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Data Center Briefing

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Global

Key themes:
AWS drone strikes damage UAE and Bahrain data centres; AirTrunk Singapore HQ move alongside 180MW local footprint; Solstice Data ₹52,600 crore AI/HPC campus in Kerala Mattannur; US mayors cite xAI turbines and APS 19,000MW warning

AWS doesn't usually tell customers to flee an entire region — but that's effectively what happened after drone strikes damaged at least three of its Middle East data centres. The incident hit two sites in the UAE and one in Bahrain, and AWS advised customers to reroute workloads to the US, Europe, or Asia Pacific. In one day, geopolitics turned from "macro risk" into a very literal capacity-and-latency problem.

The Big Stories

AWS data centres damaged by drone strikes in the UAE and Bahrain is the kind of operational shock that changes procurement conversations overnight. AWS said at least three data centres were hit and told customers to shift workloads to other Regions. Analysts are already pointing to selective knock-on demand in places like India, where AWS has committed ₹60,000 Cr for data centres in Telangana (announced January 2025). This matters because it's a reminder that "regional diversification" isn't just resilience theatre — it's now a line item that can swing real deployments when a conflict zone overlaps with a cloud footprint.

AirTrunk opening a Singapore regional headquarters is a quieter signal — but it's a strong one. The operator is anchoring Asia operations from the Ocean Financial Centre while expanding headcount, positioning Singapore as its gateway for cloud and AI demand. AirTrunk already runs three Singapore hyperscale data centres totalling 180MW, has invested “several billion dollars” directly, and raised a S$2.25 billion green loan for SGP2 in August 2025; all of that sits inside the bigger 2024 Blackstone/CPPIB acquisition (valuation above AUD $24 billion). Investors should read this as organisational “lock-in” to the region: Singapore may be constrained, but it’s still where the control plane sits.

Solstice Data’s MoU to invest ~₹52,600 crore in Kerala is eye-catching on scale and on positioning: an AI-driven HPC data centre on ~100 acres at KINFRA Industrial Park in Mattannur, implemented over five to seven years. It’s Dubai-based capital leaning into India’s next wave of capacity outside the usual magnets — and the timeline suggests this is as much about power, land, and delivery sequencing as it is about “AI.” The watch item is whether Kerala can turn an MoU into grid-ready, financeable phases quickly enough to matter.

US mayors openly pushing back on AI data centres is the political mood shift the industry keeps underestimating. The piece flags rising pressure on energy, water, and pollution — with local leaders urging big tech to pay for infrastructure rather than externalising it. It cites xAI running at least 18 methane gas turbines in South Memphis, Mississippi regulators approving generators amid opposition, and APS warning proposed data centres could drive demand to 19,000 MW (more than double the grid’s record peak). For developers and financiers, this is the early-stage version of what turns into permitting drag, bespoke mitigation, and surprise capex.

Behind the Headlines

xAI being “rebuilt from the foundations up” — while permitting a 41-turbine natural gas plant in Southaven, Mississippi is a revealing combination of software ambition and physical-world trade-offs. Elon Musk’s comment that xAI “was not built right” signals a reset in architecture and talent, but the power plan is the part that will define the project’s social licence. The objections from the NAACP and the Southern Environmental Law Center underline where the fault line is forming: AI buildouts are colliding with local air quality and environmental justice concerns. The industry’s hard lesson here is that “time-to-power” can be faster with gas — and faster to backlash, too.

Formula 1 cancelling Bahrain and Saudi Arabian Grands Prix due to war isn’t a data-centre story on the surface, but it’s a clean indicator of how far the regional risk has escalated. When global event organisers pull out, it’s usually because insurers, logistics, and security assumptions have broken — the same ecosystem that underpins supply chains and on-the-ground operations for critical infrastructure. The same update notes the U.S. International Development Finance Corporation launched a $20 billion reinsurance program for oil tankers and maritime traffic in the Strait of Hormuz on 10 March 2026. Read that alongside AWS’s reroute advice and you get the pattern: risk is being repriced in real time, with knock-on effects that quickly reach digital infrastructure planning.

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