451 Research predicts accelerated growth for key datacenter markets in India

Driven by rapid cloud growth, India’s colocation market is mostly concentrated in the country’s five largest markets

New York, 24 October, 2017 – 451 Research, a top five global IT analyst firm and sister company to datacenter authority Uptime Institute, today published its first study of the growing datacenter market in India. The firm forecasts continued solid growth for the cloud computing-as-a-service market, with a CAGR of 25% over the next four years as digital transformation takes hold in India and more businesses start outsourcing their IT infrastructure.

Comprising IaaS, PaaS and ISaaS, the cloud computing market in India will reach $1.02bn revenue by 2021 according to 451 Research Market Monitor. Hyperscale cloud and IT services providers looking to reach India’s vast potential market of customers are further driving demand for multi-tenant datacenter capacity in the country.

Analysts also reveal that 84% of India’s datacenter supply is concentrated in the country’s five largest markets: Mumbai, Chennai, New Delhi, Bangalore and Pune. Multi-Tenant Datacenter Markets: Mumbai, New Delhi and Bangalore, finds that almost one-third of all built-out footprint in the country is located in Mumbai, due to the critical role the city plays in Asia-Pacific’s financial services industry, its large population and multiple international subsea cable landings.

“Most datacenter investment is focused on these five cities, reflecting India’s booming economic growth in dense urban areas,” said Teddy Miller, Associate Analyst at 451 Research and the report’s author. “Providers in the country must overcome an array of obstacles, though, including lack of infrastructure, socioeconomic inequality, government bureaucracy, and hesitation on the part of local businesses to adopt colocation services.

“Despite these challenges, the opportunity for datacenter companies to thrive in India is enormous. Most homegrown providers already offer a range of managed services, and many have even launched their own public and private cloud platforms. The success of local companies such as Netmagic Solutions, NxtGen, Reliance Communications and Sify Technologies has even resulted in partnerships and acquisitions involving global players including ST Telemedia and NTT Communications, and we expect more on the horizon,” Miller added.
The report finds that providers in Mumbai are adding space to satisfy the requirements of global hyperscalers that are moving their operations closer to the city’s 21 million residents. 451 Research expects this demand from hyperscale cloud services providers to result in another year of solid growth in 2018, even with intensifying competition and rising land and power costs.

The colocation market in New Delhi, India’s capital, has benefited from the government’s e-commerce initiatives. The city had continually maintained a modest growth rate until earlier this year, when a new large-scale datacenter came online in the business-centric Noida area. 451 Research believes providers should keep a watchful eye on demand before making any further local investment.

With Bangalore’s emergence in recent years as a centrally located, relatively disaster-free IT services hub, its datacenter industry has flourished. Given this unique role the city plays in the national economy, 451 Research believes there will be a steady increase in the city’s utilization rates and datacenter builds going forward.

About the report

The Multi-Tenant Datacenter Markets: Mumbai, New Delhi and Bangalore report analyzes the competitive dynamics in India’s top markets. It includes a 451 Research Market Map of competitors, market share figures, supply and utilization trends, and examines planned multi-tenant datacenters.

The data in this report was assembled in part through the use of 451 Research’s Datacenter KnowledgeBase, which tracks hundreds of companies in the space, including product mix and regional market shares.

Subscribers can access the Multi-Tenant Datacenter Markets: Mumbai, New Delhi and Bangalore report here.

451 Research will be presenting a complimentary webinar on this topic on November 1. Register here.

About 451 Research

451 Research is a preeminent information technology research and advisory company. With a core focus on technology innovation and market disruption, we provide essential insight for leaders of the digital economy. More than 100 analysts and consultants deliver that insight via syndicated research, advisory services and live events to more than 1,000 client organizations in North America, Europe and around the world. Founded in 2000 and headquartered in New York, 451 Research is a division of The 451 Group.

451 Research is part of The 451 Group, which also includes Uptime Institute. Uptime Institute is the IT industry’s most trusted and adopted global standard for the proper design, build and operation of datacenters – the backbone of the digital economy. For over 20 years, Uptime Institute has been providing customers with the assurance that their digital infrastructure can perform at a level that is consistent with their business needs, across a wide array of operating conditions. With its datacenter Tier Standard & Certifications, Management & Operations reviews, Efficient IT Stamp of Approval, and accredited educational curriculum for datacenter professionals, Uptime Institute helps organizations optimize critical IT assets while managing costs, resources and efficiency. Uptime Institute has become the de facto standard for datacenter reliability, sustainability and efficiency. Today, thousands of companies rely on Uptime Institute to enable their digital-centric business success.

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