

Indonesia and Philippines Data Center Markets to Surpass USD 8.5 Billion by 2031, Reshaping APAC's Investment Landscape

CHICAGO, IL, UNITED STATES, February 5, 2026 /EINPresswire.com/ -- The data center markets in [Indonesia](#) and the [Philippines](#) are undergoing accelerated structural expansion, reinforcing their strategic importance within South and Southeast Asia's digital infrastructure ecosystem.

Indonesia's market is projected to grow from USD 2.82 billion in 2025 to USD 6.09 billion by 2031, registering a CAGR of 13.71%, supported by large-scale cloud investments, rising AI workloads, expanding internet penetration, and sustained government-led digitalization initiatives.

In parallel, the Philippines is emerging as a high-growth, cost-competitive data center destination, with market revenues expected to increase from USD 735 million in 2025 to USD

2.48 billion by 2031, reflecting a CAGR of 22.50%. This expansion is underpinned by strong enterprise cloud adoption, competitive land and construction costs, improving power and network infrastructure, and expanding subsea cable connectivity.

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Google has announced the expansion of computing capacity in its Jakarta cloud region”

Ryan Ryder

Jakarta and Manila Are Emerging as Strategic Anchors in APAC's Data Center Ecosystem

Jakarta continues to anchor Indonesia's digital infrastructure expansion, benefiting from large-scale cloud investments, rising data traffic, and strong enterprise demand. As the country's primary data hub, Jakarta plays a critical role in supporting long-term capacity deployment and regional data flows.

Meanwhile, Manila serves as the Philippines' principal colocation and connectivity hub, hosting nearly 20 operational facilities and significant capacity under development. Supported by competitive land costs, improving power infrastructure, and expanding subsea connectivity, Manila remains a preferred destination for scalable data center investment.



Philippines' Decarbonization Pathway Hinges on Global Climate Collaboration

The Philippines is advancing its carbon-neutrality agenda under its Nationally Determined Contribution (NDC), which targets up to a 75% reduction and avoidance of greenhouse gas (GHG) emissions by 2030. While domestic initiatives are expected to contribute meaningfully to this transition, the majority of emissions reduction is likely to depend on international climate finance, technology transfer, and policy collaboration. This framework positions decarbonization as a coordinated, multi-stakeholder effort, shaping long-term policy direction and influencing investment activity across energy, transport, agriculture, and industrial value chains.



Indonesia's AI Momentum: From Rising Readiness to Regional Leadership

Indonesia is entering a new phase of digital maturity, with artificial intelligence emerging as a key force shaping its next wave of growth. Industry confidence is rising, with the 2025 AI Index Report by Stanford University indicating that 80% of organizations in Indonesia are optimistic about AI adoption. At the same time, Boston Consulting Group's 2024 AI Maturity Assessment positions Indonesia as a rising contender, a market marked by strong readiness but still limited exposure to advanced AI use cases. This gap is expected to narrow quickly, as the International Trade Administration projects AI adoption in Indonesia to increase by 30% by 2025. Supporting this momentum, Indonesia has announced plans to establish a sovereign AI fund under Danantara Indonesia, aimed at strengthening national AI infrastructure, research, and talent development, underscoring the country's ambition to position itself as a regional AI hub over the long term.

Access Detailed Market Analysis

Philippines Data Center Market – Investment Analysis & Growth Opportunities 2026-2031

<https://www.arizton.com/market-reports/philippines-data-center-market-investment-analysis>

Indonesia Data Center Market – Investment Analysis & Growth Opportunities 2026-2031

<https://www.arizton.com/market-reports/indonesia-data-center-market-analysis-2026>

Market Segmentation Report Includes Size in Terms of

- IT Infrastructure: Servers, Storage Systems, and Network Infrastructure
- Electrical Infrastructure: UPS Systems, Generators, Transfer Switches & Switchgears, PDUs, and Other Electrical Infrastructure
- Mechanical Infrastructure: Cooling Systems, Rack Cabinets, and Other Mechanical

Infrastructure

- Cooling Systems: CRAC & CRAH Units, Chiller Units, Cooling Towers, Condensers & Dry Coolers, and Other Cooling Units
- General Construction: Core & Shell Development, Installation & Commissioning Services, Engineering & Building Design, Fire Detection & Suppression Systems, Physical Security, and Data Center Infrastructure Management (DCIM)
- Tier Standard: Tier I & Tier II, Tier III, and Tier IV

What Key Findings Will Our Research Analysis Reveal?

- How big is the Philippines data center market?
- How much MW of power capacity will be added in Philippines in 2031?
- What factors are driving the Philippines data center market?
- How big is the Indonesia data center market?
- What factors are driving the Indonesia data center market?
- How much MW of power capacity will be added in Indonesia in 2031?

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