

COMPANIES

Amazon to invest US\$9b to expand cloud computing infrastructure in Singapore

Bloomberg

Amazon.com plans to spend US\$9 billion to expand its cloud computing infrastructure in Singapore, the latest global technology company to boost investment in Southeast Asia.

The outlay, to be done over the next four years, would double the investment of subsidiary Amazon Web Services (AWS) in Singapore and help it meet growing customer demand for cloud services and accelerate the adoption of artificial intelligence (AI), the company said yesterday.

AWS, which sells software and data storage for rent from massive server farms, has been expanding its footprint outside the United States in recent years, with much of that investment targeting Asian markets.

Companies from Microsoft to Apple are also growing in the Southeast Asian market of more than 650 million people, partly to diversify away from China and reduce geopolitical risks amid tensions between Beijing and Washington.

Including the Singapore investment, AWS has this year announced plans to spend about US\$35 billion outside the US, including in Japan, Saudi Arabia and Mexico. The company is also setting up clusters of data centres in Malaysia and Thailand.

Amazon last month said AWS was on track to bring in more than US\$100 billion in sales over the course of a year for the first time. Amazon executives said AWS was benefiting from corporate technology modernisation projects as well as demand for AI services.

The announcement came as part of an AWS Asean Summit in Singapore, where AI took centre stage with a series of initiatives from the US firm. The city state was the first data centre region that AWS established in Asia.

"This investment will create a ripple effect across Singapore by increasing economic growth and cloud adoption," AWS country manager Priscilla Chong said.



This investment will create a ripple effect across Singapore by increasing economic growth

PRISCILLA CHONG, AMAZON WEB SERVICES

Amazon estimates its planned investment will support an average of 12,300 full-time equivalent jobs in local Singapore businesses each year. The company will also conduct workshops, partnering with the Singapore government to help small businesses leverage generative AI.

Singapore has grown into a hub for US businesses in Asia, such as Meta Platforms and Google parent Alphabet, and is seen as a gateway to the broader Southeast Asia region.

Microsoft, AWS' biggest rival in cloud services, visited the region last week, with chief executive Satya Nadella announcing a series of new investments for Indonesia, Malaysia and Thailand.