

Sustainable Growth a Top Priority for Southeast Asia as Region Set to Deliver Fastest Data Center Growth: Digital Realty / Eco-Business Study

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SINGAPORE, Oct. 22, 2020 /PRNewswire/ -- Southeast Asia is projected to be the fastest-growing region for data centers, according to a new study by [Digital Realty](#) and [Eco-Business](#), with 89% of regional experts surveyed expecting significant data usage growth in the region over the next five years. Digital Realty, a leading global provider of carrier- and cloud-neutral data center, colocation and interconnection solutions, and Asia Pacific sustainability media platform Eco-Business published the key findings in a report titled [The Future of Data Centers in the Face of Climate Change](#).



Over the past few years, the Southeast Asia region — led by Singapore — has experienced exponential growth in data demand. Enterprises are expanding rapidly within the region, driving demand for robust regional IT infrastructure. In a survey of more than 200 experts across Singapore, Malaysia and Indonesia conducted from May through July 2020, 96% of respondents indicated that COVID-19 has further intensified data demand and underscored the importance of digital technology and data centers.

These findings coincide with the [Data Gravity Index](#)™, a recently published study that measured, quantified, and determined the implications of the explosion of enterprise data. Data Gravity is expected to more than double annually from 2020-2024, with Asia Pacific expected to generate the fastest growth in the intensity of data gravity across all regions, while Singapore is expected to be the fastest-growing market across the 21 global metros analyzed.

"Southeast Asia has emerged as a highly sought-after region, with Singapore accounting for an estimated 60% of the region's total data center supply," said Mark Smith, Managing Director, Asia Pacific for Digital Realty. "While Singapore's stable, pro-business environment, low-risk geographic features and abundant connectivity options make it an attractive destination for data center players, the country needs to remain competitive in the face of rising competition. Singapore has a tremendous opportunity to fortify its regional leadership and build upon its position as a sustainable global data center hub in the post-pandemic world."

According to the Digital Realty and Eco-Business study, respondents highlighted a lack of environmental awareness (71%), lack of investment (65%) and lack of collaboration from stakeholders (61%) as key challenges to making data centers more sustainable.

The report highlighted Southeast Asia's tropical climate and policy gaps as additional impediments to the region's long-term growth as a competitive and sustainable data center market. Singapore has the added constraint of a limited land area compared to other markets in the region.

"Southeast Asia is home to some of the fastest-growing economies in the world, and its rapid development will accelerate the demand for data services," said Jessica Cheam, Managing Director, Eco-Business. "Against this backdrop, it is crucial that data center providers find a way to meet this need while ensuring they are playing a part in helping countries meet their climate targets."

The study emphasized that cooling needs represent 35%-40% of total data center energy demand. Energy-efficient cooling technologies and processes — including liquid cooling — represent a significant opportunity for data center operators to reduce energy usage as well as costs.

"It is encouraging to see that most customers in the region view sustainability as a key consideration when choosing a data center provider," said Digital Realty Senior Director of Sustainability Aaron Binkley. "This aligns with Digital Realty's position on sustainability and our commitment to bringing our emissions in line with a significantly below two-degree climate change scenario by 2030. We believe cooling technology will be a game-changer for data centers, especially in Southeast Asia's tropical climate."

The new report also identified Indonesia and Malaysia as rapidly developing, rising stars which are expected to expand their share of the region's data center pie. Both countries offer ease of access and lower cost of entry than Singapore. They also have a young, fast-growing, and sizable base of digital and tech-savvy consumers, which drives a dynamic e-commerce and technology industry and escalating data storage needs. In terms of sustainable growth potential, both countries have an abundance of land mass for data center operations to expand, which gives them the physical capabilities to generate their own supply of renewable energy.

"We hope this whitepaper will spark conversations in the region and spur further action among business, government and wider society to achieve the common goal of creating thriving digital economies while ensuring a resilient and sustainable future," said Cheam.

About the Digital Realty-Eco-Business Study: The Future of Data Centers in the Face of Climate Change

"The future of data centers in the face of climate change" is a whitepaper written and produced by Eco-Business Research, the research arm of Eco-Business, and supported by Digital Realty. It explores the viable solutions available to help data center operators achieve sustainable growth while mitigating their environmental impact. The research was conducted by Eco-Business from May through July 2020, with 208 survey respondents from various industries across Singapore, Indonesia and Malaysia.

Additional Resources:

- Learn about the Data Gravity Index on the insights [hub](#)
- More detail on Digital Realty's focus on sustainability is available [here](#)
- Read the white paper: [The Future of Data Centers in the Face of Climate Change](#)

About Digital Realty

Digital Realty supports the world's leading enterprises and service providers by delivering the full spectrum of data center, colocation and interconnection solutions. PlatformDIGITAL®, the company's global data center platform, provides customers a trusted foundation and proven Pervasive Datacenter Architecture PDx™ solution methodology for scaling digital business and efficiently managing data gravity challenges. Digital Realty's global data center footprint gives customers access to the connected communities that matter to them with 280 facilities in 47 metros across 22 countries on six continents. To learn more about Digital Realty, please visit digitalrealty.com or follow us on [LinkedIn](#) and [Twitter](#).

About Eco-Business

Established in 2009, Eco-Business is a global media and business intelligence platform for sustainable development. Its independent journalism unit publishes high quality, trusted news and views that advance dialogue and enables measurable impact on a wide range of sustainable development and responsible business issues. It is headquartered in Singapore, with a presence in Manila and Beijing. Its award-winning platform www.eco-business.com attracts more than three million page views annually from a senior audience. We help our partners build their knowledge on sustainable development, enable them to foster strong relationships with their stakeholders, establish thought leadership and drive measurable impact.

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