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KUALA LUMPUR:

Malaysia is currently able to meet the influx of data centre cooling demand, said Malaysian Air-Conditioning and Refrigeration Association (Macra) president Peter Tan (pic).



He said the country's power grid infrastructure is highly developed and capable of supporting such growth.

"Basically, when we have such an investment coming to our shores, yes, we are ready. We have the scalability, and we can do it," he said at a recent press conference in conjunction with a preview of Engineer & Marvex 2025.

Tan said that when Singapore decided to halt new data centre projects in 2016-2017, the investments were expected to migrate to Malaysia.

However, the Covid-19 pandemic delayed the shift by two to three years, resulting in the current wave of projects, he said.

"So, as I mentioned, we are not suddenly being dealt an unexpected card. This was already in the pipeline, and now the influx is here."

Tan is confident that Malaysia's cooling industry currently has the capacity, resources and expertise to meet the existing demand for cooling technology for the data centres.

"So yes, we can take the numbers. We are capable of meeting the demand," he said, adding that the industry must be prepared for demand to grow proportionately in the coming years.

"In the tech world, one year in real life is equivalent to just three or four months. This means we have to move faster and at a much speedier pace," he said.

From the air-conditioning perspective, he said Macra is looking at where it can secure sufficient power grid capacity and how it can sustain it. "Where are we going to get power grids? Where are we going to get the ability to sustain this?"

He said Macra has been looking at technological improvements to make air-conditioning systems use less energy while delivering the same or better cooling performance.

"From those days until now, it has improved by 35%," Tan said, adding that in the past, air-conditioners were massive, hardware-heavy facilities. "Now, they have become more compact, with a greater emphasis on software integration alongside hardware."

According to the ISEAS-Yusof Ishak Institute, Malaysia's data centre sector attracted RM184.7 billion in related investments between 2021 and 2024, with facilities concentrated mainly in Johor and the Klang Valley.

Data centre energy consumption in Malaysia is projected to exceed 5,000MW by 2035 equivalent to 40% of Peninsular Malaysia's current power capacity, or 11.1% of the nation's projected capacity in 2035.

As of December 2024, actual load utilisation stood at 405MW (3% of Tenaga Nasional Bhd's total supply), while the total maximum demand secured under electricity supply agreements reached 5.9GW (43% of TNB's total supply), a figure analysts say is hazarously high.

As of 2024, Johor and Klang Valley together accounted for 1.8GW of live and early-stage data centre capacity, split roughly 55% in Klang Valley and 45% in Johor.