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## PM: CURBS IMPOSED ON NON-AI DATA CENTRES

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Prime Minister Datuk Seri Anwar Ibrahim speaking during Prime Minister's Question Time in the Dewan Rakyat yesterday.

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### CLOSER SCRUTINY

# PM: CURBS IMPOSED ON NON-AI DATA CENTRES

Sharp rise in water, energy usage in last 2 years prompts govt move although supply adequate

IYLIA MARSYA ISKANDAR  
AND AMALIA AZMI  
KUALA LUMPUR  
news@nst.com.my

**T**HE government has restricted approvals for new data centres that are not linked to artificial intelligence, citing rising energy and water consumption.

Prime Minister Datuk Seri Anwar Ibrahim said Malaysia's energy and water capacity was sufficient for now, but the sharp increase in usage over the past two years had prompted closer scrutiny of new applications.

"It is under observation because energy and water usage have increased significantly. Over the past one to two years, we have limited approvals for new data centres that are not AI-related," he said during Prime Minister's Question Time in Parliament.

He said priority for applications involving advanced technology and AI would continue.

"If an application brings benefits in terms of advanced technology and AI, it is easily approved. All new applications that

are unrelated — data centres built merely to take advantage of cheaper water and energy costs — have already been stopped."

He was responding to a question by Datuk Mohamad Che Zulkifly Jusoh (PN-Besut) on whether the proposed AI Governance Bill would set energy efficiency standards, including a carbon footprint ceiling, for technology companies seeking to build AI data centres in Malaysia.

The Zulkifly said AI systems require extremely high energy, resulting in millions of litres of water being used for cooling servers.

He asked how the government would ensure that large-scale AI data centre investments do not overload the national grid, raise electricity tariffs or disrupt supply to domestic users and small and medium enterprises.

Anwar said projections by the Energy Transition and Water Transformation Ministry indicated that capacity for new applications over the next one to two years remains sufficient.

He said the government was also pursuing other initiatives, including the Asean Energy Grid linking Vietnam, Peninsular Malaysia and Singapore, as well as plans to transmit energy from Sarawak to the peninsula and Singapore.

"These long-term measures, God willing, will meet the demand. In the short term, over the next one or two years, the current capacity is indeed adequate."

He said the concerns raised would be considered when drafting the legislation and, where nec-

essary, when improving existing regulatory frameworks, including those under the Energy Commission and Tenaga Nasional Bhd.

He said the proposed AI Governance Bill was still in the early stages at the Digital Ministry and consultations need to be carried out, including with the Parliamentary Special Committee, to discuss any aspects that might have been overlooked.

He said this was significant as it was a new approach and initiative for Malaysia and many other countries.

"The bill will elaborate on accountability and ethical issues in AI use, involving developers and deployers of AI systems.

"Because this is a new approach and initiative, it also ensures that existing laws remain applicable and enforceable."

Anwar said the bill was "critical" as it would address an area that was not covered, which is a comprehensive governance framework for AI. He said it would cover the entire AI system lifecycle — development, model training, implementation, monitoring and risk management.

"In drafting this bill, when we talk about AI risks and incident reporting, issues such as citizens' rights and the dangers of overlooking ethical considerations are fully included.

"I think the drafters will give this attention. This differs from the approach taken in the West, where legal details are followed but ethical and moral considerations are often not prioritised."