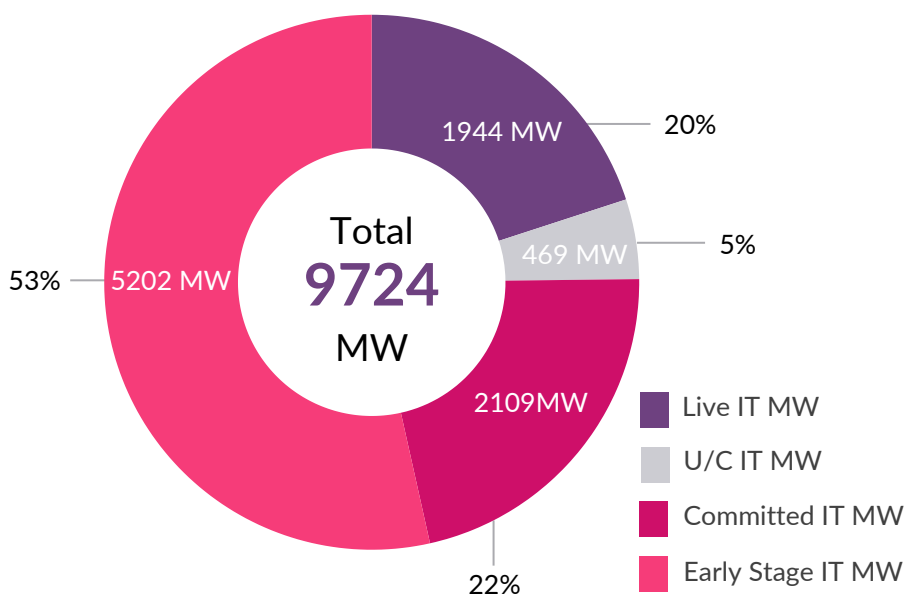




Southeast Asia Data Centre Markets



Southeast Asia market highlights, DC Byte analytics platform, Sep 2024

Southeast Asia is one of the fastest growing regions in the Asia Pacific (APAC) region.

Catalysed by the 2019 moratorium on data centres in **Singapore**, the surrounding markets of **Malaysia**, **Indonesia**, **Thailand**, **Philippines** and **Vietnam** have observed a rapid influx of data centre developments. Cloud service providers (CSPs) have actively grown their presence in the markets, further cementing their investments via self-build activity.

AT A GLANCE

489

Number of data centres tracked across Southeast Asia

605M

Population across Singapore & the SEA-5 markets in 2023

SGD

\$1.75

BILLION

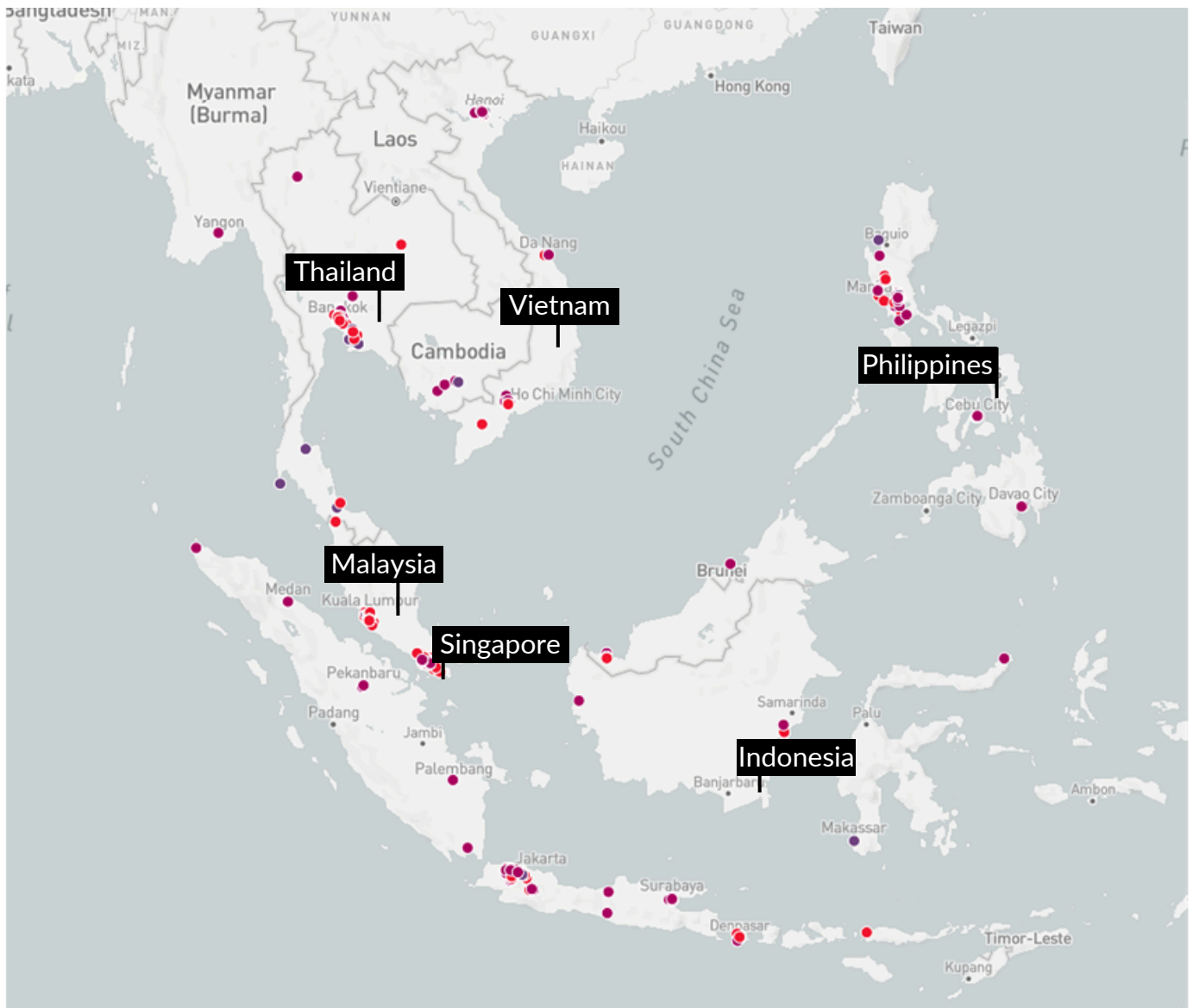
Investment in STT GDC by KKR-led consortium of KKR and Singtel, largest digital infrastructure investment in Southeast Asia to date



Data Centre Hotspots in Southeast Asia

The SG+ Strategy - **Singapore** is traditionally recognised as the regional data centre hub in Southeast Asia. However, the 2019 moratorium limited the local growth of data centres. Whilst the moratorium has since been lifted via the pilot Data Centre-Call For Application (DC-CFA) programme, operators have rapidly expanded their operations in the nearby markets to meet regional demand.

SEA-5 Markets - Local data centre scenes within the geographically neighbouring markets of **Malaysia** and **Indonesia** have since had rapid rates of growth in recent years, with activity witnessed in other emerging markets **Thailand**, **Philippines** and **Vietnam**. Outside of Singapore, Indonesia was one of the first locations to receive the incoming investments from the Western CSPs and this has now gradually been recorded in the other emerging markets.



Map of data centres tracked across Southeast Asia, DC Byte analytics platform, Sep 2024

Demand Drivers

Driving factors that continue to boost data centre activity in these markets include:

Population and Digital Economy Growth:

Singapore and the SEA-5 markets, with a population of 605 million, are driving rapid growth in the digital economy which has generated \$100B in revenue and is growing at 27% CAGR since 2021*. This surge fuels rising demand for data centre services.

*From Google-Temasek-Bain e-Conomy SEA 2023 report

Enterprise Cloud Adoption:

Most SEA-5 markets are in the early digital transformation stages, with growing reliance on cloud services to optimize operations, fuelling demand for data centre capacity.

Strategies for Digital Economy:

The SEA-5 markets each have roadmaps for the development of their Digital Economy.

- **Indonesia** - National Digital Economy Strategy 2030
- **Malaysia** - Digital Economy Blueprint
- **Thailand** - Thai 4.0 Digitisation Policy
- **Philippines** - Philippine Development Plan (PDP) 2023-2028
- **Vietnam** - National Digital Transformation Programme



Outlook Ahead for the SEA-5

Continued growth and expansion remains on the horizon, along with the following trends:

- **Large-Scale Deployments:** Western CSPs are expected to begin construction for campuses with significant capacity in Malaysia, with projects planned close to 1GW combined.
- **Green Energy:** The SEA-5 nations have green energy generation sources (e.g. Solar, Hydro, Wind, Biomass) which will aid in operators as they strive to achieve net-zero goals
- **Submarine Cable Projects:** This year, ASEAN's 10 member states agreed to build a submarine cable network to develop interoperable digital infrastructure, connecting people and businesses across Southeast Asia.
- **AI Revolution:** The impending AI boom is expected to drive further demand for cloud services, necessitating larger data centre deployments to support AI workloads.



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