New Relic Study Reveals Southeast Asian Businesses Face Annual Median Costs of up to $165.5 Million from High-Impact IT Outages

Findings from a survey of 1,700 IT and engineering professionals worldwide show staggering cost of outages to businesses, who are increasingly seeking AI-strengthened observability platforms and capabilities to detect and resolve outages

The data shows that AI adoption is the number one driver of observability demand across ASEAN; usage of AI monitoring has doubled in the past year

SINGAPORE—September 18, 2025—New Relic, the Intelligent Observability company, today released its *2025 Observability Forecast*, the industry's most comprehensive report on the state of observability. Surveying over 1,700 IT and engineering leaders and team members across 23 countries and 11 industries, the report highlights key focus areas, challenges, and trends influencing observability investments like the growing adoption of enterprise AI. The data showed that the cost of any digital business downtime is profound—with high-impact outages carrying a median cost of $2 million USD per hour globally, or approximately $33,333 for every minute systems remain down. For organisations across ASEAN (Singapore, Thailand, Malaysia, and Indonesia), high-impact outages cost between $1-3 million per hour in lost revenue, with the median annual cost of high-impact outages representing a staggering $165.5 million USD.

Outages are expensive and distract engineers from innovating

The global research reveals the top three primary causes of high-impact outages—network failure, third-party or cloud provider services failure, and deploying software changes. Across ASEAN, outages and their associated costs also pose significant challenges. 46% of organisations experienced high-impact outages at least weekly, and 1% experienced them multiple times per day. For 32% of respondents, these outages cost between $1-3 million per hour in lost revenue. The median annual cost for high-impact outages is a massive $165.5 million each year for countries in the region, over double the global annual median of $76 million. The cost of outages to businesses aren't just financial. Notably, the data shows that engineers globally are spending a third (33%) of their time fighting fires or addressing disruptions.

Increasing AI adoption heightens awareness of visibility challenges

As LLM-powered applications and agentic AI become more widely adopted, they introduce new visibility challenges that traditional monitoring methods cannot solve. Without modern observability built for the AI era, silent issues can ripple through systems unnoticed. The research shows the majority of ASEAN organisations have recently become aware of these challenges, as the use of observability's AI monitoring capabilities went from 39% in 2024 to 83% in 2025—more than doubling the adoption rate year-over-year, and signaling a rapid uptake and rollout of AI use cases across the region.

Lack of strategy, complex tech stacks, and tool sprawl present hurdles

Over a third of respondents (39%) in ASEAN stated that lack of strategy was the top challenge that their organisation faced, closely followed by complex tech stacks (36%).
Although tool usage is heading towards consolidation, and regionally, the median number of tools is four, tool sprawl still presents a challenge with over a quarter (27%) of respondents reporting too many tools or siloed data as their biggest challenge. Data sprawl is also extensive in ASEAN, with 24% of organisations using six or more telemetry data stores—the highest percentage in Asia Pacific.

AI is being used to monitor AI
Organisations adopting AI at scale require a deeper level of system insight like using AI-strengthened observability platforms, in real time, to reveal how AI models interact with pipelines, APIs, and downstream applications. In line with the rapid adoption of AI across the region, observability is now seen as critical to AI readiness by ASEAN organisations, with 69% of respondents stating that observability helps them prepare for and manage AI application development, rising to 73% in Indonesia and 71% in Thailand.

“With the role of AI taking centre stage and outages proving to be exceptionally costly, the importance of a robust, intelligent observability strategy has never been more vital for Southeast Asian organisations,” said **New Relic Senior Vice President and General Manager Asia Pacific, Rob Newell.** “While the broad adoption of key observability capabilities like AI monitoring is encouraging, it’s clear that a lack of strategy, data and tool sprawl, and tech complexity are continuing to present significant challenges. Organisations that don't embrace intelligent observability will find themselves at a severe and costly disadvantage.”

Other key findings from ASEAN respondents include:

- **Observability delivers strong business outcomes and ROI.** Over two thirds (69%) cite AI readiness as a benefit, while 61% say observability has enabled data integration. Collaboration and decision-making benefits (49%) were also listed as top benefits reflecting a deepening of cross-functional maturity. Observability investments are also paying off with 50% of executives and managers across the region stating that they receive a 3-5x ROI from their observability platforms.
- **Top technology trends and deployment plans.** The top technology trend was AI monitoring with almost two thirds (61%) stating that it is driving their organisation’s need for observability. This was followed by integrating business applications into workflows (35%), and adoption of IoT technologies (32%). An impressive 83% currently deploy AI monitoring, followed by database monitoring (73%) and application performance monitoring (71%).
- **Data integration is accelerating rapidly.** 85% of respondents plan to integrate operations data, a sharp increase from 50% in 2024. This figure was 92% in Singapore. Production data was also being integrated at an increased rate with 70% of respondents in Indonesia indicating that observability has helped integrate previously disconnected systems. In addition, about half of respondents across ASEAN (49%) say observability improves cross-team collaboration around software stack decisions.

The *2025 Observability Forecast* is available today.
Read the Asia Pacific report
Read the global report

Research Methodology
New Relic partnered with Enterprise Technology Research (ETR) to survey 1,700 IT and engineering teams and leaders in 23 countries across the Americas, Asia Pacific and Europe. Of the respondents, 65% were practitioners, 11% executives and 24% in management. The survey was conducted in April and May of this year by ETR.

About New Relic
The New Relic Intelligent Observability Platform helps businesses eliminate interruptions in digital experiences. New Relic is the only AI-strengthened platform to unify and pair telemetry data to provide clarity over your entire digital estate. We move your problem solving past proactive to predictive by processing the right data at the right time to maximize value and control costs. That's why businesses around the world—including Adidas Runtastic, American Red Cross, Domino's, GoTo Group, Ryanair, Swiggy, Topgolf, and William Hill—run on New Relic to drive innovation, improve reliability, and deliver exceptional customer experiences to fuel growth.