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10 Years On, Free and Open Indo-Pacific Continues to Evolve: Building Shared Prosperity Through Technology and Talent

– The Shared Future of Asia and Japan –



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“What will give stability and prosperity to the world is none other than the enormous liveliness brought forth through the union of two free and open oceans and two continents. Japan bears the responsibility of fostering the confluence of the Pacific and Indian Oceans and of Asia and Africa into a place that values freedom, the rule of law, and the market economy, free from force or coercion, and making it prosperous.”

In August 2016, at the opening session of the Sixth Tokyo International Conference on African Development (TICAD VI) in Nairobi, Kenya, then Japanese Prime Minister Shinzo Abe unveiled the Free and Open Indo-Pacific (FOIP), a diplomatic strategy that has since gained traction in the United States and Europe.

Ten years have passed since FOIP was first proposed. From the outset, its core principles have been respect for freedom, openness, diversity, inclusiveness, and the rule of law. While remaining grounded in these principles, FOIP has in recent years evolved to place greater emphasis on working with partners, including the Association of Southeast Asian Nations (ASEAN), to build a stronger, more prosperous region through technological cooperation and workforce development in growth sectors such as digital technology and semiconductors.

A Hub for AI and Semiconductors

Southeast Asia, once known as the “world’s factory” for its low labor costs, is gaining prominence as a new hub for the artificial intelligence (AI) and semiconductor industries. Behind this shift is a trend toward “de-risking”—reducing dependence on China by reorganizing supply chains and diversifying production bases in response to escalating US-China tensions.

Johor, Malaysia’s southernmost state, has seen major global companies including Microsoft Corp., Nvidia Corp., and NTT Data Japan Corp. establish operations in quick succession. It is now one of Southeast Asia’s leading data center hubs.
Johor’s rapid growth as a data center hub is closely linked to developments in neighboring Singapore. A destination for multinational corporations, financial institutions, and IT companies from around the world, Singapore was also a major hub for submarine communications cables and the heart of Southeast Asia’s data center industry. However, data centers consume vast amounts of electricity and cooling water, and in Singapore, where land is limited, concerns grew over their heavy use of resources and environmental impact. As a result, approvals for new data centers were effectively suspended in 2019.

Meanwhile, demand for data centers continues to grow as advances in AI accelerate. Johor has emerged as a destination for that demand.

Located just a few kilometers across the water from Singapore, Johor functions in many ways as an extension of the city-state. It also offers several advantages over its neighbor, including more abundant land, lower land acquisition costs, and cheaper electricity. Malaysia's political stability and the predictability of its legal system have further reassured companies establishing operations there. Investment promotion efforts have provided an additional boost, led by the Malaysian government, which has positioned digital investment as a pillar of its economic growth strategy. As a result, Johor has developed into one of the world's leading data center hubs.

NTT Data is developing a large-scale data center campus in Johor with a planned power capacity of 290 megawatts (MW). Designed to meet growing demand driven by AI, the campus will be one of the largest of its kind in the Asia-Pacific region, with the first building scheduled to begin operations in April 2027.

Announcing the acquisition of land for the data center, Doug Adams, CEO and President, Global Data Centers at NTT Data, emphasized, "With the APAC (Asia-Pacific) region emerging as one of the fastest growing and most influential markets for IT and data centers, our strategic land acquisition and development in Malaysia underscores our commitment to further expansion in the region." He added, "Johor Bahru is an increasingly important cross-border economic zone due to its proximity to Singapore."

As the concentration of data centers grows, one of the key challenges is managing the vast amounts of heat generated by servers. AI-focused data centers in particular consume large amounts of electricity, making efficient cooling increasingly difficult with conventional air-conditioning systems alone. Against this backdrop, NTT Data has announced plans to introduce cutting-edge direct liquid cooling technology, which delivers coolant right to servers. By leveraging their technological expertise, Japanese companies are supporting industrial upgrading in Southeast Asia while generating investment and employment.

Supporting Semiconductor Workforce Development

Malaysia is not alone in Southeast Asian country in attracting a growing share of digital investment. In Vietnam, the government has made the development of high-tech

industries a national strategy, with major global companies establishing operations there in quick succession.

US semiconductor giant Intel Corp. operates its largest assembly and test facility at Saigon Hi-Tech Park (SHTP) in Ho Chi Minh City in southern Vietnam. This spring, the company announced plans to transfer some operations from its Costa Rica facility to the Ho Chi Minh City site. The move is intended to strengthen Vietnam's role in the global supply chain for cutting-edge data center chips.

South Korea's Samsung Electronics Co. has been rapidly shifting its investment focus in Vietnam from smartphones to semiconductors in recent years. According to local media reports, the company is building its first facility in Vietnam for the testing and packaging of DRAM and NAND flash memory chips in Thai Nguyen Province in the north of the country to meet surging AI-related demand. The project carries an initial investment of $1.5 billion (approximately 39 trillion dong), with operations targeted to begin in November 2027.

Against this backdrop, Japan is acting as a partner in Vietnam's industrial upgrading by supporting the development of semiconductor talent.

The Vietnamese government aims to train 50,000 semiconductor professionals by 2030, and Vietnam Japan University is one of the key institutions supporting this goal. Established in 2014 through cooperation between the Japanese and Vietnamese governments, the university launched a semiconductor talent development program in October 2025.

Tsuyoshi Usagawa, Special Advisor to the Rector of Vietnam Japan University, also serves as a Senior Advisor at the Japan International Cooperation Agency (JICA), which supports efforts to strengthen the university's education and research infrastructure. Usagawa has been involved in the program since its inception. "Semiconductors are attracting a great deal of attention," he said. "We had 106 students in the first cohort and 107 in the second, all of them exceptionally talented."

Semiconductor manufacturing is broadly divided into two stages: front-end processing, in which circuits are formed on silicon wafers, and back-end processing, in which the wafers are diced into individual chips that are then packaged as finished products.

Currently, no companies in Vietnam handle front-end processing. Usagawa believes that by developing talent in this field, Vietnam will be able to “complete an ecosystem that includes the semiconductor industry.”

After completing four and a half years of study and graduating, graduates of the semiconductor program will go on to work for global semiconductor companies operating in Vietnam and build careers both within the country and overseas, including in Japan. Usagawa also noted, “By sharing Japan’s educational programs and accumulated experience with countries across Southeast Asia, including Vietnam, we can expand people-to-people networks.” He added, “These networks cannot be built overnight, but once established, they are extremely strong,” expressing hope that development assistance through talent cultivation and mutual understanding would reinforce each other.

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Press kit

1



This photo taken on September 2, 2026, shows rows of server rack cabinets at the Digital Realty data center in Singapore. (c)AFP=Jiji

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Japanese Prime Minister Shinzo Abe gestures as he speaks during a joint press conference with Kenya's President at the State House at the end of the Tokyo International Conference on African Development (TICAD) in Nairobi on August 28, 2016. (c) AFP=Jiji

3.



The waterfront buildings in the southern Malaysian state of Johor Bahru are pictured from Singapore on May 28, 2021. (c)AFP=Jiji

4.



This aerial picture shows South Korean electronics giant Samsung's factory in Vietnam's Bac Ninh province on June 11, 2024. (c)AFP=Jiji

5



This photo taken on October 6, 2026, shows Tsuyoshi Usagawa, special advisor to the rector of Vietnam Japan University, at the JICA headquarters in Chiyoda Ward, Tokyo. (c)Jiji Press

6



Tsuyoshi Usagawa, special advisor to the rector of Vietnam Japan University, gives a lecture on semiconductors at the university in Hanoi, Vietnam, in September 2025. (Courtesy of Vietnam Japan University). (c)Jiji Press