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ASEAN-6

New US chips controls keep ASEAN in focus

Lavanya Venkateswaran
Senior ASEAN and India Economist

- The new US rule replaces the broad country-tier approach of the old AI Diffusion Rule with targeted controls on diversion, end-use and remote access to advanced computing.

- For ASEAN, it is still early days but there will likely be some implications for the FDI landscape. Indonesia, Malaysia, Singapore and Thailand will require licences for specified advanced US-controlled chips, while data-centre operators face enhanced customer due diligence.

- The controls risk widening the divide between US- and China-linked data-centre projects. Malaysia and Thailand appear most exposed while Singapore is relatively well placed to absorb the compliance burden. For Indonesia, China-linked exposure remains via Batam investments.

The US Department of Commerce's Bureau of Industry and Security has issued an interim final rule, *Addressing Remote Access to Advanced Semiconductors*, that replaces the broad country-tier architecture of the earlier AI Diffusion Rule with more targeted controls on diversion, end-use and remote access to advanced computing. The new framework is designed to prevent entities in China, Macau and other countries of concern from accessing large-scale computing power built on US-controlled advanced chips through overseas data centres. It therefore regulates not only the physical shipment of chips, but also who owns or controls the customer, who ultimately accesses the computing capacity and how that capacity is used.

For ASEAN, it is still early days, but the rule could be consequential. This is because Indonesia, Malaysia, Singapore and Thailand, alongside Brazil, were specifically designated as higher-than-normal diversion-risk destinations and will require licences for exports, re-exports and in-country transfers of specified advanced computing chips. Vietnam and the Philippines are not included in this additional destination-based control. The rule also requires data-centre operators, foreign foundries and chip exporters to conduct enhanced customer due diligence, including checks on direct and indirect ownership or control by entities from countries of concern. In effect, overseas data-centre operators become part of the US export-control enforcement architecture.

A potential widening divide between US- and China-linked data centres

The controls could increasingly bifurcate ASEAN's AI-infrastructure investment cycle along ownership and end-use lines. Malaysia and Thailand appear most exposed because both combine rapidly expanding data-centre pipelines with meaningful Chinese operator or customer participation. Our top-down estimates suggest that China-linked operators account for around 34% of Malaysia's disclosed full-build capacity and 38.4% of Thailand's approved capacity. We define China-linked operators as those with Chinese origins, ownership or anchor tenancy, including operators that are no longer Chinese-controlled.

Singapore could face higher compliance costs, but its well-reputed regulatory framework and greater presence of US hyperscalers and US-owned operators should leave it relatively better positioned. Indonesia's direct China-linked share also appears lower than in Malaysia and Thailand, although the headline estimate likely understates its exposure. Several Chinese cloud providers and RangeIDC's Batam campus do not disclose MW capacity, while local operators' long-dated campus maximums dominate the national total. Within Batam alone, China-linked operators account for about 70% of disclosed capacity.

Country	China-linked MW full / approved	Other MW full / approved	China-linked MW live	Other MW live	China-linked share of disclosed capacity (MW, full / approved)	China-linked share of disclosed live capacity (MW)
Thailand	814	1,307	n.a.	n.a.	38.4%	n.a.
Malaysia	1,686	3,258	220	318	34.1%	40.9%
Indonesia*	522	5,254	72	718	9.0%	9.1%
Singapore	113	1,166	53	839	8.8%	5.9%
Total	3,135	10,985	345	1,875	22.2%	15.5%

Sources: Company disclosures and press releases; DC Atlas (Nov 2026); DC Market Insights; Baxtel; BloombergNEF/DC Byte (Nov 2026); Cushman & Wakefield, Knight Frank, Savills; Thailand Board of Investment approvals; Singapore DC-CFA awards; Straits Times, Business Times, DCD. Data as of 18 Nov 2026. *Indonesia's China-linked share understates exposure: Chinese cloud providers and RangeIDC's Batam campus disclose no MW, and the total is dominated by local operators' long-dated campus maximums. China-linked operators account for about 70% of disclosed Batam capacity

The rule is unlikely to stop ASEAN's data-centre build-out, but it adds licensing uncertainty, implementation delays and compliance costs for the most compute-intensive facilities. Projects led by US-headquartered hyperscalers are relatively better placed because qualifying transactions may be exempt from the additional destination-based licensing requirement, subject to reporting and compliance conditions. China-linked projects, and facilities with unclear ownership or end-users, face greater scrutiny and a higher risk that approved capacity is delayed or not built.

The ownership mix nevertheless presents a more balanced picture than the China-linked shares alone suggest. In Malaysia, disclosed commitments and live capacity are sizeable across both China-linked and US-owned operators, limiting the risk that tighter controls derail the broader investment cycle.

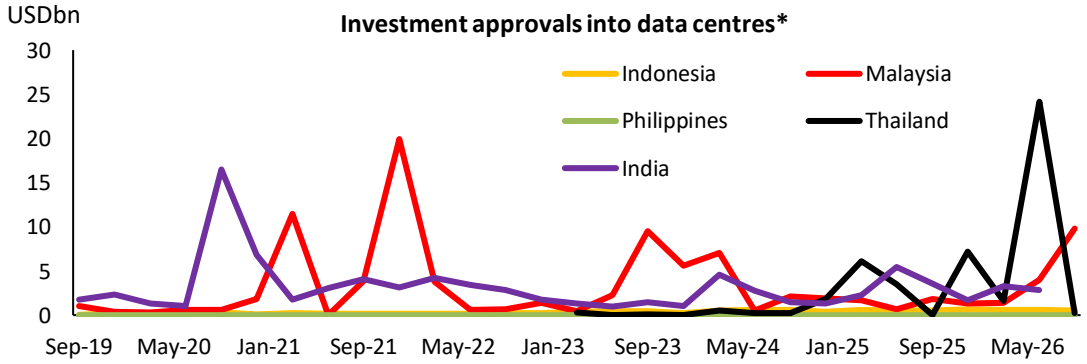
These estimates should be treated as directional. Capacity is attributed to the site operator rather than the tenant, so Chinese and US firms leasing colocation or wholesale space from third-party operators are not captured. Many Chinese and US hyperscalers do not disclose the MW capacity of their own facilities, while pipeline data combine operational sites, firm commitments, approvals and long-dated campus plans that may never be fully built. Singapore's relative positioning is clearer, given the larger presence of US hyperscalers and US-owned operators compared with China-linked capacity.

Vietnam and the Philippines gain a relative advantage because they are outside the new destination-based licensing requirement. However, global end-use and remote-access controls prevent them from becoming straightforward alternative channels for Chinese access to US computing power. India also emerges as a relative beneficiary given its large domestic data-centre pipeline is less dependent on Chinese hyperscalers and is not subject to the additional country-specific licensing requirement.

Data centre capacity by operator ownership: Malaysia, Indonesia, Thailand, Singapore (full build-out, MW)					
Bucket	**Malaysia**	**Indonesia**	**Thailand**	**Singapore**	**Total**
China-linked	1,686	522	814	113	3,135
US hyperscaler	n.a	90	n.a	288	378
US-owned operator	1,208	533	96	437	2,274
Other identified	1,650	4,631	671	441	7,393
Not clear	400	0	540	0	940
Total	**4,944**	**5,776**	**2,121**	**1,279**	**14,120**

Note: Full build-out MW of server capacity at named sites (operational + committed + long-dated), each site counted 100% to one bucket by operator ownership, not equity. Sites without disclosed MW count as zero, so Chinese and US hyperscaler shares are understated. Thailand is mostly BOI approvals and excludes 136MW of Greater Bangkok live capacity. Sources: Company disclosures, DC Atlas, DC Market Insights, Cushman & Wakefield, Knight Frank, BloombergNEF/DC Byte, WireScreen, Thailand BOI; own calculations; as of 18 Nov 2026.

The US measures arrive as several ASEAN governments are already tightening domestic approval frameworks. Indonesia, Malaysia and Thailand are placing greater emphasis on local value-add, efficient electricity and water use, environmental safeguards and the economic benefits generated by data-centre projects (see *ASEAN-5: Assessing FDI direction*, 1 September 2026). Thailand has gone furthest, temporarily pausing 166 projects, including 49 under construction and 117 awaiting approvals, while nationwide standards are developed. This regulatory reset is consistent with the sharp moderation in Thailand's data-centre investment approvals in 3Q26.



Source: CEIC; OCBC Group Research. Note: *We use the best available proxies for each economy.
Indonesia: Machinery Industry, Electronic, Medical Instrument, Precision, Optical and Watch;
Malaysia: Electrical & Electronic Products; **Philippines:** Info & Comm Technology: Manufacturing;

The new US controls could present a potential bifurcation in ASEAN's data-centre investment cycle. US-led projects should be relatively more resilient, while China-linked facilities and projects with opaque ownership, customers or end-use could face higher compliance costs and execution risk. The regional build-out will continue, but the pace was already set to moderate as governments tightened domestic approval rules. The US measures add a further filter based on ownership and ultimate access to computing power. Malaysia and Thailand appear most exposed, Singapore is comparatively well placed to absorb the compliance burden, and Vietnam, the Philippines and India gain a relative, rather than absolute, advantage.

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