

# Mumbai favourite destination to set up data centres: Report

Prabhakar.Sinha@timesgroup.com

**M**umbai is one of the leading locations to set up data centres, followed by Bengaluru, NCR of Delhi and Chennai, according to a CBRE report. At present, Mumbai has 35 data centres, Bengaluru 27, NCR 19 and Chennai 17.

The report, India viewpoint: Is India the net frontier for the Data Center Industry, also says that the size of India's data centre market is expected to double from \$ 2.2 billion in 2016 to \$4 billion in 2018 due to expanding Internet of Things (IoT), e-commerce and the recent RBI push to localize payment data. At present, the data centre business in the country is growing at 25%.

The report also underlines that the country is expected to become the second largest data centre market in Asia-Pacific by 2020. It is already the second largest data centre infrastructure market and the second-fastest growing market in APAC region after China.

Other segments like cloud services are likely to grow at 29% to touch \$3.53 billion by 2020 from \$968 million in 2015. The IoT market is likely to increase to \$15 billion by 2020 from \$6 billion in 2016, growing at a CAGR of about 22%, states the report

The main driver for third-party data centres are small enterprises. The report says that while large financial institutions and telecom companies are likely to develop captive data centres for hosting their incre-

asing data storage needs, third-party service providers will invest in enhancing their capabilities to meet the demand of small and mid-sized users.

As of now, third-party data centres are in an expansion mode on the back of growing demand for better connectivity and data storage. However, soon enough, the growing adoption of cloud computing, IoT and Big Data is bound to increase the demand for data centres across various businesses, adds the report.

---

**The report, India viewpoint: Is India the net frontier for the Data Center Industry, says that the size of India's data centre market is expected to double from \$ 2.2 billion in 2016 to \$4 billion in 2018**

---

The CBRE report says that Infilbam is planning to set up a data centre in Gujarat. Also, a Chinese e-commerce major plans to develop data centres across the country. Net Magic Solution is also working out a plan to invest Rs 2,000 crore to set up two centres in Mumbai and Bengaluru. Ricoh is also planning to invest Rs 300 crore to set up data centres in Gujrat.

The findings of the report state that India has seen growth of data centres across all key cities like Mumbai, Chennai, Bangalore and Hyderabad. While all cities have strong office markets, Mumbai and Chennai have attracted data centre players as they offer cost arbitrage using direct submarine lines/cables.