



13 MAY, 2025

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The Sun, Malaysia

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**KUALA LUMPUR:** Malaysia is poised to strengthen its role as a regional data centre hub, despite global supply chains facing pressure from new US tariffs on semiconductor and tech products, said OpenDC Sdn Bhd founder and managing director Wong Weng Yew (*pic*).

He said the country's established semiconductor ecosystem and proactive government engagement with industry stakeholders have positioned Malaysia to navigate current geopolitical uncertainties, including the latest round of tariffs imposed by the US on Chinese tech goods.

"The recent US tariffs on semiconductors have introduced complexities in the global tech supply chain, but Malaysia's data centre industry remains robust.

"Our resilience is bolstered by continued investments from major US technology firms, indicating sustained confidence in Malaysia's digital infrastructure," he told *SunBiz*.

He said the escalating demand for

artificial intelligence-driven applications, cloud computing and enterprise digitalisation is driving a corresponding surge in data centre development, particularly in the Klang Valley.

"Malaysia is a strategic location, strong connectivity, and skilled workforce have made the country increasingly attractive as a stable, neutral alternative for data infrastructure investments in Southeast Asia."

At the same time, Wong said global companies are seeking to diversify their digital supply chains away from politically sensitive regions.

"Malaysia, with its neutral stance and maturing digital ecosystem, is increasingly seen as a strategic, stable location," he noted.

He said, while Singapore remains a key player in the region, constraints in land and energy supply are pushing hyperscalers and infrastructure developers to explore alternatives such as Malaysia and Indonesia.

Furthermore, he noted that OpenDC anticipates a strong pipeline of new deals in 2025, including both greenfield and brownfield projects.

"We expect continued

momentum from global and regional players, with a sharper focus on modular, energy-efficient designs and sustainable infrastructure.

"However, sustaining this growth will require addressing persistent challenges. These include managing the potential rise in infrastructure costs due to supply chain disruption, particularly for key components like servers, cooling systems, and electrical equipment, all of which may see price hikes or delay," he said.

He remarked that collaboration with energy providers such as TNB to supply renewable energy through Power Purchase Agreements and partnerships with agencies like MIDA and SEDA, will be critical.

"We must reduce our dependence on global supply disruptions by strengthening local capabilities in talent development, green energy transition and upstream tech manufacturing," he said.

In this climate, Wong said Malaysia's policy consistency, cost competitiveness, and digital economy frameworks such as MyDigital and the National Industry 4.0 Policy are proving essential in supporting long-term growth in the data infrastructure sector.

