

IOOTD - APAC's DC Universe

12 August 2026 | 3:04 AM China Standard Time



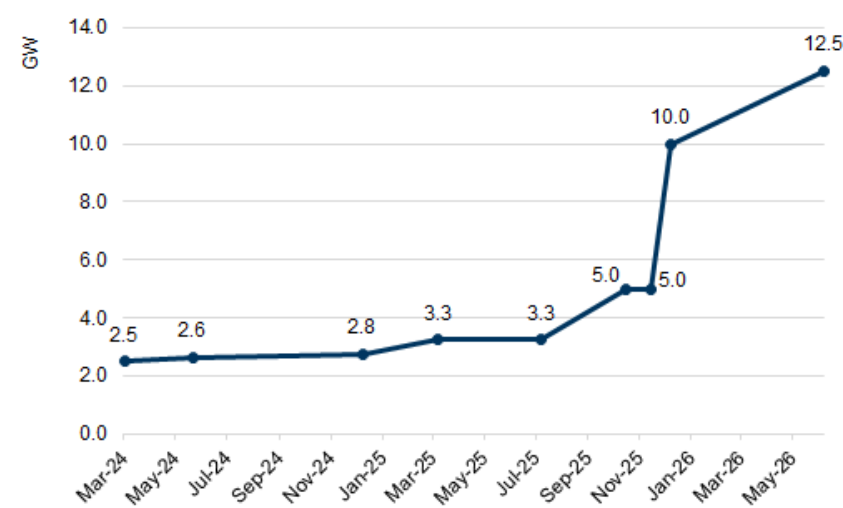
Natalie Khoury
Goldman Sachs & Co. LLC
FICC & Equities

Overnight our GIR team published a [very interesting piece](#) on China's data center capacity expansion outlook, more specifically around the one of the largest and fastest growing computing clusters in China and APAC, Ulanqab.

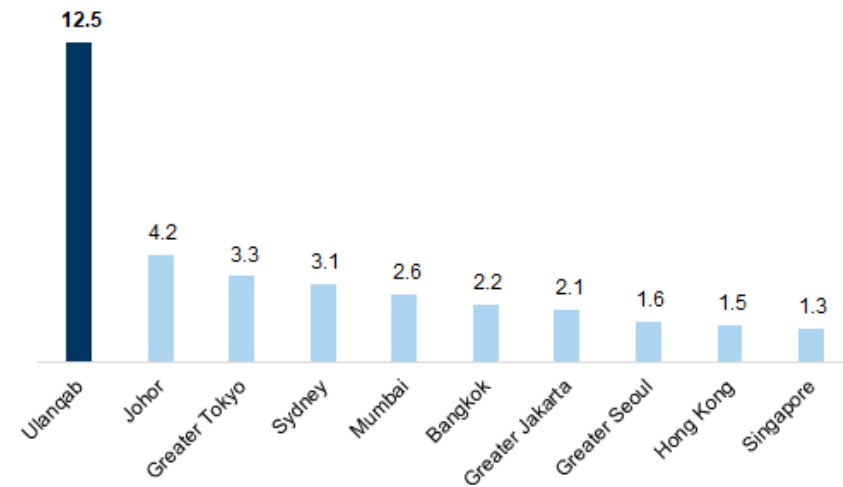
In their piece, GIR highlight that:

Ulanqab has received **12.5GW** capacity commitment from data center operators and internet/AI companies as of Jun 2026 (live and pipeline combined), implying **10x+** capacity expansion from its c.1.2GW live capacity as of 2025 which accounted for only c.4% of live capacity in China. This is **three times the total upcoming data center capacity in Johor, Malaysia** (live and pipeline combined)

Total data center capacity commitment in Ulanqab capacity (live, under construction and pipeline) in key APAC hubs (GW)



Total data center

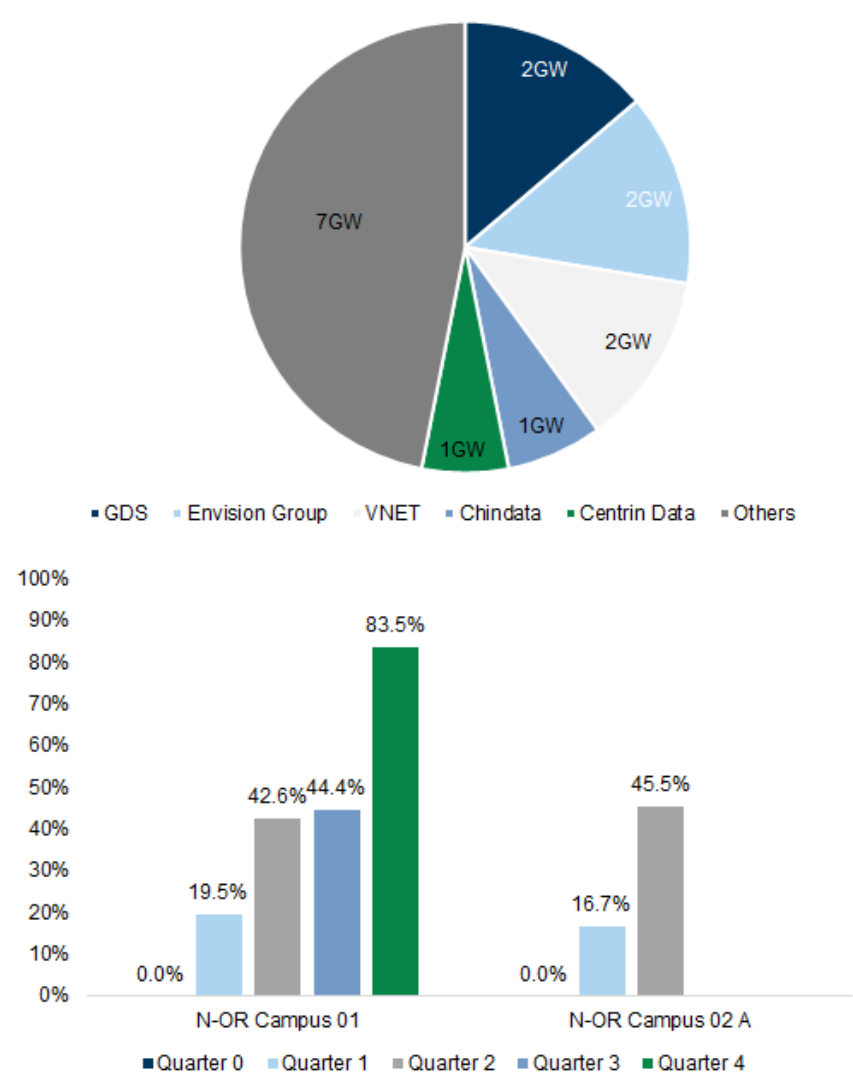


Source: Sina News, Local government websites, Data compiled by Goldman Sachs websites, Cushman & Wakefield
Global Investment Research

Source: Local government

We see GW-scale projects underway from **3 of the top 4 data center operators in China** by live capacity, namely [GDS](#), [VNET](#) and Chindata (owned by Dongyangguang, 600673.SS, Not Covered), as well as Envision (Private), followed by hundred MW-scale projects from ZDATA and Centrin (both Private).

Pipeline capacity share by company
VNET data center campus in Ulanqab on a cohort basis



Source: Company data, Sina News, Data compiled by Goldman Sachs Global Investment Research data, Data compiled by Goldman Sachs Global Investment Research

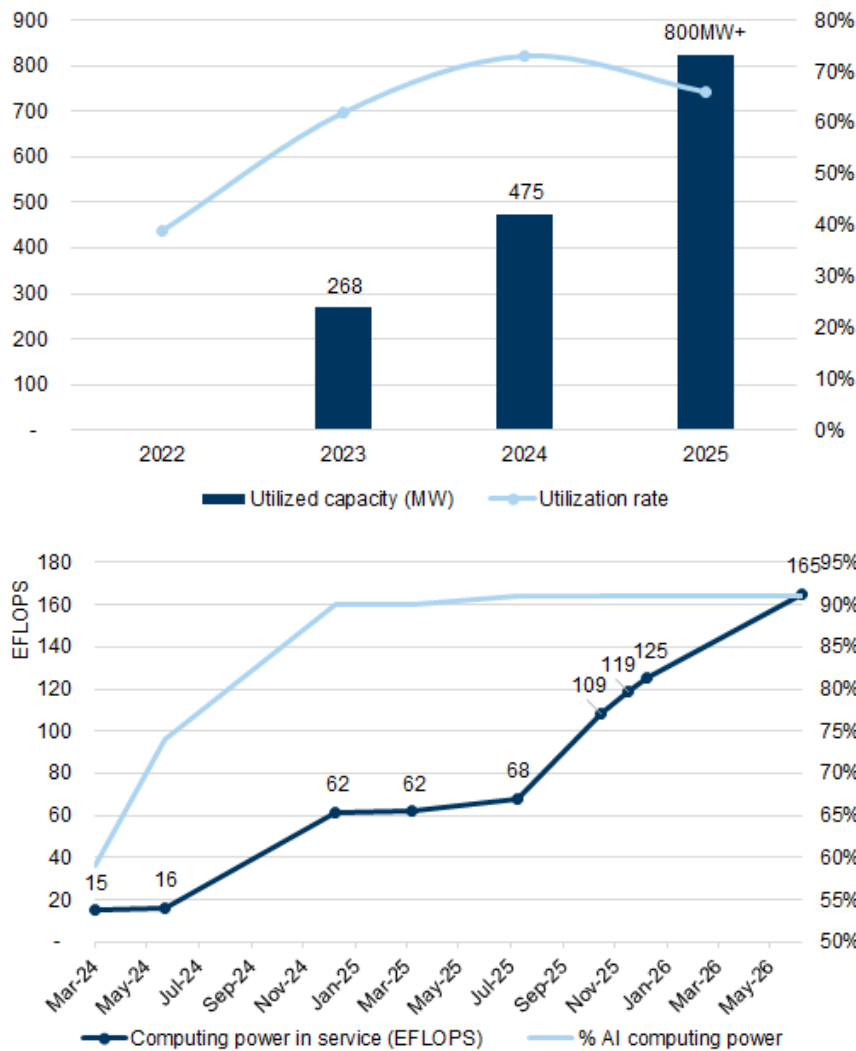
Source: Company

The city's utilized capacity grew **70%+ yoy** to **c.800MW** as of end-2025, while available computing power **more than doubled yoy** to **165 EFLOPS** as of Jun 2026 ([Exhibit 9](#)), equivalent to 5%/7% of China's utilized data center capacity/intelligent computing power, respectively.

Utilized capacity in Ulanqab (MW)
power in Ulanqab (EFLOPS)

Live computing





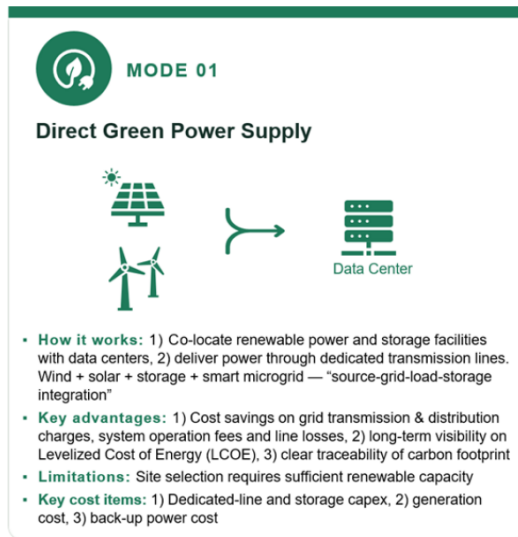
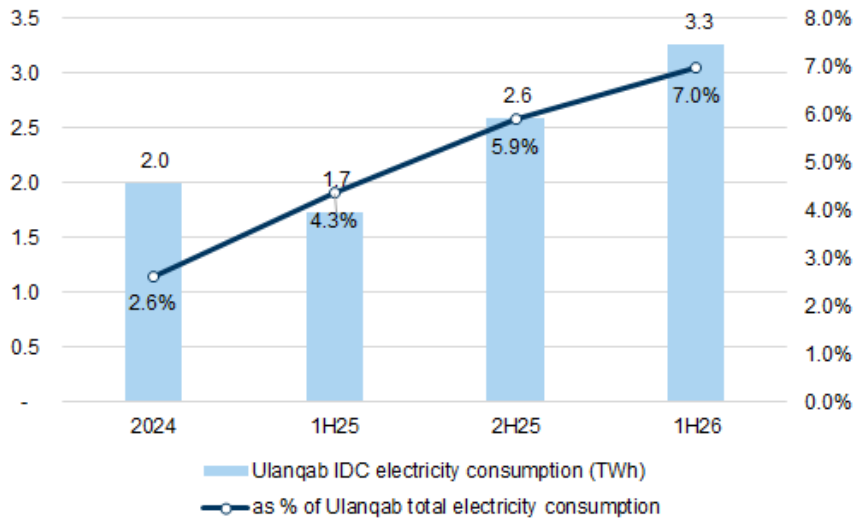
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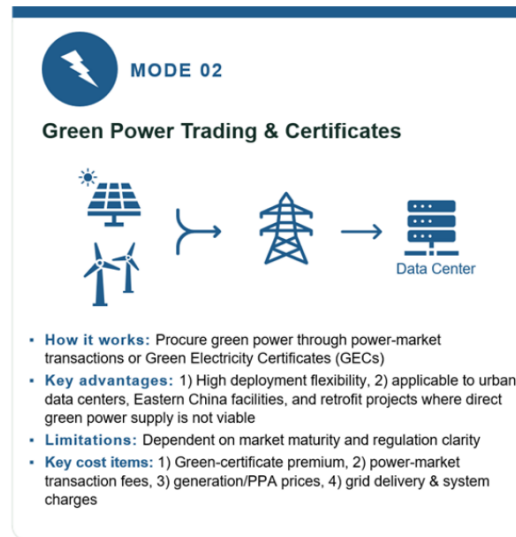
Data center electricity power consumption grew **90%** yoy to 3.3TWh YTD as of Jun, equivalent to **7%** of the city's total power consumption (vs. 4.3% a year ago or 1.6% for China overall in 2025). While Ulanqab enjoys **rich green wind/solar power resources** (e.g. 1/10 of wind power in China) and favorable climate (e.g. average temperature 4.3°C), its **tight water resources** may have impacted the evolution of cooling systems, e.g. direct-to-chip liquid cooling.

Ulanqab DC elec consumption (TWh) and as % of total elec consumption

Direct Green Power Supply and Green Power Trading & Certificates are two major modes of data center green power consumption



Source: Ulanqab NDRC, Data compiled by Goldman Sachs Global Investment Research
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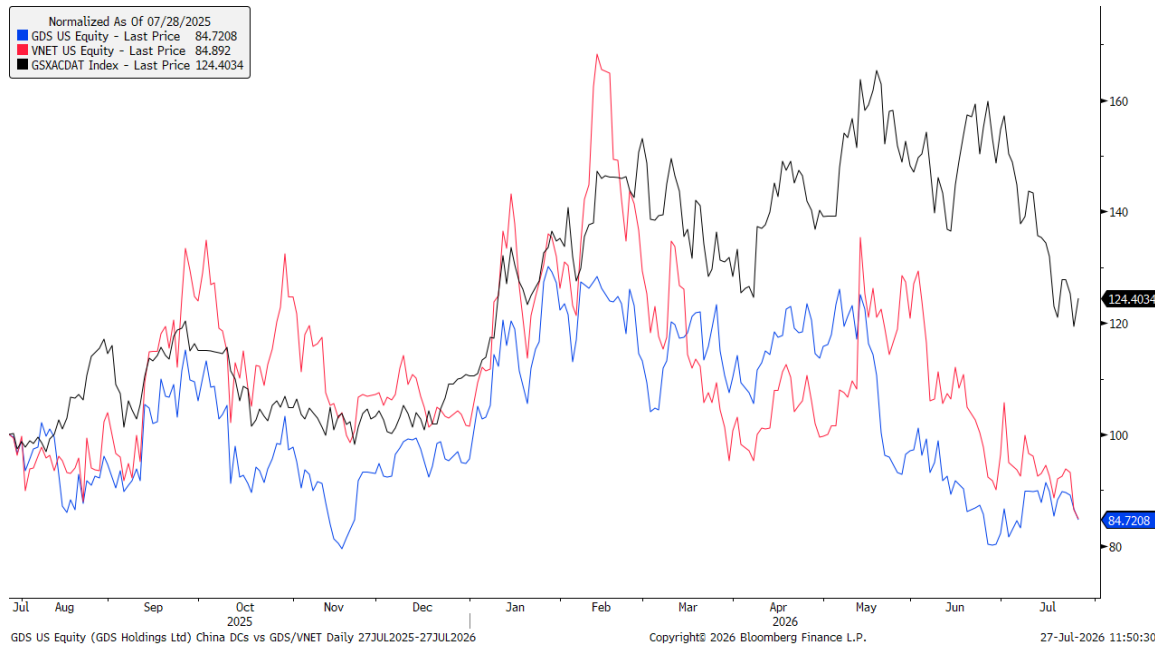
Source: CDCC, Data

In addition to the above, **Alexander Joseph**, also put out a [great note](#) highlighting China data center Q2 previews, as **GDS and VNET are set to report earnings withing the next week**. What is interesting is that while investor interest has cooled, the investment thesis in these China data center names still looks promising.

“Outside of local Semiconductor names, GDS/VNET are still among the preferred ways to play the continued proliferation of AI in China and are model winner agnostic + benefit from domestic chip supply improving on the go-forward...”

Demand for compute capacity continues to grow alongside Chinese token consumption -> See [last week's reports](#) of Z.AI (GLM developer) commissioning a 1GW facility. GIR expect **20% industry-level Data Center demand CAGR across 2025-28E**, growing from 16GW in 2025 to 27GW in 2028E...”

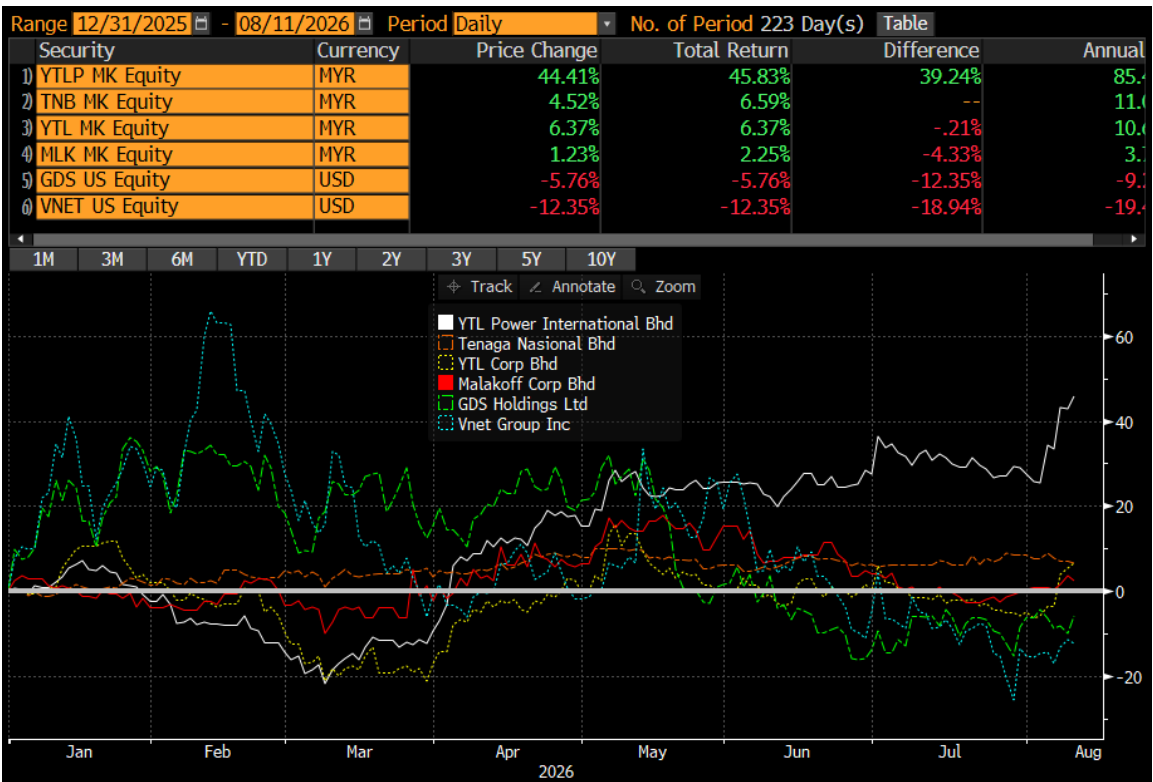
GDS/VNET have lagged broader China DC Basket ([GSXACDAT](#)) in the past 12m..



Source: Goldman Sachs FICC & Equities, Bloomberg, as of July 2026. Past performance is not indicative of future results

And while Ulanqab is the fastest growing region for computing clusters, the capacity and infrastructure in Malaysia cannot be ignored as Malaysian data center related names have seen strong YTD price performance, even outperforming their China peers.

- **YTL Power Int'l (YTLP MK)** is heavily involved in data center development, (including the AI-focused **YTL Green Data Centre Park** in Johor) in addition to power generation.
- **Tenaga Nasional Bhd (TNB MK)** is Malaysia's dominant national utility and primary grid operator
- **Malakoff (MLK MK)** is one of Malaysia's largest IPPs



Source: Bloomberg, data as of August 11, 2026. Past performance is not indicative of future returns