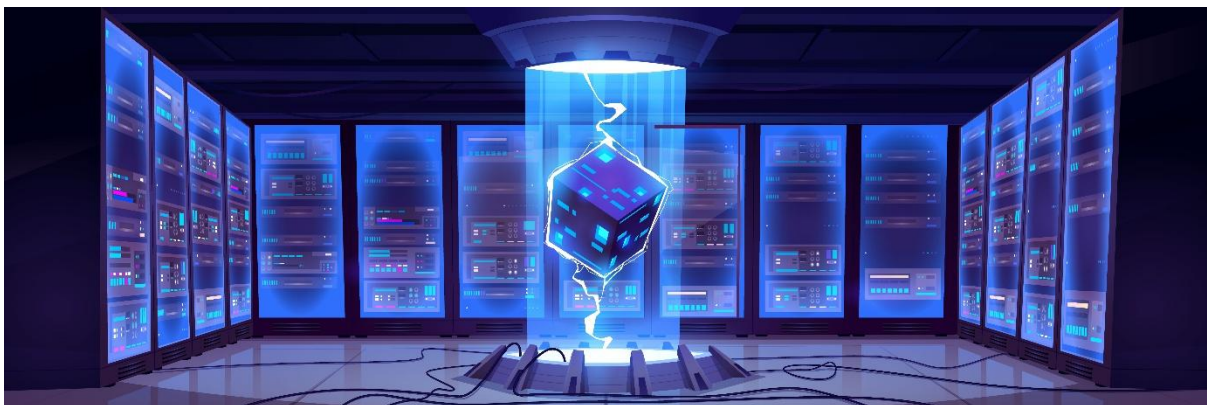


Quote by Devroop Dhar, Co-Founder & India CEO, Primus Partners

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Thailand & Singapore: The Epicenter Of Data Center Boom in APAC | Report

In Both markets will play a crucial role for supporting AI boom for hyperscalers, government and enterprises, with strategic geographic location



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Article Content:

The Asia-Pacific region is at the epicenter of a global data center boom, driving innovation, and expansion fueled by investments and Artificial Intelligence (AI) technologies. Thailand has recently approved four data centre projects worth \$3.1 billion in investment. This move is coupled with new measures to kickstart projects that have already been approved, said the Board of Investment (BOI). Similarly, Singapore remains a key hub due to its reliable infrastructure and extensive subsea cable network. Major deals, such as KKR and Singtel's potential acquisition of ST Telemedia Global Data Centres, and large-scale investments highlight ongoing investor confidence in the region.

As AI technologies mature and Cloud adoption deepens, the demand for scalable, sustainable enterprise storage is accelerating across the Asia-Pacific region. Countries such as Singapore, Indonesia, India, Malaysia, Japan, and South Korea are at the forefront of this growth.

"As most of the entities from telcos to government to enterprises embrace AI in South East Asia (SEA), it opens up opportunities for setting up of datacenters and more so AI

datacenters infrastructure not only for their own country but neighbouring ASEAN countries in the region," said Neil Shah, founder, Counterpoint Research.

With capacity projected to more than double by 2030, APAC region is poised to account for 40 per cent of global data center capacity, a transformation fueled by \$800 billion in investments, said MOODY, a financial service company, in its report.

"Many have already laid out national roadmaps and regulatory frameworks to support large-scale capacity expansion over the next five years, reflecting the region's strategic push to become a global hub for digital infrastructure. India is set to be a key player in the APAC DC market, with the market anticipated to surge to 4.5 GW by 2030 and expected investments of \$20-25 billion," said Devroop Dhar, India CEO & co-founder, Primus Partners.

Meeting the region's diverse needs requires more than just capacity. It demands agility in navigating geopolitical landscapes, regulatory frameworks, and technological change. Despite the strong growth outlook, the region faces several structural challenges. Moreover, data centres are highly energy-intensive, and with capacity expansion comes a parallel rise in carbon footprint.

For instance, Thailand's local policies and initiatives from Thailand 4.0, which includes attracting major hyperscalars to set up Cloud and AI datacenters to sovereign AI and building public digital infrastructure, will catalyze datacenter growth. "While Thailand is an attractive market from cost perspective but will need significant energy and grid modernisation and robust future policies to enable expansion," Shah added.

With data centers being energy-intensive, meeting sustainability targets while balancing costs is an increasingly complex challenge. Finding suitable land for large-scale developments—especially in densely populated areas—is creating bottlenecks for growth.

Singapore, on the other hand, has been quite advanced and a long standing datacenter hub for the APAC region and is upgrading into a major AI hub. "However, the limited and costly real estate along with energy grid infrastructure can become a major bottleneck as the government is approving only sustainable datacenter projects," Shah explained.

Singapore is the second-most expensive market for data centres in 2025, according to a Turner & Townsend report. Stricter environmental regulations, including a new mandate for up to a 30 per cent reduction in energy consumption and a focus on achieving a reduced power usage effectiveness of 1.3 or lower, are contributing to higher costs, the report found. The country had a moratorium in place from 2019 to 2022 due to concerns over power and land use.

Today, Singapore has already taken decisive steps in this direction through its Green Data Centre roadmap, which outlines a sustainable pathway for growth and targets at least 300 MW of additional capacity through green deployments.

"Singapore's focus on energy efficiency, renewable integration, and sustainable cooling technologies positions it as a model for responsible data centre expansion in the region. Thailand, too, is rapidly emerging as a promising hub, driven by strong government support, strategic location, and investments from hyperscalers and regional Cloud providers. Deals such as the ADB-GSA deal worth \$26.8m, which funds the development of a green data centre in Phuket, marks a good beginning for Thailand in the green data centre sector," said the CEO.

Overall, both markets will play a crucial role for supporting the AI boom for hyperscalers, government and enterprises, with strategic geographic location.

However, the rapid adoption of AI is placing a strain on existing data centre infrastructure, much of which was not designed to handle the high compute loads required by AI technologies. "Most data centres today rely on air-based cooling systems, which are both power-hungry and less efficient compared to sustainable alternatives such as liquid or immersion cooling. For APAC economies to sustain this boom responsibly, they must rethink core infrastructure, policy frameworks, and energy strategies to enable a transition towards greener technologies," Dhar explained.