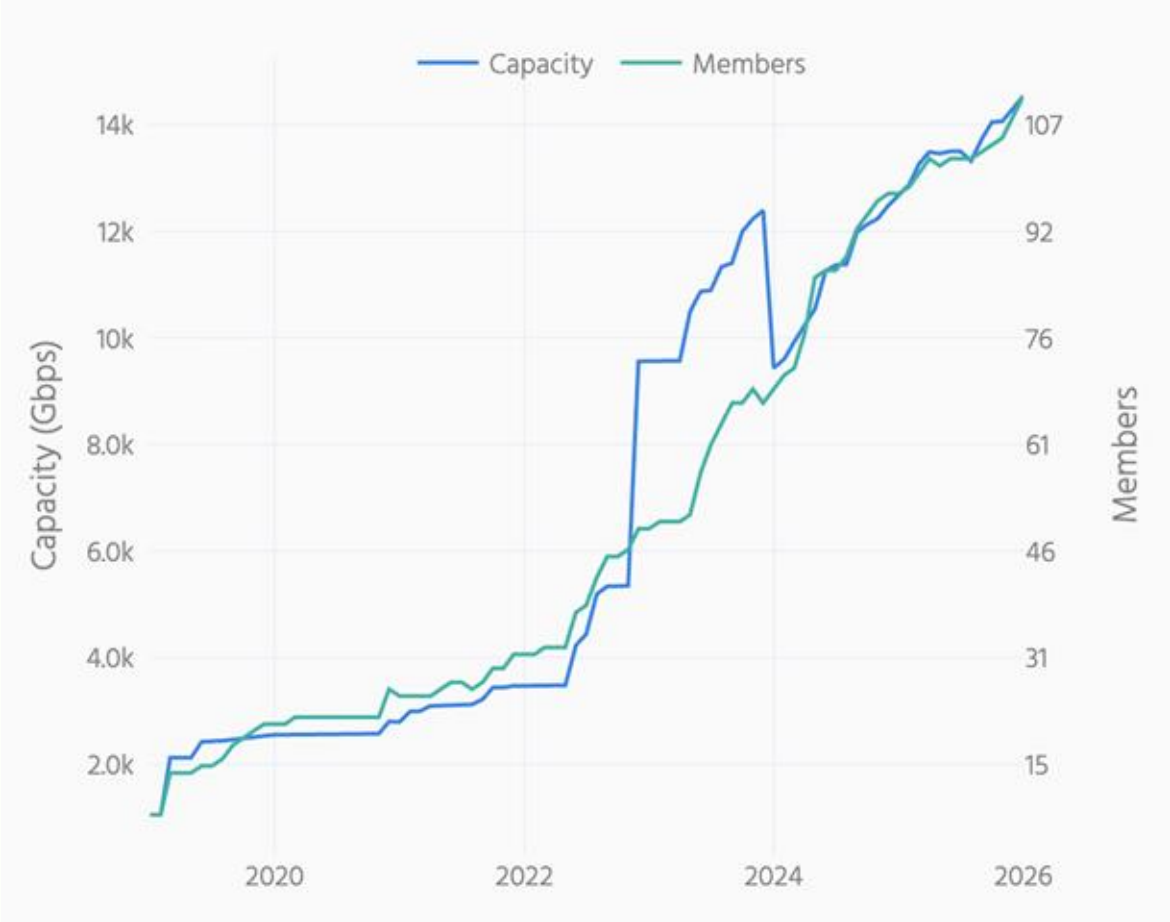

Colombia

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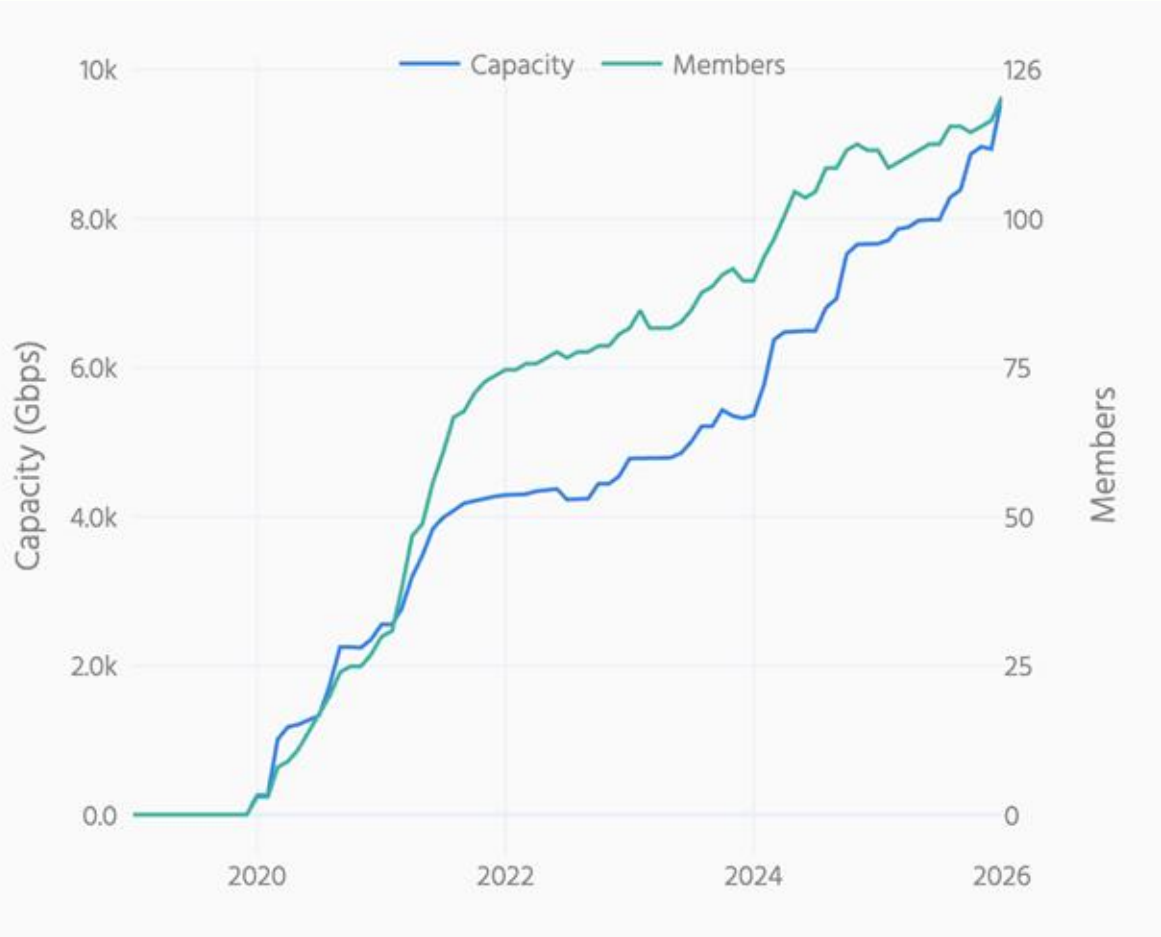
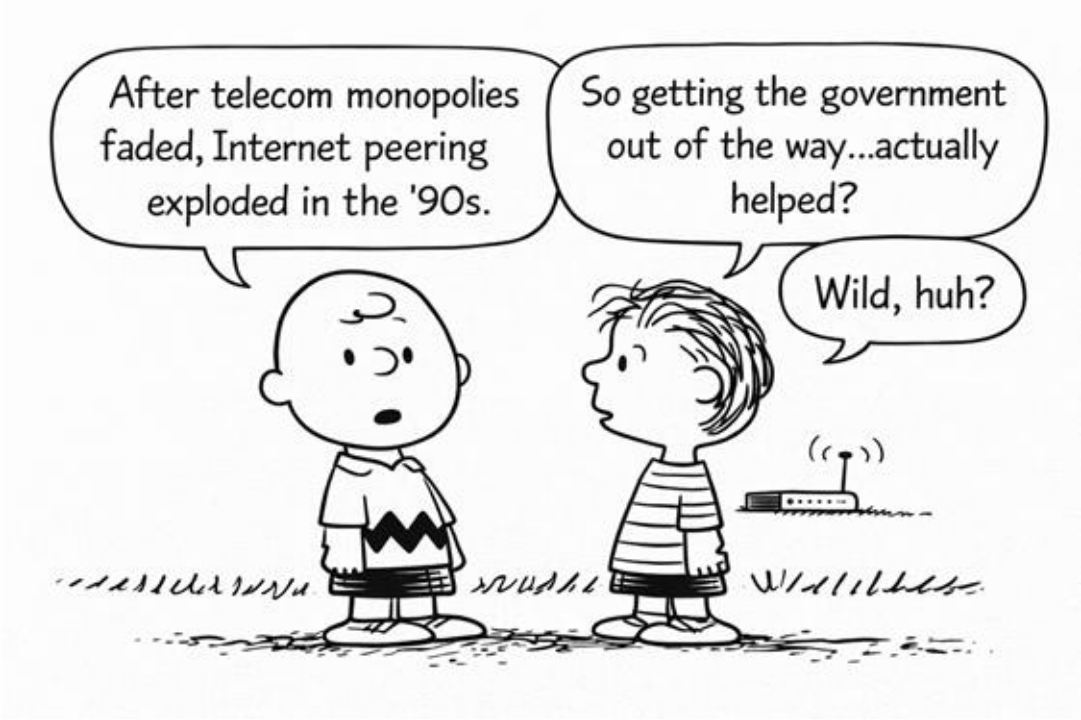


Perù

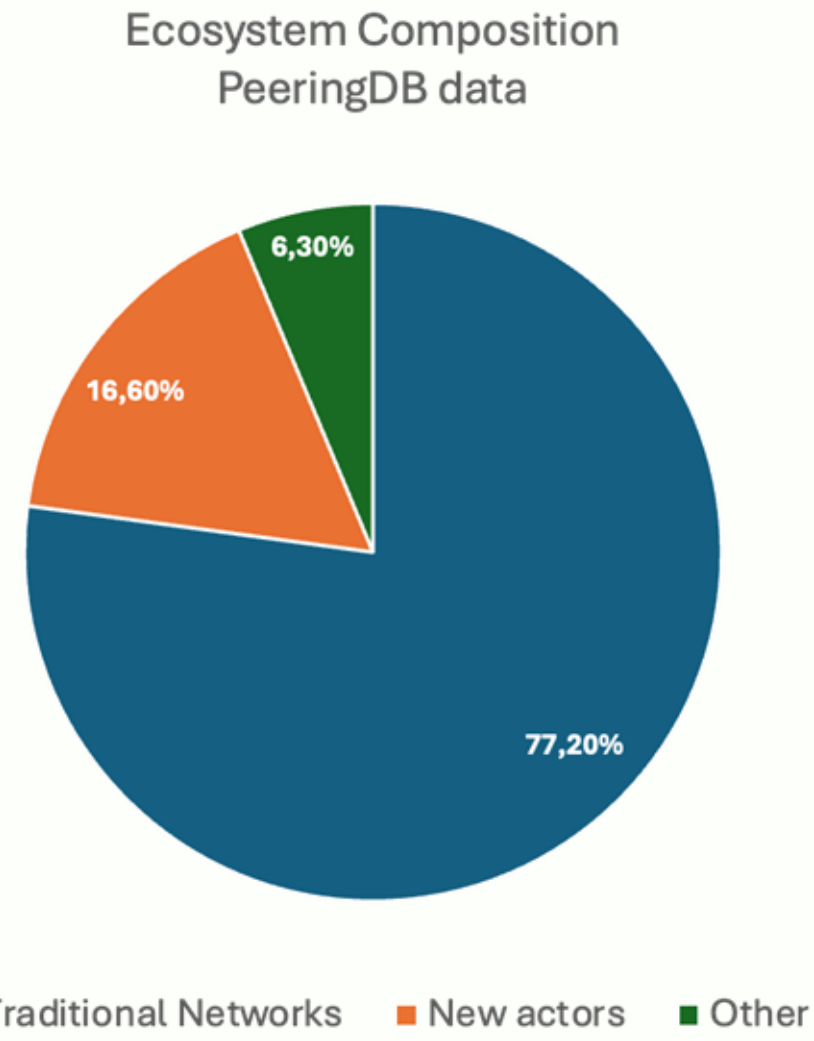
What makes an IXP successful

- **Telecom market liberalisation**
  - Competition is a necessary condition for peering ecosystems
- **Local content and eyeballs**
  - Domestic demand is the main driver of exchange growth
- **Population scale**
  - Large markets generate stronger network effects
- **Data centre ecosystems**
  - IXPs and neutral data centres evolve together



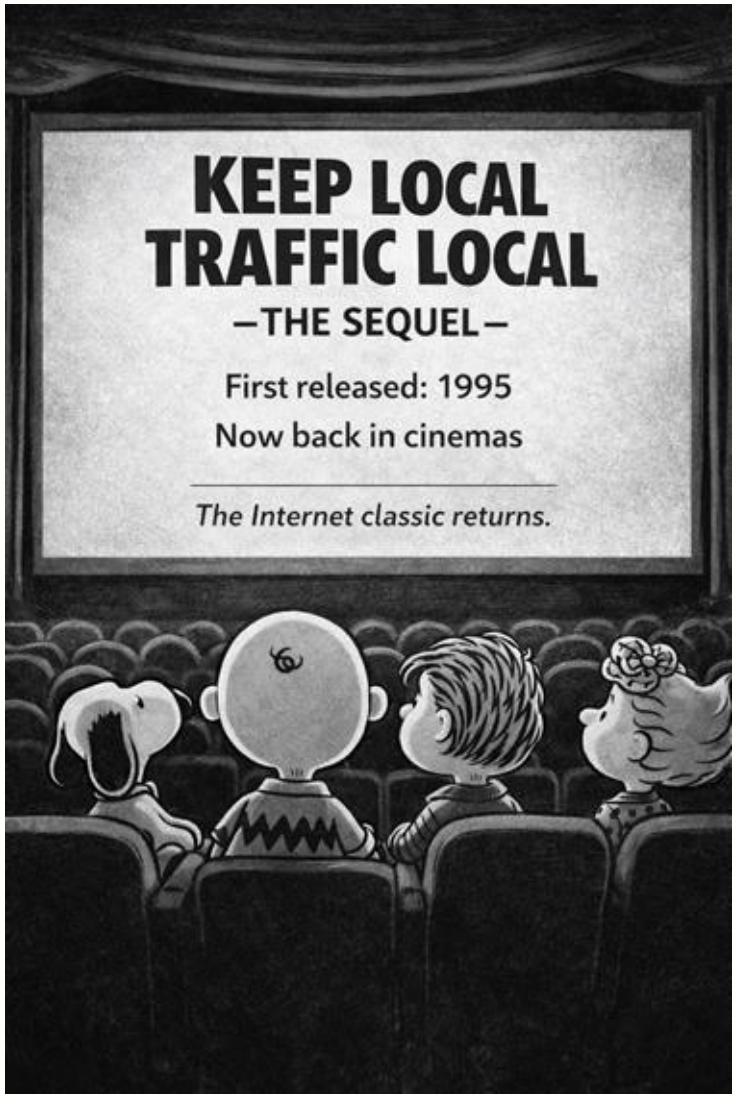
The transformation of the role of IXPs

- **From exchange points to platforms**
  - IXPs are evolving into broader interconnection ecosystems
- **Hub-and-spoke model**
  - The Internet is shifting from a linear supply chain to a distributed architecture
- **New participants**
  - Industries, finance, public sector and critical infrastructure are joining
- **Service diversification**
  - Demand is growing for security, resilience and advanced interconnection services



Reselience, sovereignty and locality

- **Traffic localisation**
  - Reducing dependence on international connectivity is becoming strategic
- **National resilience**
  - Local interconnection improves continuity in crisis scenarios
- **Data sovereignty**
  - Governments and enterprises seek more control over data flows
- **Limits of cloud-only strategies**
  - Global cloud does not eliminate structural vulnerabilities



Future of peering

- **Edge and ultra-low latency**
  - Real-time applications are reshaping infrastructure needs
- **AI and IoT**
  - These technologies require distributed architectures
- **Micro-IXPs**
  - More local and regional exchange points will emerge
- **Geopolitical relevance**
  - Interconnection is becoming a strategic domain

Conclusions

- **Peering is transforming, not declining**
  - The evidence suggests that current trends represent a structural evolution rather than a crisis of the public peering model. Traffic continues to grow globally, even if traditional indicators appear more stable in mature markets
- **Local and regional ecosystems will become increasingly important**
  - The future of interconnection is likely to be driven by regional demand, local content and distributed architectures, rather than by centralised global hubs alone
- **IXPs as strategic infrastructure**
  - IXPs are evolving from simple traffic exchange points into strategic infrastructure that supports resilience, redundancy and operational continuity in an increasingly complex digital environment
- **Resilience, security and sovereignty as key drivers**
  - The ability to keep traffic local, ensure continuity of services and protect data flows is becoming a major priority for operators, enterprises and governments
- **Growth will continue globally**
  - Expansion is expected to be particularly strong in emerging markets, where demand for connectivity and local interconnection remains high

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