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BY CHOY NYEN YIAU
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KUALA LUMPUR (Nov 5): Data centres across Malaysia are currently consuming less than half of their declared electricity demand, which could create the risk of stranded assets, the government flagged.

To ensure overall power supply stability, the government is looking for data centres to achieve 85% of the declared maximum demand, Deputy Minister of Investment, Trade and Industry Liew Chin Tong told the Dewan Rakyat during a question-and-answer session on Wednesday.

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Data from the commission showed the energy-guzzling facilities consuming 603 megawatts of electricity as of June 2025 — about 47% of their declared maximum demand of 1,276 megawatts.

"[Therefore] the projected energy capacity has been revised based on these estimates to reduce the risk of stranded assets and cost transfers to other consumers," Liew said.

He was responding to Oscar Ling Chai Yew (Pakatan Harapan-Sibu), who asked about the number of approved data centre projects, their projected electricity and water usage, and the government's strategy to balance artificial intelligence-related investments with national resource security.

On water consumption, Liew said data from state operators in Selangor, Kuala Lumpur, Putrajaya and Johor showed that usage by data centres remains low.

On a daily basis, facilities in Selangor, Kuala Lumpur and Putrajaya consume 0.47 million litres — just 0.012% of total water use — while those in Johor consume 9.07 million litres, or 0.6% of the state's total.

From 2021 to June 2025, the government approved 143 data centre projects worth RM144.4 billion in investments. Of these, 25 projects with Malaysia Digital status were approved under the Digital Ecosystem Acceleration Scheme, which are expected to create 1,429 new jobs.

Liew noted that the Data Centre Task Force, co-chaired by the his ministry and the Digital Ministry, is formulating strategies for the sustainable growth of the industry.

Members of the task force include the Energy Commission, the National Water Services Commission, the Malaysian Communications and Multimedia Commission and Malaysia Digital Economy Corporation.

Moving forward, Liew said the government plans to establish a single licensing authority for data centres to streamline regulatory processes and ensure compliance with national guidelines, particularly on carbon emissions.

The government will also establish a dedicated data centre facility for government use to safeguard the nation's information sovereignty, he added.