



Strategic Insight Report

May 2025
Strategy, BE & Execution Group

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Introduction

In this May edition of our Strategic Insight Report, we continue to compile key updates and insights from the technology and telecommunications industry.

We begin with the Global Insights section, featuring an overview of the data center market driven by the growing demand for AI. We also highlight developments in India—one of the most notable 5G success stories. Additionally, we include a report from an external source discussing future technology trends.

In the International News section, we present a comprehensive summary of major developments in the global telecommunications landscape, covering leading operators and emerging technologies around the world.

Moving to the Domestic Updates, Indonesian operators have made a notable development. First, we provide a news on Telkom group on their performance in the recent period. XLSmart, following a recent merger, is now focusing on strengthening its customer network. We also report on the regulator's decision to partner with an Indian company to accelerate 5G and AI development in Indonesia. Finally, we include additional updates from other players and the industry as a whole.

Happy reading!

Sincerely,

Strategy, BE & Execution Group

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Global Insights

The cost of compute a \$7 trillion race to scale data centre

AI is fuelling a massive demand for compute power driving billions in infrastructure investment, but future demand remains uncertain. Compute power, encompassing hardware, processors, memory, storage, and energy, is critical for running AI foundation models and machine learning applications.

By 2030, data centers globally are projected to require \$6.7 trillion in capital expenditures to meet compute power demand. This includes \$5.2 trillion specifically for data centers equipped for AI processing loads and \$1.5 trillion for traditional IT applications. This nearly \$7 trillion total represents a staggering required outlay by 2030.

Non-AI workloads like web hosting and enterprise systems are less compute-intensive, use CPUs rather than GPUs/AI accelerators, have predictable usage, and lower power densities, requiring different infrastructure compared to AI-focused data centers.

Companies in the compute power value chain face the challenge of balancing rapid capital deployment with prudence due to uncertainty about future AI growth. The value chain is complex, involving real estate developers, utilities, semiconductor firms, and cloud hyperscalers. Deciding how much capital to allocate and where is formidable, compounded by uncertainty regarding future financing models and whether technological advances will reduce compute needs. The stakes are high: overinvestment risks stranding assets, while underinvestment means falling behind.

Predicting the compute power demand curve

Predicting future compute power demand is challenging due to the rapidly shifting AI sector. Global demand for data center capacity could almost triple by 2030, with about 70 percent driven by AI workloads. This projection hinges on two key uncertainties:

- **AI use cases:** If companies fail to create significant business value from AI applications, demand could fall short. Conversely, transformative applications could fuel even greater demand.
- **Rapid innovation cycles:** Efficiency gains in AI technologies (processors, models, power consumption) could occur. However, preliminary analysis suggests these gains may be offset by increased experimentation and training across the broader market, potentially aligning with Jevons Paradox, where efficiency improvements increase overall demand.

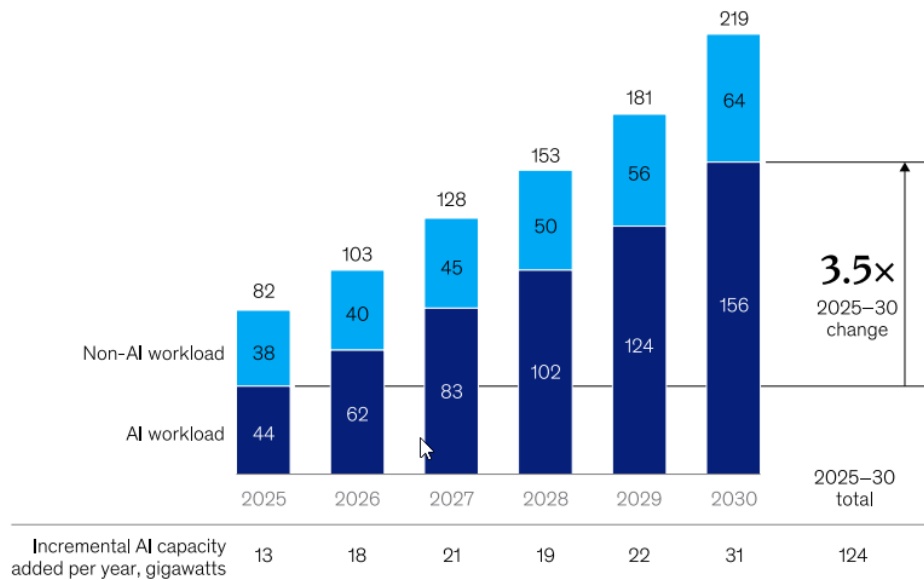
AI demand alone will require \$5.2 trillion in investment

Meeting AI demand alone will require \$5.2 trillion in investment by 2030. This is based on extensive analysis and assumptions, including a projected 156 gigawatts (GW) of AI-related data center capacity demand by 2030, with 125 incremental GW added between 2025 and 2030.

Exhibit 1

Both AI and non-AI workloads will be key drivers of global data center capacity demand growth through 2030.

Estimated global data center capacity demand, 'continued momentum' scenario, gigawatts



Note: Figures may not sum to totals, because of rounding.
Source: McKinsey Data Center Demand Model; Gartner reports; IDC reports; Nvidia capital markets reports

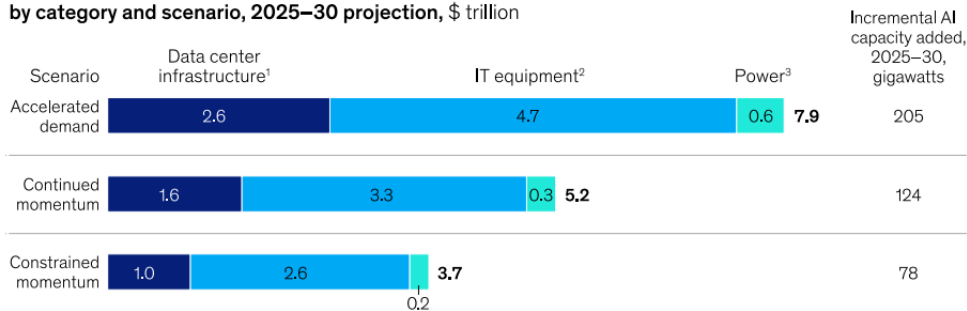
McKinsey created three investment scenarios based on different demand levels:

- **Accelerated demand:** 205 incremental GW added by 2030, requiring an estimated \$7.9 trillion in capital expenditures.
- **Base scenario (used in the article):** 156 incremental GW added by 2030, requiring an estimated \$5.2 trillion.
- **Constrained demand:** 78 incremental GW added by 2030, requiring an estimated \$3.7 trillion. These estimates translate projected gigawatt capacity into capital expenditures across categories like power, data center infrastructure, and IT equipment.

Exhibit 2

Capital investments to support AI-related data center capacity demand could range from about \$3 trillion to \$8 trillion by 2030.

Global data center total capital expenditures driven by AI, by category and scenario, 2025–30 projection, \$ trillion



Note: Figures may not sum to totals, because of rounding.

¹Excludes IT services and software (eg, operating system, data center infrastructure management), since they require relatively low capex compared with other components.

²Includes server, storage, and network infrastructure. IT capex also accounts for replacing AI accelerators every 4 years.

³Assumes \$2.2 billion–\$3.2 billion/gigawatt (including power generation and transmission cost) to account for a range of power generation scenarios (eg, fully powered by gas, a combination of gas power and storage, and solar) and regional cost differences. Distribution cost is neglected, as most AI centers are expected to be >50 megawatt scale and connected to a transmission grid.

Source: McKinsey Data Center Capex TAM Model; McKinsey Data Center Demand Model

McKinsey & Company

These staggering investment numbers are fuelled by several factors:

- **Mass adoption of generative AI:** Training and inference workloads require significant compute resources.
- **Enterprise integration:** Deploying AI applications across industries requires massive cloud computing power.
- **Competitive infrastructure race:** Hyperscalers and enterprises build proprietary AI capacity for advantage, fueling data center construction.
- **Geopolitical priorities:** Governments invest in AI infrastructure for security, economic leadership, and technological independence.

Analysing the \$5.2 trillion AI infrastructure forecast, the analysis likely undercounts total capital investment as it focuses on three of five investor archetypes who directly finance infrastructure. Investment is projected to flow as follows:

- ~15% (\$0.8 trillion) to Builders for land, materials, and site development.
- ~25% (\$1.3 trillion) to Energizers for power generation/transmission, cooling, and electrical equipment.
- ~60% (\$3.1 trillion) to Technology developers and designers for chips and computing hardware. Operators and AI Architects also invest, but quantifying their compute power investment is difficult due to overlap with broader R&D.

Despite projected requirements, current investment levels lag demand. CEOs hesitate due to limited visibility into future demand, uncertainty about rapid AI adoption continuing, long infrastructure project lead times, and difficulty demonstrating ROI.

Five archetypes of AI infrastructure investors are leading the capital investments required to scale data centers:

- **Builders:** Real estate developers, design firms, construction companies expanding data centers.

- **AI Capex:** \$800 billion. Non-AI Capex: \$100 billion.
- **Challenges:** Labor shortages, location constraints, increased rack power density creating space/cooling issues.
- **Solutions:** Adopting modular designs.
- **Energizers:** Utilities, energy providers, cooling/electrical equipment manufacturers building power/connectivity infrastructure.
 - **AI Capex:** \$1.3 trillion. Non-AI Capex: \$200 billion.
 - **Challenges:** Existing grid weaknesses, heat management, clean-energy transition requirements, lengthy grid connection approvals.
 - **Solutions:** Investing in emerging power generation (nuclear, geothermal), accelerating capacity build-out (renewables and traditional), with renewables projected at 45-50% of the energy mix by 2030.
- **Technology developers and designers:** Semiconductor firms and IT suppliers producing chips and computing hardware.
 - **AI Capex:** \$3.1 trillion. Non-AI Capex: \$1.1 trillion.
 - **Challenges:** Market supply controlled by a few firms, insufficient capacity, unpredictable demand due to shifts in AI training.
 - **Solutions:** Expanding fabrication capacity and diversifying supply chains to prevent bottlenecks.
- **Operators:** Hyperscalers, colocation providers, GPU-as-a-service platforms, enterprises optimizing computing resources.
 - **AI/Non-AI Capex:** Not included in this analysis.
 - **Challenges:** Immature AI-hosted applications obscuring ROI, inefficiencies, uncertainty disrupting infrastructure planning.
 - **Solutions:** Improving energy efficiency (cooling, rack stackability), investing in AI model development requiring less compute.
- **AI architects:** AI model developers, foundation model providers, enterprises building proprietary AI.
 - **AI/Non-AI Capex:** Not included in this analysis.
 - **Challenges:** AI governance issues, unpredictable inference cost (especially for advanced models like OpenAI's o1), difficulty demonstrating ROI.
 - **Solutions:** Optimizing model architectures using techniques like sparse activations and distillation to reduce inference costs.

As companies plan investments, they must navigate uncertainties:

- Technological disruptions: Efficiency gains in model architectures could reduce hardware/energy demand.
- Supply chain constraints: Labor shortages, bottlenecks, regulations, and long lead times for fab construction could delay growth.
- Geopolitical tensions: Tariffs and export controls could introduce uncertainty.

Winning the AI-driven computing era requires anticipating demand and investing accordingly. Companies can gain a competitive edge by proactively securing resources like land, materials, energy, and computing power.

To invest with confidence, a three-pronged approach is suggested:

1. **Understand demand projections:** Assess needs early, anticipate shifts, design scalable strategies.

2. **Innovate on compute efficiency:** Prioritize investments in cost- and energy-efficient technologies.
3. **Build supply-side resilience:** Secure critical inputs (energy, chips), optimize site selection, build flexibility.

Striking the right balance between growth and capital efficiency is critical; it's a race to scale infrastructure and shape the future of AI

Source: [McKinsey](#)

India Mobile Broadband Index 2025

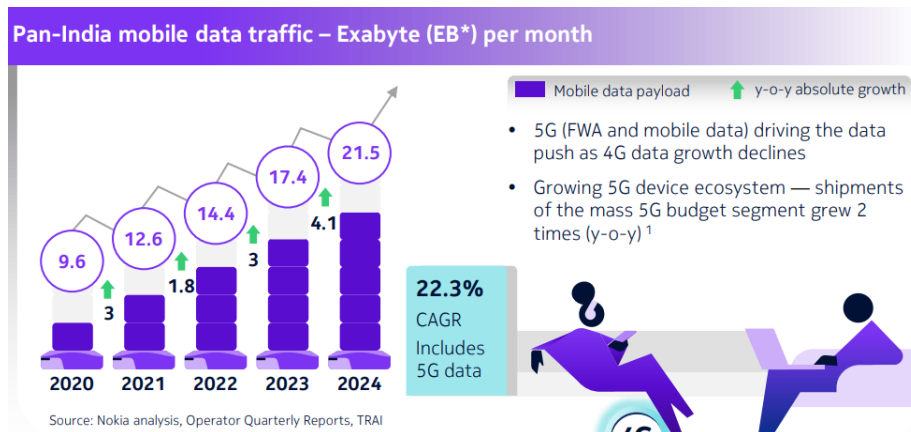
Nokia MBiT Index is an annual report on mobile broadband performance in India. It aims to provide valuable insights, data and analysis of mobile broadband and traffic growth by correlating these trends with various demand and supply-side drivers of the connectivity ecosystem including devices and traffic usage patterns.

The 12th edition of the MBiT report provides insights into:

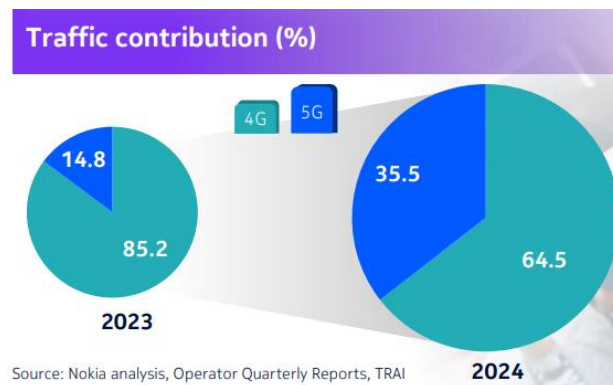
- Mobile broadband data traffic growth and trends across India. It also tracks data consumption per user and sheds light on the device ecosystem in India.
- Widespread and reliable 5G accessibility and expanding device ecosystem driving 5G adoption and growth in data usage.
- The role of 5G Advanced in realizing the full potential of 5G technology and provides insight into how 6G will shape the future of communications.

Key Highlights of MBiT Index 2025

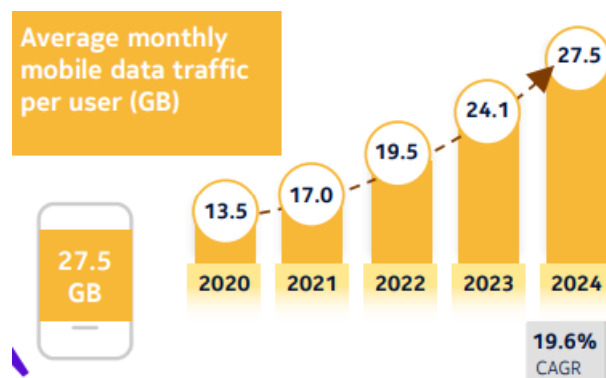
- Mobile data traffic jumps 23% (y-o-y), touches 21.5 EB per month in 2024



- Pan India monthly 5G traffic surges threefold y-o-y, category B & C circles lead the growth
- 5G data traffic expected to surpass 4G data traffic by Q1 2026. As of 2024, the 5G data traffic contribute to 35% of the data traffic



- Average monthly data per user soars to 27.5 GB in 2024, CAGR of 19.5% in last five years; Average monthly 5G data per user– 40 GB1



- 5G FWA – A key catalyst for data traffic growth
 - Up to 25% - Share of 5G FWA in overall 5G data
 - Over 12x - Data consumption of 5G FWA user vs. mobile data user
- Active 5G devices increased two times to reach 271 million in 2024
- 5G Advanced will deliver superior service differentiation, enable new revenue streams and drive down operational costs by leveraging intelligent and autonomous operations. Further, it will provide major enhancements to widen the business potential of 5G and accelerate the monetization of 5G investments
- The enhanced capabilities and features of 5G Advanced lay the foundation for transitioning to 6G

Source: [Nokia](#)

Signalling the future: five telco trends in 2025

2025 looks poised to deliver several significant technological advancements and strategic shifts across the telco industry worldwide. The telecommunications industry is set for major shifts in 2025, driven by five key trends, with generative AI emerging as a central force in digital transformation. AI is already enhancing network performance, streamlining operations, and personalizing customer experiences across many providers. Examples include China Mobile's network speed improvements, SK Telecom's AI investment strategy, and T-Mobile's customer service innovation using predictive AI.

In addition to AI, technologies like fixed wireless access (FWA) and low earth orbit (LEO) satellites are being deployed to extend connectivity, especially in underserved areas. To stay competitive, telcos are focusing on cost optimization, digital experiences, bundled services, and B2B diversification, exploring high-growth areas like cloud services, cybersecurity, and IoT.

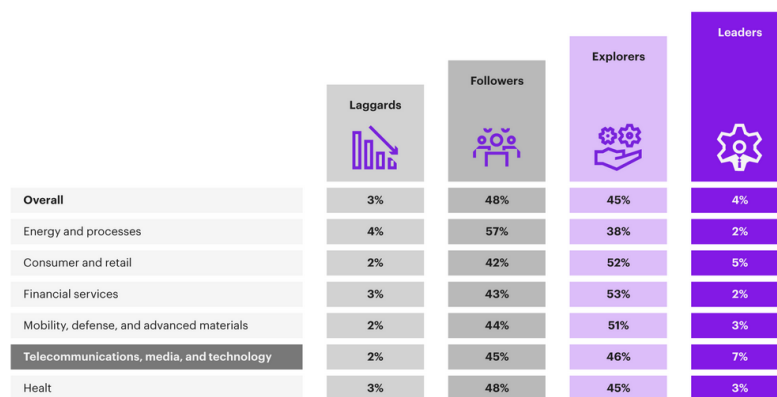
As ARPU declines and data usage rises, success will depend on telcos' ability to innovate and adapt. AI adoption varies across the industry, but leading companies are already showing how these tools can transform both consumer and enterprise offerings.

Trend #1: AI is the centrepiece of digitalization

Generative AI is rapidly transforming the telco industry, especially in network optimization, customer service, and personalized experiences. Telcos are using AI to boost performance, retention, and marketing through data-driven insights. For example, China Mobile improved network speeds with AI, SK Telecom is investing heavily in an AI-centric strategy, and T-Mobile reduced customer calls by 75% using predictive AI.

Some telcos, like AIS and Taiwan Mobile, are also extending their AI tools to B2B customers. While adoption levels vary, telcos lead other industries in AI innovation, with 7% identified as "leaders" and nearly half still exploring the technology.

Figure 1
The telecommunications, media, and technology industry has the highest percentage of AI leaders compared to other industries



Sources: Global AI Assessment (AIA) 2024; Kearney analysis

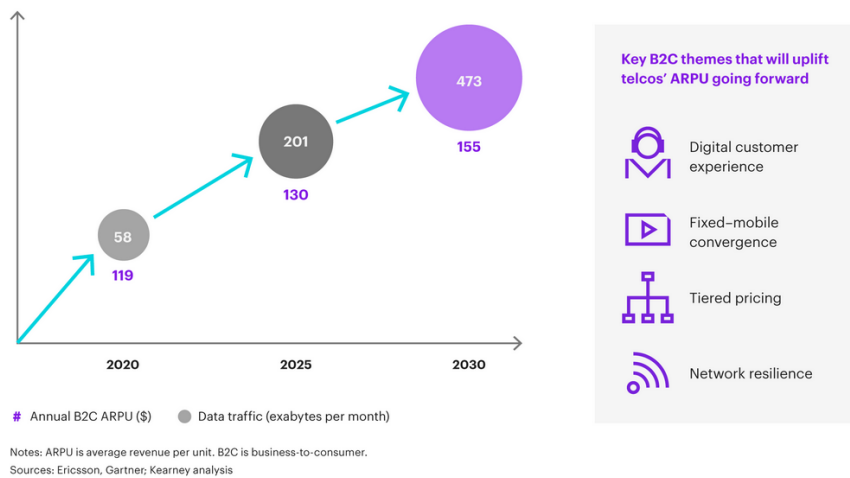
Trend #2: Focus on digital customer journeys, and FMC can help telcos extract B2C value amid muted ARPU growth

Despite significant investments to meet the growing demand for data to conduct online activities, Omdia research indicates that telcos have not seen a corresponding increase in service revenue over recent years.

In fact, many incumbents worldwide have faced challenging declines in ARPU, which can be attributed to factors such as market saturation in developed economies and increased competition from budget players and mobile virtual network operators (MVNOs).

Ericsson research shows that data demand is anticipated to increase at a substantial compound annual growth rate (CAGR) of 23 percent by 2030 (see figure 2). Consumers transitioning to advanced mobile network technologies, particularly 5G connections, will likely drive this growth.

Figure 2
Data demand is expected to increase at a CAGR of 23 percent by 2030



As a result, ARPU in the telco business-to-consumer (B2C) market is projected to grow at a CAGR of 3 percent by 2030. However, telcos will need to prioritize customer preferences and focus on delivering maximum value and the best possible user experience to capture and elevate this revenue growth.

Leading telcos are enhancing customer loyalty and reducing churn through digital experience upgrades, loyalty programs, and fixed-mobile convergence (FMC). For instance, Deutsche Telekom saw higher NPS with its app-based loyalty program, and Swisscom reduced churn by nearly 18% thanks to FMC.

To justify pricing increases, telcos are bundling more data and premium services, while also focusing on tiered pricing and targeted marketing. At the same time, network resilience is critical—outages can harm brand trust and lead to stock dips—especially as networks become more complex with growing use of software and virtualization.

Trend #3: To B or not to B—telcos rethink how to drive B2B growth

Under pressure from system integrators and niche players in a competitive market, telcos are readjusting their focus to areas that align with their existing capabilities to stimulate revenue from corporate customers. For example, telcos with extensive data center capabilities may focus more on offering cloud computing or storage solutions.

In a 2023 Omdia report on telco B2B results, telcos in most regions recorded single-digit net growth in enterprise revenues, and less than half (43 percent) of the telcos studied had achieved positive enterprise revenue growth over the past five years (see figure 3).

Figure 3
Telcos in most regions recorded single-digit net growth YoY in enterprise revenues in 2023



Sources: Omdia (derived from 85 operators/operator groups reporting B2B financials); Kearney analysis

While enterprise connectivity revenue is growing modestly (3% CAGR by 2028), it still accounts for about 70% of telco B2B revenue, making it a strategic focus. Advanced 5G use cases, like private networks and network slicing, are expanding across industries such as manufacturing, healthcare, and logistics.

Telcos like AIS and Singtel are leveraging 5G hybrid and slicing models to deliver specialized services, with strong ROI potential—up to 2.7x in factories thanks to improved efficiency and reduced labor costs. Meanwhile, 5G APIs are emerging as new value drivers, with telcos pursuing different integration models: direct-to-developer (e.g., T-Mobile, Deutsche Telekom) or strategic partnerships (e.g., NTT Docomo).

Telcos are exploring non-connectivity B2B services like cloud, cybersecurity, and IoT to diversify revenue, but most still derive the majority of income from connectivity. Only a few, like China Mobile, StarHub, and Telefónica, generate over 50% of B2B revenue from these newer offerings.

While ICT markets are growing rapidly (9.8% CAGR) compared to connectivity (3%), success in this space often requires disruptive transformation, and ROI isn't guaranteed. Telcos must balance innovation with core strengths—overextension risks diluting their value as network providers.

Trend #4: Fixed is not fixed anymore—alternative connectivity methods show explosive growth

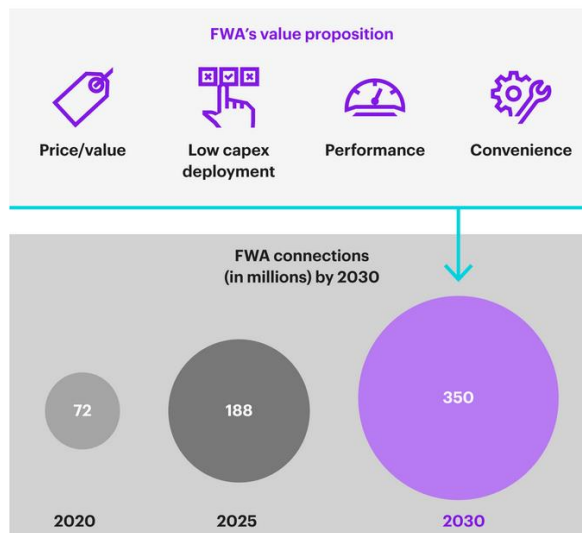
The fixed connectivity environment is undergoing significant transformation, driven by rapid growth in alternative connection methods. Traditional broadband infrastructure, including fiber optic cabling, is not always financially viable for low-density or hard-to-reach areas, despite its ability to provide high-quality Internet service.

The conversation around cost has prompted several telcos to explore and adopt alternative connectivity solutions, with a predominant focus on FWA and satellite broadband technologies.

FWA technology, which connects consumers and businesses to broadband Internet using wireless connectivity, is now widely available for consumers and businesses around the world. By 2030, FWA connections are expected to grow from the current total of 160 million to 350 million, representing a CAGR of 14 percent, while data traffic is projected to increase

nearly fivefold to 150 exabytes (equivalent to 1,000 petabytes) by 2029 (see figure 4). In the same time frame, 5G FWA will make up the majority of total FWA connections.

Figure 4
FWA connections are expected to grow at a CAGR of 14 percent between now and 2030



Sources: Ericsson; Kearney analysis

FWA is an attractive option for telcos, as it provides quality connectivity in low-density areas without significant capital expenditure. Government subsidies in countries such as India and Brazil can further support these efforts. Moreover, the advent of 5G technology has enhanced the effectiveness of these connections, leading some providers to discontinue 4G FWA services entirely.

The satellite communication market, currently worth \$12 billion, is projected to grow at 7% CAGR by 2030, driven by broadband, public services, and aviation needs. LEO (low earth orbit) satellites are gaining traction due to their low latency and cost advantages over traditional satellite systems, especially in sectors like government, aviation, and backhaul. LEO satellite use is expanding rapidly—Starlink alone may launch over 75% of all LEO satellites in the coming years. This growth is fueling high competition and capacity in orbit, though not all of it will be usable.

Telcos are leveraging LEO for satellite-based backhaul, especially in remote areas lacking traditional infrastructure. For example, KDDI and Telstra are partnering with Starlink and OneWeb to support hundreds of rural mobile base stations. Demand is expected to grow in remote, high-income regions and developing markets as deployment becomes more affordable.

Trend #5: Increasing focus on cost optimization helps widen margins

In 2025 and beyond, telcos will continue to optimize costs via several avenues—including downsizing, using AI to gain efficiencies, simplifying products, optimizing their sales channel mix, and better managing capital expenditure.

Based on a recent Kearney Global Competitive Benchmarking analysis, 60 percent of telcos have downsized in the past decade, with a 14 percent average decline in the number of full-time equivalent (FTE) staff between 2018 and 2023. Interestingly, IT was the only department where headcounts increased over this period, since new digital solutions need more employees to support them.

As we've already touched on, AI will play a significant role in reducing costs, as telcos deploy AI-powered sales and service tools, use AI-driven analysis to optimize customer marketing and interactions, and automate vast amounts of time-consuming manual work. While telcos downsize and integrate AI technology, many—including well-known telcos Deutsche Telekom and Telstra—are also establishing multi-year product simplification strategies to cut down their costs. What's clear from their efforts to date is that customer migration planning and execution must form a major part of these strategies. Otherwise, telcos may not reap the potential benefits, such as reduced expenditure or improved employee productivity, without a decrease in retention.

The sales channel mix is another important aspect driving cost optimization for telcos. Direct channels are gaining more popularity over the indirect channels in mature markets with a low proportion of prepaid customers: the average share of direct sales has increased to 63 percent since 2020, up from 55 percent in the 2015–2019 period. Branded branches (either owned or franchised) suffered a substantial drop in market share with online channels taking up most of the slack and now accounting for more than 30 percent of transactions at most digitalized telcos. Due to the limited potential for cost optimization in indirect channels, direct channels have achieved a significant competitive edge, resulting in a 30 percent lower cost per transaction.

Another key trend is that telco capital expenditure declined modestly between 2013 and 2022. However, Omdia analysis predicts it will revert to historical levels by 2027 due to accelerated investments in 5G and fiber deployment. At the same time, telcos will attempt to keep overall spending low by focusing on infrastructure sharing, asset monetization, and partnerships that enable investments in AI, technology, and green energy.

Changing times can create winners or losers

It is important for telco leaders to understand the transforming power of these trends in supporting sustainable long-term growth. Hence, we advise leaders to include these trends—AI-driven digitalization, enhanced customer journeys, transformative B2C and B2B growth strategies, alternative connectivity options, and cost optimization—into their strategic thinking for a sharpened focus.

Innovation emerges as the overarching theme that ties these together, whether it's innovative strategies that help reinvigorate legacy businesses or new technologies such as AI that are already reinventing customer experiences and changing the way we approach operations.

Implementing these ideas will improve general performance and simplify processes for telcos but also make accessibility easier for consumers. Looking ahead, these developments will define the business; proactive adoption can help gain competitive advantage. In hotly contested telco markets those that welcome change and innovation are likely to emerge as winners, while those who resist risk losing out.

Source: [Kearney](#)

International News

- a) **T-Mobile US celebrates nationwide 5G SA rollout.** T-Mobile reported strong Q1 2025 financial results, boasting record postpaid customer additions and a 24% rise in net income to \$3 billion, with service revenues up 5% year-over-year to \$16.9 billion. The company highlighted its technological leadership, claiming to operate the only

nationwide 5G Advanced network in the U.S., built on 5G Standalone architecture, which supports AI-driven features and advanced applications like XR, cloud gaming, and enhanced location services. CEO Mike Sievert emphasized T-Mobile's customer-first approach, ongoing network innovation, and leadership in high-speed internet customer growth.



The company also announced it has the only satellite network in the U.S. working on most modern smartphones, with over a million beta messages delivered. Looking ahead, T-Mobile raised its core adjusted EBITDA guidance for 2025 to \$33.2–\$33.7 billion and expects 5.5–6.0 million postpaid net customer additions. Sievert added that while T-Mobile is exploring M&A opportunities, it has a clear preference for "pureplay fibre" deals, following its \$4.9 billion joint venture with KKR to acquire Metronet. ([Telecoms.com](https://www.telecoms.com))

- b) Telenor IoT adopts next-gen SGP.32 esim standard.** A Telenor IoT is becoming one of the first adopters of the GSMA's upcoming SGP.32 global eSIM standard, planning to integrate it into its offerings by autumn 2025. The adoption of SGP.32 will help businesses better manage large-scale IoT deployments by offering a standardized, efficient solution. The standard allows for fully remote SIM management, reducing power consumption, simplifying logistics, and offering flexibility in network switching without needing physical SIM replacements. Telenor IoT sees this move as an essential step in future-proofing its connectivity strategy and improving its global managed services. The integration of SGP.32 will enhance Telenor IoT's platform with AI-powered monitoring and real-time analytics, offering better control and scalability. The full standardization of SGP.32 will ensure interoperability between different devices and providers, reducing risks of vendor lock-in and ensuring long-term compatibility with evolving technologies like 5G. Telenor IoT is already engaging with customers through test agreements to prepare them for the full commercial launch of SGP.32, expecting this shift to streamline operations and reduce long-term integration challenges for IoT deployments.com network operations. ([Telecom Tech News](https://www.telecom-tech-news.com))
- c) AT&T taps Helium's decentralised WiFi network to expand US coverage.** AT&T is partnering with the Helium Network to provide its U.S. subscribers with expanded wireless coverage via Helium's decentralized, community-built Wi-Fi hotspot infrastructure. This move aims to enhance connectivity in areas where traditional cellular networks face limitations. Helium, which has over 90,000 active hotspots and

nearly 500,000 daily users in the U.S. and Mexico, rewards users who deploy small cell towers with cryptocurrency. The partnership also utilizes Helium's real-time coverage metrics and secure Passpoint Wi-Fi authentication, aligning with AT&T's broader strategy to integrate Wi-Fi and cellular services. AT&T joins other carriers, like Movistar, in leveraging Helium's network. ([Capacity Media](#))

- d) Revolut and other fintechs making push into telecom sector.** FinTech companies are increasingly expanding into the telecom sector. A recent report by the Financial Times highlighted neobank Revolut's launch of a mobile service, offering unlimited calls, texts, and data, as well as 20GB of roaming across Europe and the U.S., initially available in the U.K. and Germany. This move aims to increase competition against traditional telecom providers, particularly as U.K. consumers face high European roaming charges. Revolut's move follows its previous introduction of global eSIMs in 2024, allowing users to stay connected while traveling abroad. This service has been highly successful, with millions of data plans created across over 100 locations. Other FinTechs, like Nubank in Brazil with its telecom service "Nucel," are also entering the telecom space, and Monzo in the U.K. is considering similar offerings. These developments reflect the growing convergence of telecom and financial services, driven by the widespread use of smartphones. A PYMNTS report also showed that digital banks, especially neobanks, are increasingly offering mobile payments and communication services, while telecom companies are delving deeper into finance. This trend is reshaping both industries, enhancing financial inclusion globally. ([Pymnts](#))
- e) Amazon's first 27 internet satellites launch to space.** Amazon has launched the first 27 satellites in its Kuiper project, aiming to create a global satellite internet network to compete with SpaceX's Starlink. The satellites were delivered into orbit by a United Launch Alliance (ULA) Atlas V rocket from Florida's Cape Canaveral Space Force Station. This launch is the first of a planned 3,226 satellites, part of Amazon's goal to serve underserved and unserved communities worldwide. Although Starlink already has over 8,000 satellites in orbit, Amazon plans to launch half of its network by mid-2026. However, production challenges may slow progress in reaching this ambitious goal. ([Techcrunch](#))
- f) Khazanah-EPF consortium looking to acquire Axiata's stake in Edotco.** A consortium consisting of Khazanah Nasional Bhd and the Employees Provident Fund (EPF) is reportedly in talks to acquire Axiata Group Bhd's 63% stake in telecom tower infrastructure company Edotco Group Sdn Bhd. This follows years of speculation about Axiata monetizing its investment in Edotco, with the latest move signaling an outright sale rather than a public listing. The sale is expected to help Axiata reduce its significant debt load, with Edotco contributing to around 10% of Axiata's revenue. The deal would involve EPF increasing its stake to 50%, while Khazanah would acquire 18%. Edotco, which operates over 58,000 telecom towers across Asia, could be valued at approximately US\$3.5bn, making the 63% stake worth around US\$2.2bn. ([The Edge Malaysia](#))

Compendium Domestic Insights

Telkom's profit reaches IDR 23.6 Tn in 2024

In 2024, Telkom Indonesia (TLKM) achieved strong financial results with Rp150 trillion in revenue and Rp23.6 trillion in net profit, driven by growth in its Data, Internet, and IT Services segment, despite global instability and rising competition. Telkomsel, its mobile subsidiary, remained the dominant force in Indonesia's telecom market, contributing over 70% of profits and leading in mobile revenue and net income, supported by subscriber growth, higher data usage, and rising ARPU. The Enterprise segment grew through satellite, e-payment, and cloud services, while the Wholesale and International business benefited from increased demand for digital infrastructure. Mitratel, Telkom's tower arm, expanded its infrastructure footprint, and Telkom invested Rp24.5 trillion in capital expenditures to enhance network infrastructure, data centers, and digital platforms, reinforcing its commitment to digital transformation and long-term growth. ([CNBC](#))

IndiHome (Telkomsel) serves 9.8 Mn customers in Q1 2025, FMC Penetration at 55%

IndiHome, the Fixed Broadband (FBB) service now managed by Telkomsel, reinforced its market-leading position in Indonesia's home internet sector during the first quarter of 2025. The service reached 9.8 million residential customers and recorded an Average Revenue Per User (ARPU) of IDR 224,000. Including corporate clients, IndiHome served 11 million users, marking a 7% year-on-year growth.

Despite a more cautious consumer spending environment, PT Telkom Indonesia (TLKM), the parent company of Telkomsel, reported that IndiHome maintained its growth momentum and customer acquisition pace. A key driver of this performance has been the continued rollout and adoption of Fixed Mobile Convergence (FMC) services, which integrate fixed broadband and mobile connectivity into a single, seamless platform. As of March 2025, FMC penetration reached 55%, slightly down from 57% in 2024. However, Telkom management emphasized that this moderation reflects a strategic pivot toward quality over quantity, targeting high-value customers to ensure long-term value creation and business resilience.

Through its dual-track strategy, IndiHome continues to pursue sustainable growth while remaining prudent amid macroeconomic uncertainties. The company reaffirmed its commitment to convergence services as a cornerstone of its household offering, enhancing customer engagement and reinforcing Telkomsel's leadership in Indonesia's broadband market. ([Tekno Bisnis](#))

MVNO smartcom lands in Indonesia, Joins Telkomsel in push-to-talk campaigns

Singapore-based MVNO Smartcom has entered the Indonesian market through a partnership with Telkomsel to deliver mission-critical Push-to-Talk (PTT) communication solutions, targeting industries like oil and gas with ATEX-certified devices and priority bandwidth support. The move marks part of Smartcom's regional growth strategy, aiming to offer scalable, cross-border PTT services and flexible cellular-based communication solutions across Southeast Asia. ([The Fast Mode](#))

XLSmart Strengthens Its Entire Customer Network in West Java to Suburban Areas

Following the merger of XL Axiata and Smartfren, XLSmart is strengthening its network presence across West Java, including suburban and rural areas, by integrating distribution channels and investing heavily in 4G expansion and automated network technology. The company is also collaborating with local governments, educational institutions, and MSMEs in West Java, Central Java, and Yogyakarta to drive inclusive digital transformation. With competitive, flexible service packages and added digital benefits, XLSmart aims to enhance connectivity and customer experience across the region. ([Republika](#))

Indosat records 2.9 Mn customers in Bali Nusra, ARPU increases

In Q1 2025, Indosat Ooredoo Hutchison recorded strong performance in the Bali and Nusa Tenggara (Bali Nusra) region, with the customer base growing to 2.9 million, up 500,000 from the previous year, making it the region with the highest customer growth nationwide. This growth also drove a 19.3% increase in data traffic year-on-year. Nationally, Indosat added 700,000 new mobile users, bringing the total to 95.4 million, while ARPU rose 4.6% YoY to Rp39,200. The company reported revenue of Rp13.58 trillion and EBITDA of Rp6.42 trillion, with a net profit of Rp1.31 trillion, up 27% quarter-on-quarter, marking 17 consecutive profitable quarters. Indosat attributes its performance to network expansion, cost efficiency, and delivering a strong customer experience. ([Tekno Bisnis](#))

Komdigi chooses Indian company, Tejas Networks to accelerate 5G and AI in Indonesia

Komdigi is forging a partnership with Tejas Networks, an Indian company specializing in optical products, broadband, and data networking, to accelerate Indonesia's 5G and AI development. This collaboration follows a memorandum of understanding (MoU) signed in January 2025 between Indonesia and India, focusing on artificial intelligence (AI), the Internet of Things (IoT), and digital infrastructure development. Tejas Networks will play a key role in Indonesia's digital transformation, aligning with the country's national priorities to fast-track technological advancements in line with bilateral efforts between the two nations ([Bisnis.com](#))

Reporting to the Minister of Communication and Digital, XLSMART Plans to Build 8,000 BTS and Promises No Layoffs

PT XL Smart Telekom Sejahtera (XLSMART), the merged entity of XL Axiata and Smartfren, announced its commitment to build 8,000 new base transceiver station (BTS) sites to expand network coverage across its brands—Smartfren, XL, and Axis—while ensuring that the merger will not involve any employee layoffs. Commissioner Arsjad Rasjid emphasized the company's dedication to its customers, employees, and the broader telecommunications industry, highlighting that protecting jobs is a top priority in the current economic climate. In addition to network expansion, XLSMART plans further investments in workforce development and technological improvements to support sectors like education, healthcare, and government services. Director and Chief Regulatory Officer Merza Fachys stated that the merger represents not just a business move but a broader transformation aimed at benefiting the entire Indonesian nation. ([CNBC](#))

Sarana Menara (TOWR) Completes Acquisition of Remala (DATA) Worth Rp535.70 Billion

Djarum Group's tower company, PT Sarana Menara Nusantara Tbk. (TOWR), announced the completion of its acquisition of PT Remala Abadi Tbk. (DATA) on April 30, 2025. Through its subsidiary PT Iforte Solusi Infotek, TOWR acquired 40% of DATA's shares—550 million shares at Rp974 each, totaling Rp535.7 billion—from Verah Wahyudi Singgih Wong and Jimmi Anka. The acquisition aims to expand TOWR's business and strengthen its position in the telecommunications infrastructure sector. According to Corporate Secretary Monalisa Irawan, the deal has no materially negative impact on TOWR's operations, legal standing, financial condition, or business continuity. TOWR has been aggressively expanding into non-tower segments, especially fiber optics, which have seen rapid growth in recent quarters. However, in 2025, TOWR plans to proceed cautiously with expansion amid economic slowdown concerns, dynamic telecom tower competition, high interest rates, currency pressures, and global inflation. Group Investor Relations Advisor Adam Gifari noted that the company is setting conservative targets this year. CEO Aming Santoso added that TOWR has

focused on improving operational efficiency—such as reducing capital expenditure, operating costs, and loan interest—while executing strategic synergies, resulting in strong ROE and ROI ratios of around 18% and 8%, respectively. These efforts are crucial as the telecom industry continues to consolidate, including the ongoing merger of XL Axiata and Smartfren. ([Bisnis.com](#))

Internet connection disrupted due to power outage in Bali

On May 2, 2025, Bali experienced a major power outage starting at 4:00 PM WITA, which disrupted internet services across the island due to the impact on network infrastructure, including Telkom's Submarine Cable Communication System. Power began to be restored gradually by 6:00 PM. Telkom confirmed a decline in service quality and deployed mobile backup power to 480 affected BTS sites to maintain connectivity while coordinating with PLN and other stakeholders to restore full service. The outage was traced to a disruption at the Celukan Bawang Power Plant Unit #2, though details about the cause remain unclear. PLN has since mobilized personnel and equipment to address the issue and restore power. ([Kompas](#))

Indonesia's 5G coverage reaches only 4.44% as of April 2025

Deputy Minister of Communications and Digital Affairs (Wamenkomdigi) revealed that Indonesia's 5G penetration remains low at around 4.44% as of April 2025, emphasizing the need for stronger collaboration among stakeholders to accelerate development. He stressed that achieving the Vision of Indonesia Digital (VID) 2045 requires government officials to enhance their understanding of advanced technologies and increase awareness of cybersecurity, highlighting the critical role of partnerships with the national digital industry ecosystem. ([Bisnis.com](#))