

Digital infra resilient across APAC: Insights from Linklaters' Niranjana Arasaratnam

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TMT Finance speaks with Niranjana Arasaratnam, Corporate Partner and Co-Head of Technology at Linklaters, based in Singapore. Arasaratnam leads the firm's TMT practice in the APAC region, across a range of corporate, commercial, and regulatory matters.

In this interview, Arasaratnam shares insights on Linklaters' growth strategy, and reflects on the year's standout digital infrastructure deals, opportunities in the fibre space in Asia, and the effect of regulatory challenges on the market.

You have been selected as one of the judges for TMT Finance's inaugural APAC Awards. Looking back over the past 12 months, how has the APAC digital infrastructure market performed and what were some of the standout deals and trends for you?

Firstly, thank you to TMT Finance for selecting me as a judge for the TMT Finance awards. I'm very excited about the awards and there are many worthy deals, sponsors and advisers shortlisted.

The APAC digital infrastructure market has been resilient. Whilst capital flows into Asia over the last couple of years have been somewhat muted compared to the previous five years, digital infrastructure financing has remained healthy.

The macro-economic and demographic growth of the Asean region demands increasing amount of digital infrastructure across all the asset classes. While they are in different stages of maturity, between developed markets such as Japan and Australia versus those with developing economics, every Asian country requires digital infrastructure to support their growth and has demand for digital infrastructure assets that exceeds supply.

We've seen platforms formed several years ago with deployments in the sector of US\$1-2bn and it's great to see these stabilised platforms emerging over the last 18 months. It's a credit to the sponsor and operator teams to take the development risk and grow these platforms. There are a number of US\$100+ EBITDA platforms in the region and they are going from strength to strength.

As a result, we are now seeing new forms of financing opening up to these platforms as they

mature, and sponsors are considering securitisation options that are prevalent in the US and Europe.

Last year, Linklaters advised the lead structuring banks on the financing for Blackstone's AUD 24bn acquisition of AirTrunk, which was one of the deals shortlisted for an award. Can you walk me through the significance of that deal, both for Blackstone and the market as a whole?

Well, it was a remarkable deal for the size and scale of the deal, plus returns for the investors. It's also significant because it demonstrates the attractiveness of well-scaled operational digital infrastructure assets to global PE players, and it proves the investment thesis and business model for building regional digital infrastructure platforms. Finally, it also emphasised Australia's rising importance as a regional data hub connecting Southeast Asia and the broader APAC region.

PCCW's fibre stake sale was also shortlisted for an award. Since then, we have seen a few fibre deals launched in the APAC region. What opportunities do you foresee in the APAC fibre space and how do regional differences come into play?

That was a great deal because it marked the continued trend of telecoms operators monetising passive infra in order to focus on other aspects of their business.

Additionally, as China Merchants is a state-owned enterprise, [the deal] represents alignment with China's broader initiative to integrate with Hong Kong, and to support the development of a unified regional economy, facilitating seamless connectivity and data across the Greater Bay Area. It is a very exciting deal. We had supported bidders who had looked at the asset.

As you mentioned, there are several fibre sales processes currently underway. Indosat is deep in its process to carve out its fibre assets and there are a number of financial and strategic investors circling these. LinkNet has distributed IMs and that asset is of interest to several players as it has less rollout risk than Indosat plus none of the carve out complexities. Lastly, Converge in the Philippines is carving out its fibre network and bringing in an investor. This asset gives a foreign investor exposure to one of the top three fibre players in the Philippines. All these deals mark a natural evolution of digital infrastructure in Asia from towers to fibre to support broadband demand.

To what extent have current market volatility and regulatory challenges, such as tariffs and data sovereignty, affected the digital infrastructure industry? Has this impacted Linklaters' strategy?

It's a good question and one that we are all grappling with. The policy uncertainty coming out of the US makes it hard to predict with any clarity.

The tariffs probably have less effect on the Asian digital infrastructure sector than other industries as we aren't exporting digital infrastructure services to the US. However, if the tariffs slow down growth in Asian countries then there may be natural slowing of demand for digital infrastructure.

But actually, I'm hopeful as the limiting of the US markets will force Asian countries to trade more within Asia, plus it will spur governments and the private sector to become more efficient and that bodes well for the infra sector more broadly.

That said, the main regulatory impact is the AI diffusion rules coming out of the US. These are very complicated, but they broadly break the world up into three tiers: friendly countries where GPU chips can be exported into; off-limit countries where GPU chips are prohibited and countries in the middle where there will be rules limiting the amount of chip capacity that can be imported. That might limit the amount of AI driven DC development in say Malaysia.

However, the majority of DC builds are cloud not AI focussed, and China is experiencing a fall in the value of chips as companies follow the Deepseek model and rely less on building their own Large Language Models but using the existing ones better. So, there will be an effect of the AI diffusion rules but not as dramatic as some people predict.

Niranjan Arasaratnam *is speaking at the TMT M&A Forum APAC in Singapore on 15 May. For more information on the agenda and speakers, [click here](#).*