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M'sia to take lead in data centre devt

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KUALA LUMPUR: Malaysia is the fastest-growing data centre market in the industry's fastest-growing region in the third quarter of 2024, said Juwai IQI.

Co-founder and group chief executive officer Kashif Ansari said Malaysia's robust economic performance has helped boost demand in the data centre industry.

"Malaysia is Southeast Asia's most rapidly growing data centre market. The country's strategic location, favourable government policies, proximity to Singapore, and attractively priced land, power, and water are behind this growth.

"In Malaysia, the data centre market development pipeline consists of 1.2 gigawatt (GW), which represents 600 per cent growth over the next five years," he said in a statement today.

He said the government has offered tax incentives, grants, and regulatory support to attract data centre investments.

"The Malaysian Investment Development Authority (Mida) and Malaysia Digital Economy Corporation (MDEC) have together established a single point of governmental contact for investors to facilitate digital investments.

"They have also created the green lane pathway to enable new data centres to obtain power in as little as 12 months," he said.

Kashif said major cloud service providers such as Amazon Web Services (AWS), Microsoft, Nvidia and Google recognise Malaysia's attractive market and have committed to making significant



Sedenak Tech Park in Johor's Kulai district will be the biggest data centre in Malaysia. (CNA)

investments here.

He said key players in the Malaysian data centre market include NTT Global Data Centres, AWS, Microsoft, Google, and local firms such as Time dotCom and Bridge Data Centres.

Early-stage planned construction of new data centres is almost entirely focused on Greater Kuala Lumpur (55 per cent), and Johor (45 per cent), being the fastest-growing market in Southeast Asia, he said.

This is due to Johor's proximity to Singapore with key factors being its ample land supply and reliable power supply, he said, adding that the Malaysian data centre market will continue to grow rapidly

throughout the rest of the decade.

"With more than 3 GW underway or in the planning stage, and a pipeline of 1.2 GW underway, the market is expected to grow by a factor of nine from its current capacity," he said.

"One of the key challenges will be ensuring a reliable and sufficient power supply to support growth. Investments in power infrastructure and renewable energy sources will be crucial.

"Additionally, it would pay to develop more submarine cable networks to improve connectivity between Malaysia and the rest of the world," Kashif said. – Bernama