INDONESIA POISED FOR DATA CENTER GROWTH AS COUNTRY BEGINS SHIFT TO OUTSOURCING

Submitted by: BroadGroup

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04 April 2017 – Jakarta/London - As the third largest by data center market among south-east Asia's four principal economies, and having both strong international cable connectivity and an active Internet Exchange, Indonesia could be poised for further growth.

A new report from BroadGroup, Data Centers Indonesia (http://www.broad-group.com/reports/data-centers-indonesia), suggests that the country offers potential, development space and an attractive local economy to overseas investors and enterprises.

New facility build has been led so far by local companies, but overseas investment has also occurred notably by Equinix and NTT Communications.

However, the market also confronts a number of challenges for data centers. Power developments have not been as fast, with infrastructure largely based on coal, and although plans are in place to develop further significant clean power supply, this could take another four years or more to realise.

Enterprise outsourcing in common with other Asian markets is under-developed which demonstrates there is much to go, but also reflects the stage of evolution in data centers in the country.

"Indonesia is often mentioned as a promising market for data center growth," commented Philip Low of BroadGroup, the report researchers. "It holds tremendous potential as demand and usage shifts from early reliance on local mobile driven data, to third party outsourcing with overseas enterprises which we will see over the next few years. The power issues will need to be resolved in the interim."

The report suggests that Indonesia has many advantages for data center growth which could yield a further 34% in terms of space over the next two years. Significant advances in outsourcing may yet be driven at a faster rate as sheer demand overtakes sensitivities about data privacy and security.

More here (http://www.broad-group.com/reports/data-centers-indonesia)

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