

Summary:

Colocation is dominating the Philippines data center landscape, accounting for approximately 94.85% of the market, with retail colocation currently leading but wholesale colocation gaining rapid momentum as enterprises migrate workloads to cloud environments. The shift toward wholesale models is being driven by hyperscaler demand, with operators like ePLDT's VITRO network leading colocation capacity through 11 sites and 9,000 racks nationwide.

The Philippines is positioning itself as a competitive ASEAN data center hub, with construction costs averaging \$6.5–\$7.5 million per MW — significantly lower than Singapore, Thailand, and Indonesia — attracting global operators seeking cost-effective deployment locations combined with a skilled English-speaking workforce of over 1.5 million BPO professionals who support adjacent digital services demand.

Metro Manila remains the primary data center hub with approximately 20 active facilities, while emerging zones including Cavite, Quezon, and Clark are rapidly attracting large-footprint developments — exemplified by ENDECGROUP's USD 2.7 billion, 300 MW Narra Technology Park in New Clark City and PLDT's planned 100 MW facility in General Trias, Cavite — as operators seek land availability, power access, and lower operating costs beyond the congested capital region.

The DICT has outlined an ambitious 18 GW data center capacity expansion plan over the next decade, aiming to transform the Philippines from a regional participant into an ASEAN data center powerhouse capable of exporting computing capacity to neighboring countries and eventually to the Middle East and the United States — with near-term targets of reaching 1.5 GW of additional capacity by the end of 2027.

Republic Act 11659, which eliminated the 40% foreign ownership ceiling on telecom and data center assets, has unlocked a transformative wave of international investment — enabling global operators like Equinix, Alibaba Cloud, Digital Edge, and EdgeConneX to enter the Philippine market with full equity ownership, accelerating capital deployment, technology transfer, and operational expertise that is rapidly professionalizing the country's data center ecosystem.

The formation of the Data Center Operators of the Philippines (DCPH) in November 2025 — bringing together VITRO Inc., ST Telemedia Global Data Centres, Digital Edge Philippines, YCO Cloud, Digital Halo, and A-FLOW — represents a significant industry maturation milestone, with the alliance collectively managing nearly 500 MW of capacity and advocating for policy frameworks that support sustainable growth, renewable energy integration, and streamlined permitting processes.

Renewable energy integration is emerging as a strategic priority for Philippine data center operators, with First Gen Corporation negotiating to supply at least 180 MW of clean power to

data center facilities and the government targeting 35% renewable energy in the national mix by 2030 — aligning data center development with sustainability mandates that are increasingly required by global hyperscalers and enterprise tenants selecting colocation partners based on environmental credentials.

Submarine cable connectivity is strengthening the Philippines' position as a data center destination, with the country connected to major submarine cable systems including APRICOT, SEA-H2X, and Bifrost, and Globe Telecom investing in the Mindanao Submarine Cable Project — expanding international bandwidth capacity that is essential for supporting cloud, AI, and content delivery workloads across the growing data center footprint.

Artificial intelligence is rapidly emerging as a transformative force across the Philippines data center market, fundamentally reshaping how facilities are designed, powered, cooled, and operated — driving a new generation of GPU-dense, AI-ready infrastructure that is critical to meeting the exploding demand for machine learning training, inference workloads, and cloud-native AI services as the Philippines positions itself as a competitive ASEAN hub for next-generation computing throughout the forecast period.

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The liberalization of foreign investment through Republic Act 11659 — which eliminated the 40% foreign equity ceiling on telecom and data center ownership — is acting as the foundational policy catalyst for the Philippines data center market, unlocking billions in international capital from global operators including Equinix (which acquired three TIM data centers for approximately \$180 million), Alibaba Cloud, Digital Edge, and EdgeConneX, and transforming the competitive landscape from a domestically dominated market into an internationally contested ASEAN data center hub.

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The explosive growth of the Philippines' digital economy — driven by rapidly expanding e-commerce, a 1.5 million-strong BPO workforce, fintech adoption, and government digitalization programs — is generating sustained and structurally growing demand for in-country data center capacity, with enterprises across BFSI, IT and telecom, and government sectors requiring low-latency, data-sovereign infrastructure to support cloud migration, digital payments processing, and customer-facing digital services for a population of over 115 million increasingly engaged in online commerce.

Hyperscale data center development is accelerating across the Philippines, with landmark projects including ENDECGROUP's USD 2.7 billion, 300 MW Narra Technology Park in New Clark

City, PLDT's VITRO Sta. Rosa AI-ready facility with a 100 MW aggregate footprint, and ST Telemedia's \$1 billion Fairview campus designed to become the country's largest data center at 124 MW — collectively representing a paradigm shift from small-scale enterprise facilities to globally competitive hyperscale infrastructure capable of serving international cloud and AI workloads.

The formation of the Data Center Operators of the Philippines (DCPH) in November 2025 marks a significant maturation of the industry ecosystem, with six founding members — VITRO, ST Telemedia GDC, Digital Edge, YCO Cloud, Digital Halo, and A-FLOW — collectively managing nearly 500 MW and establishing a unified industry voice that is engaging with government on power supply frameworks, renewable energy access, permitting streamlining, and the regulatory infrastructure needed to support the DICT's ambitious 18 GW capacity expansion roadmap.

Power supply and renewable energy integration are emerging as critical strategic challenges and opportunities for the Philippine data center market, with First Gen Corporation negotiating 180 MW of clean energy supply for data center clients, the government targeting 35% renewable energy in the national mix by 2030, and growing pressure from global hyperscalers — who increasingly mandate renewable-powered colocation — pushing operators to secure long-term clean power purchase agreements that align with international ESG standards and corporate sustainability commitments.

Geographic diversification beyond Metro Manila is reshaping the Philippines' data center footprint, with emerging development zones in Cavite (PLDT's 100 MW General Trias facility), Clark (ENDECGROUP's Narra Technology Park), Quezon, and Laguna (VITRO Sta. Rosa) attracting large-footprint builds that benefit from greater land availability, competitive power costs, reduced natural disaster exposure, and proximity to major submarine cable landing stations — creating a more resilient and geographically distributed national data center network.

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The Philippines data center market is primarily driven by the transformative impact of Republic Act 11659, which opened telecom and data center ownership to 100% foreign equity — eliminating the previous 40% ceiling and triggering a wave of international investment from Equinix, Alibaba Cloud, Digital Edge, and other global operators. This regulatory reform coincides with the rapid expansion of the Philippines' digital economy, powered by e-commerce growth, a 1.5 million-strong BPO workforce, fintech adoption, and government digitalization mandates. Cloud migration across BFSI, telecom, and government sectors is generating sustained demand for in-country colocation and managed services. The Konektadong Pinoy Act, which became law in August 2025, further supports this growth by removing barriers to data transmission services. Together, foreign capital liberalization, digital economy expansion, and accelerating cloud adoption are creating a powerful and self-reinforcing structural foundation for sustained market

Alibaba Cloud announced plans to open its second data center region and cloud availability zone in the Philippines, enhancing cloud capacity and AI service support for the country's rapidly digitalizing enterprise and government sectors.

Equinix completed the acquisition of three carrier-neutral data center facilities from Total Information Management (TIM) in Makati and Cavite for approximately \$180 million — marking the company's official entry into the Philippine market and bringing world-class interconnection and colocation services to Manila.

ENDECGROUP secured a 50-year lease for its USD 2.7 billion, 300 MW Narra Technology Park in New Clark City, with operations expected to commence in Q4 2026 — one of the largest data center investments in Philippine history and a landmark project for the Bases Conversion and Development Authority's technology hub strategy.

First Gen Corporation began negotiations to supply at least 180 MW of clean power to data center operators, expanding from its current 17.4 MW of data center energy supply — signaling the growing convergence of renewable energy development and data center infrastructure in the Philippines.

PLDT officially launched VITRO Sta. Rosa, the nation's first hyperscale data center built specifically to handle AI and GPU workloads, with PLDT Chairman Manuel V. Pangilinan announcing ambitions to expand total data center capacity to 500 MW through a new facility in General Trias, Cavite, with construction beginning in 2026.

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