

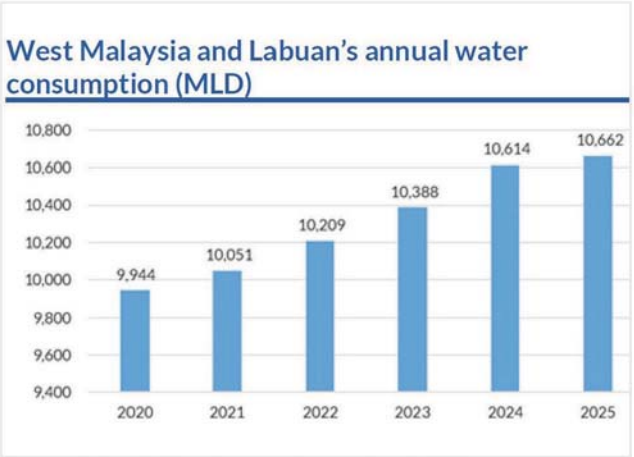
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Data Centres Server growth drives water demand



The Sun, Malaysia

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Source: National Water Services Commission (SPAN)

DATA centre (DC) water demand to remain well accommodated. Our analysis indicates that incoming DC capacity into Malaysia – which entails sizable water demand (especially for cooling purposes) – should be reasonably accommodated by planned water infrastructure, i.e. water treatment plant (WTP) expansions in key DC states: Johor, Selangor, Negeri Sembilan, and Malacca. In general, 1MW of DC capacity may require 25.5k cu m of water pa or 0.07m litres/day (MLD).

West Malaysia and Labuan water reserve margins stood at 14.4% in 2025 compared to 15.4% and 14.9% in 2023 and 2024. Hence, the requirements for new water infrastructure such as WTPs are of utmost importance to ensure that water reserve margins for West Malaysia and Labuan hover around 15%, i.e. the minimum level recommended by the National Water Services Commission (SPAN) for operational stability.

As per our projections, which are based on data from Tenaga Nasional, expected water demand from upcoming DC capacity in Malaysia of 2,714MW is around 189MLD. However, we believe the projected water demand from DCs may be higher than this figure as there could be other DCs with planned investments in Malaysia that have not signed any electricity supply agreement yet. In short, our analysis reveals that Selangor, Johor, and Negeri Sembilan have a total planned water supply capacity expansion of 3,800MLD, which is more than sufficient in our view, even after pencilling in water demand growth for the next few years. – **RHB Research, June 30**