

Emerging markets you don't want to miss

Discover the trends and challenges shaping today's rapid growth in APAC —and the fast-arising opportunities just beginning to develop.

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World-class data center capabilities and services - no matter your location, size or goals



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Why choose NTT
DATA?

The APAC market continues to grow - in size, value and competitiveness

The Asia-Pacific (APAC) region has long been at the heart of some of the business world's biggest opportunities.



With more than half the world's population, APAC is a massive market.



It's a hub of constant innovation, home to over half of the world's billion dollar "unicorns."



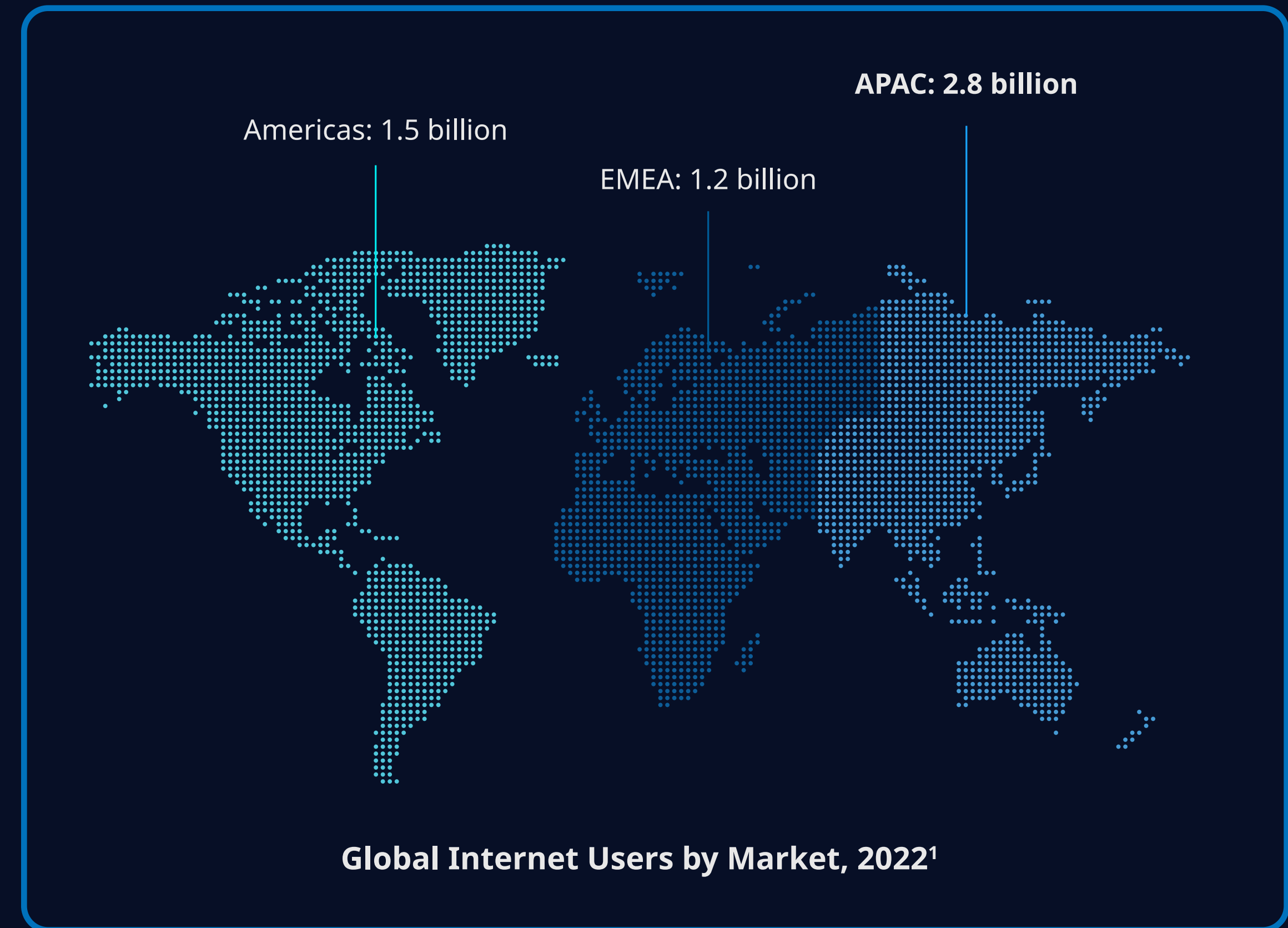
APAC accounts for 50% of internet users worldwide.

Bottom line? APAC is critical to the bottom line of your global business. It's the fastest-growing, highest-demand market for businesses seeking ambitious, explosive growth on a global scale. But, every other business knows it too—which makes for some unique challenges and tough competition to get your share of the data storage and processing you need.

What can you do to keep up?

As you consider expanding into this vast and complex region, it's critical to understand the key trends affecting data center activity and capacity in the region, and what this means for your business.

To put you ahead of the game, this guide explores these trends in detail and gives in-depth insight into the three rising markets business leaders are looking to for new and rapid growth.



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4 Key trends shaping data center growth in APAC

- #1 | More tech means more data.
- #2 | Localization pushes businesses away from centralization.
- #3 | Businesses looking to speed expansion and cut costs are rethinking self-building.
- #4 | Leading data center markets are reaching their limits.



Trend #1

More tech means more data

Southeast Asia is digitizing at an astonishing rate. Every technology on the rise is rising there like nowhere else, and it turns out they all need more data storage and more computational power.



AI & ML

Artificial intelligence (AI) and machine learning (ML) apps may soon be changing the entire game in tech, but they require significant processing power to even begin to function at the appropriate speed and scale.



5G & IOT

5G networks and Internet of Things (IoT) devices, just being introduced to APAC, are generating massive amounts of data that need to be analyzed in real time, driving an increase in edge data centers.



E-commerce & digital services

E-commerce and digital services are booming but need more and more data center services to support the rapid, reliable online transactions, content delivery and digital experiences customers expect.



Remote & collaboration tools

Our reliance on tools for remote work and collaboration, which grew rapidly during the COVID-19 pandemic, quickly boosted demand for cloud services, data and apps—and the data centers that support them.

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Why choose NTT DATA?

Trend #2

Localization pushes businesses away from centralization

New and increasing expectations for speed, privacy and reliability are creating a considerable move from data centralization towards localized data centers. How do they help?



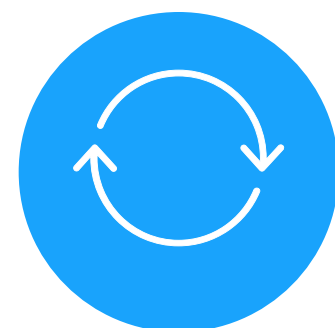
Reduced latency

Businesses seeking faster performance are moving infrastructure closer and closer to end users—particularly critical for apps requiring real-time interaction (e.g., gaming, video streaming, financial transactions, IoT).



Data privacy and sovereignty

Many APAC countries have strict data protection and privacy regulations—some, for instance, require that key data remains firmly within national borders. By localizing data centers, businesses can ensure compliance with these regional laws.



Resiliency, recovery and continuity

More and more companies are solidifying their performance and reliability by spreading infrastructure across multiple data sites. In the event of an outage, natural disaster or other disruption affecting one data center, services can continue to operate from other locations, reducing downtime and damage.



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Trend #3

Businesses looking to speed up expansion and cut costs are rethinking self-building

While many hyperscalers and ambitious enterprises are still building their own data centers in Tier 1 and Tier 2 markets, for many organizations, those sorts of buildouts just aren't feasible. Besides the significant capital investment, limited team bandwidth and skill shortages can extend timelines up to four to five years.

Industry analysts predict that by 2025, 80% of enterprises will close traditional data centers in search of a better solution to support their operations.²

Instead businesses across the region are turning to colocation facilities to divest capital outlay, enhance cloud connectivity and improve IT efficiency.

Colocation leases with existing data centers can offer a number of benefits in emerging markets like APAC:



A wide pool of real estate inventory, with the highest level of security, connectivity and sustainability - ideal for bespoke, future-proof data centers



Faster time to market



The ability to scale operations more flexibly and effectively to meet changing demands, better managing both assets and resources



Meeting the needs of companies that require low-latency performance



Offloading time-consuming tasks like managing power and cooling



Reducing talent and infrastructure costs



Capital preservation

Trend #4

Leading data center markets are reaching their limits

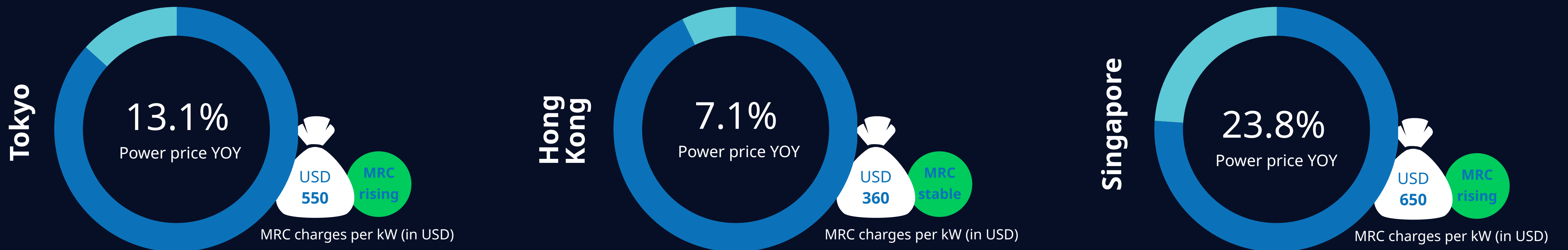
When you think about successful, established APAC markets for data centers, Tokyo, Hong Kong and Singapore are probably what first spring to mind. But, their very renown and popularity have created challenges of their own.

Even if you can afford to go there, you may find it difficult to grow here.

Data centers in these cities are pricey to build, lease and run. Generally, rates are climbing while vacant space gets less, driving up competition in the search for locations. Singapore currently has less than 2% vacancy remaining.³

Simply put, Tokyo, Hong Kong and Singapore are close to the brink of what makes them profitable. The good news is that new, alternative markets are beginning to emerge, with the room, the resources and the potential to meet your expanding needs—real space to grow.

Top tier APAC data center market costs ⁴



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Emerging markets are creating all-new opportunities for growth

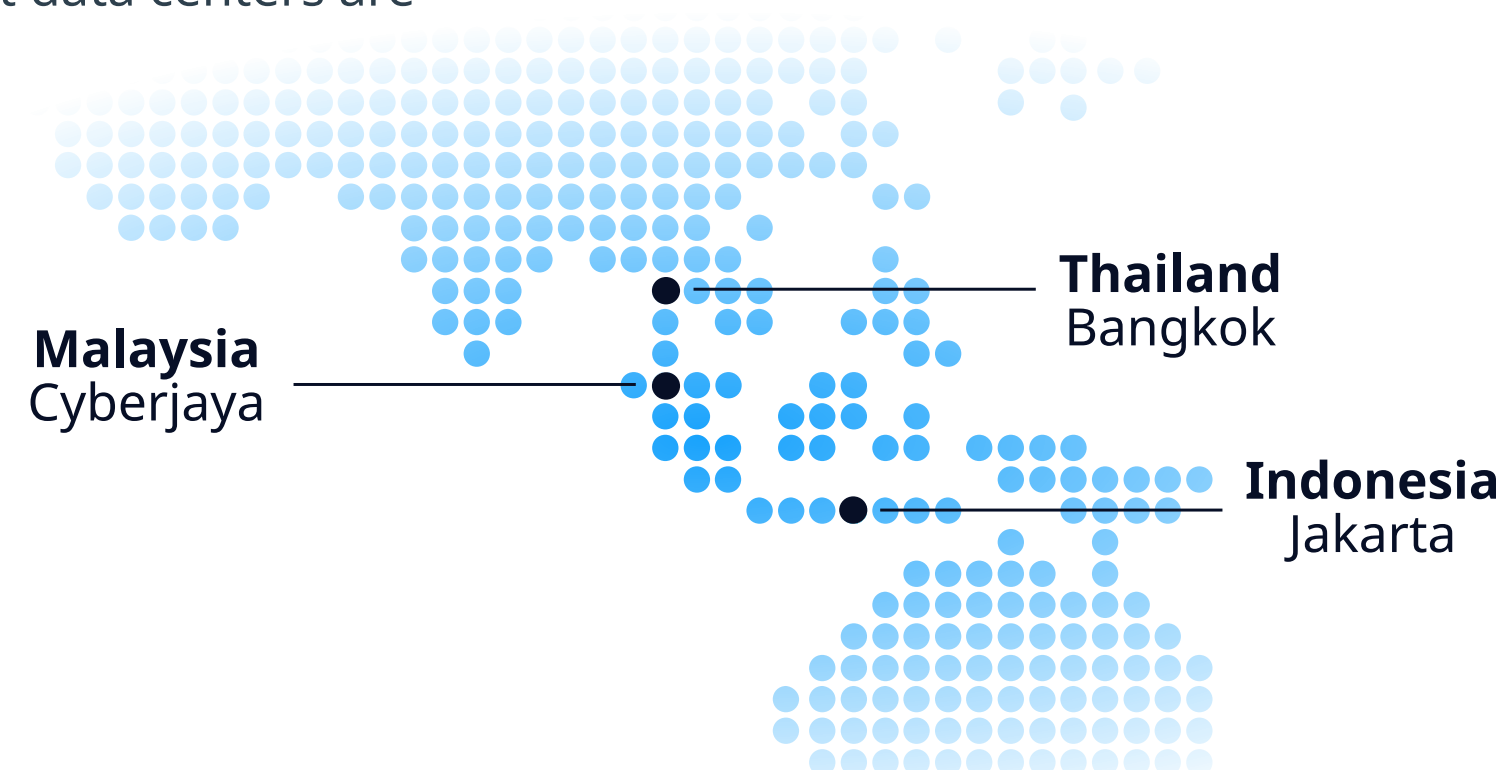
See why the less-obvious options may be the best solutions for your expansion.

Not surprisingly, APAC data center hubs initially concentrated in Tier 1 or capital cities—regions boasting strong local economies and a high density of submarine cables. But, as the business landscape in APAC has matured, demand has begun to extend well beyond traditional markets, with data centers now at edge locations in Tier 2 or Tier 3 cities.

As local architectures become more and more popular, these new, state-of-the-art data centers are

popping up at rapid rates, taking on the overflow of established hubs which are at or near capacity. Still in close proximity to key established markets, these spaces are creating new opportunities for hyperscalers and enterprises to rapidly expand connectivity—while also saving them both time and money.

Both supplementing and challenging the top-tier hubs, these new markets are currently emerging the fastest in three key regions:



Momentum in moving to Tier 2 markets:

- In October 2022, Amazon Web Services publicized plans to open a cloud region in Bangkok. ⁵
- Amazon's cloud computing unit also announced a USD 6 billion investment in Malaysia, spread over the next 14 years.
- Google Cloud recently introduced a new Direct Connect location in Cyberjaya.
- NTT DATA's Global Data Centers division announced an investment of USD 90 million for the development of its newest and largest data center in Thailand.

Jakarta Indonesia

Indonesia's capital city of Jakarta stands on the northwest coast of the island of Java. It also stands as the emerging APAC market with the greatest expected potential—a prediction the region has worked hard to realize over the past several years. In time, the region is expected to rank as the largest data center market in all of APAC.

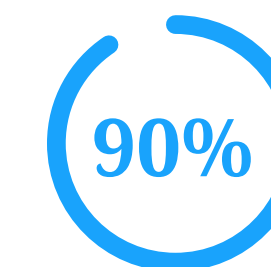


Why Jakarta is primed to take off as a data center market:

-  Jakarta is located in one of the most populous countries in the region. It's also very near to Singapore, a major advantage from both a connectivity and business perspective.
-  With the world's 4th-highest population, Indonesia is ready to move online en masse, as more and more citizens become comfortable with internet and mobile.
-  A rapid rise in data usage has Indonesia gearing up data center reliability and recovery, particularly in the capital, with a specific focus on edge computing.
-  The nation's digital economy is active like never before and going all-in on cloud computing. Indonesia is also home to a flourishing startup community that increasingly takes advantage of outsourced infrastructure services.
-  Many international subsea cables connect Jakarta to both Southeast Asia and Oceania.
-  Jakarta has a significantly lower cost of labor than APAC's foremost markets.

Where Jakarta leads as a data center market today

Jakarta is rapidly transforming into a global data center hub, propelled by its high connectivity, centralized location and immense population growth. It's also working toward comprehensive and aggressive digital transformation— spearheaded by a government initiative to increase the market's appeal to foreign investors, with quality infrastructure and less stringent data sovereignty regulations.



The current operational capacity in Greater Jakarta accounts for more than 90% of Indonesia's total data center market.⁶

Jakarta has a considerably higher vacancy rate than the low (and rapidly dropping) rates in other APAC regions.⁷

35% Jakarta	19% Hong Kong	8% Tokyo	<2% Singapore
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Where NTT DATA fits in

NTT DATA's Jakarta 2 is the region's only Uptime Tier 3 design-certified, purpose-built data center. It's one of the few carrier-neutral data centers in the area, working with 40 carriers, and offering connectivity to more than 500 Autonomous System Numbers as well as the APRICOT submarine cable—for the greatest flexibility, adaptability and connectivity in the market.

[Read about our data centers in Indonesia](#)

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Cyberjaya Malaysia

Envisioned, incorporated and constructed just a few decades ago, the Malaysian “smart city” of Cyberjaya is yet to reach its full potential. In fact, nearly double the amount of Cyberjaya’s current data center operational capacity is still under construction. And that’s good news for enterprises looking for available, affordable data center space. Cyberjaya is actively enticing future-forward businesses looking for an expansive runway and maximum room to grow. And grow. And grow...



Why Cyberjaya is primed to take off as a data center market:



Malaysia’s data center sector in general is undergoing substantial growth, thanks to a unique combination of economic, commercial and governmental factors:

- Digital transformation and cloud adoption accelerated during the COVID-19 pandemic.
- Advanced technologies on the rise have increased demands for data.
- New government programs specifically designed to attract data centers are making an impact, including a smart grid for scalable, sustainable power; increasing the nation’s overall potential for renewable energy; and developing a “green lane” to support data centers in operating in an eco-friendly way.



Acquiring land in Malaysia is significantly more economical than most other nations. And, data center operators benefit from low development expenses and reliable, affordable power and telecom systems.



Considerable efforts have been made to increase the skilled workforce to support data center construction.



Geographically, the global reach of Malaysia’s central location is further enhanced by robust connectivity across 20 international submarine cable systems.

Where Cyberjaya leads as a data center market today

Cyberjaya will continue to grow as the preferred data center location within Malaysia’s Greater Kuala Lumpur region, the perfect place for all your digital initiatives to take root today, and keep climbing well into the future.

With low vacancy rates in Singapore, Cyberjaya is an ideal nearby alternative for expansion in the region.



Where NTT DATA fits in

The Malaysian government honored NTT DATA’s Global Data Center division with rare Multimedia Super Corridor (MSC) Pioneer Status. This unique distinction was awarded for our 20-plus years of local experience, support and operational excellence.

Our Cyberjaya campus is carrier-neutral with multiple entry points for all local carriers and will be the gateway to the MIST submarine cable.

[Read about our data centers in Malaysia](#)

Bangkok Thailand

With a rich history and cultural heritage, Thailand's capital is quickly gaining renown as a future-forward site for advanced cloud computing and data center housing. Bangkok's population is becoming increasingly savvy in their adoption and use of digital, mobile and internet technology, and the city's strategic location in APAC makes it a very likely hotspot for today's data centers.



Why Bangkok is primed to take off as a data center market:



Thailand is well-positioned as the gateway to nations within the Greater Mekong Subregion, providing key access to the growing, attractive business and population bases in these regions. Thailand has remarkable growth in its digital economy, with total internet users reaching nearly 85% of its population.⁸



Thailand has international data communications services with submarine cable systems connecting Thailand to neighboring Asian countries. The country also benefits from developed infrastructure supporting domestic and international connectivity, with fast and reliable routes.



Thailand's political neutrality gives this emerging market a strong geopolitical advantage to businesses around the world.



Thailand's government is embracing a "Go Cloud First" policy to attract foreign investment opportunities. The initiative is bolstered by a robust digital economy infrastructure and includes tax relief programs, waivers on machine imports and VAT exceptions.



The Personal Data Protection Act, enacted in June 2022, regulates the extraterritorial transfer of personal data and is driving an increased need for digital infrastructure and data center operations in Thailand.

Where Bangkok leads as a data center market today

Driven largely by cloud service providers eyeing expansion in the area, Bangkok is witnessing an explosion in data center demand. Bangkok easily ranks as the top data center market in Thailand, boasting a robust connectivity ecosystem. Thailand's overall data center market is predicted to post triple-digit growth over the next two years, driven largely by an influx of global cloud service providers and technology companies.

Bangkok's connectivity ecosystem⁹

92 cloud services providers

36 network fabrics

Where NTT DATA fits in

In March of 2023, NTT DATA announced an investment of THB 3 billion (approximately USD 90 million) for the development of our newest and largest data center in Thailand. Our Bangkok 3 Data Center (BKK3) will launch in the second half of 2025 and provide hyperscalers and enterprises with flexible, scalable infrastructure; easy connectivity to and from BKK1 and BKK2, operational cost-effectiveness and optimal power efficiency, supporting high densities of up to 40kW per rack.

[Read about our data centers in Thailand](#)

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Why choose NTT DATA?

Why choose NTT DATA for the future of your APAC data centers?

Stability, speed, scale, security, support, **success**. NTT DATA has a 35-year history of trust and stability in the data center market. Our ongoing objective is to provide the performance you need and the peace of mind you want from both your technology and your technology partner. We empower our clients' growth, innovation and success by providing world-class data center capabilities and services—no matter your location, size or goals.

Global leadership, local support

- Third largest global data center provider
- Local, in-region expertise to provide the support you need
- Network coverage in 190+ countries and regions

Carrier- and partner-neutral

- Direct access to all major internet exchanges around the world
- Flexible connections to major cloud providers
- Wide variety of local and global telecom networks, along with onramps to major hyperscale platforms

Sustainability

- Commitment to achieve net-zero emissions across our operations and utilize 100% renewable power in our data centers by 2030
- Innovative cooling technologies to increase efficiency and support high-density deployments



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Take the next step

Learn more about our APAC data center opportunities or our more than 150 data centers across the world by reaching out to one of our experts.

[Talk to an expert](#)

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