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## Of bitcoin mining and its impact

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Let the ban-regulate debate begin

**I**LLEGAL cryptocurrency miners are hyperscale electricity thieves. According to Tenaga Nasional Bhd (TNB), Malaysia loses RM700 million annually to illegal crypto mining, bringing the total from 2020 to 2025 to more than RM4.6 billion. TNB has detected nearly 14,000 such mining sites nationwide. The figures suggest that this is not a one-off crime wave, but a persistent, organised exploitation of public infrastructure. There is a direct economic impact. Stolen electricity translates into lost national revenue and higher system costs. Ultimately, the burden risks being passed to law-abiding consumers through tariffs or subsidies. It also undermines the financial sustainability of national utilities and energy investments.

Some countries have realised this and have taken action. In Kuwait, aggressive raids on illegal miners during a power crisis led to energy use dropping over 50 per cent in affected areas after enforcement. Kuwait authorities explicitly framed mining-related power theft as a public safety threat. It didn't

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stop there. If the Library of Congress blog is right, the Gulf country is said to have banned crypto trading and mining as of December 2024, joining a list of several countries around the world, such as China, Algeria, Morocco and Tunisia. Malaysia is still at the stage of debating the issue, with some calling for an outright ban of crypto mining while others, swayed as they are by the commercial considerations of it, want it to be regulated and not made illegal. Perhaps, the latter have not thought hard enough about crypto mining operations' impact on our electricity supply.

Consider the case of one of the houses raided in Kuantan, Pahang, on Tuesday. The bitcoin machines in the house were consuming 40,703 kilowatt-hours (KWh) daily. Now that is a humongous amount of electricity, given the fact that an average Malaysian household uses only 250 to 1,000 KWh per month. Electricity consumption of this magnitude is certainly a great strain on our power grid. And we haven't even taken into account the amount of water needed to cool the bitcoin machines. According to one calculation, a bitcoin transaction consumes 16,000 litres as compared with 200 litres per day used by a typical Malaysian. Whether it is a ban or regulated regime that the government decides, the use and limit of our finite resources must be given primary consideration. People first, commerce next, is a good principle to follow.

A few policy questions, too, need addressing. Should Malaysia introduce specific legislation on crypto mining operations? Should illegal mining be treated as economic sabotage or organised crime? Should Malaysia also follow countries that restrict or redirect energy use away from mining? Finally, how can agencies better integrate data (e.g. smart meters, AI detection)? These questions need to be given a deep think.