



29 OCT, 2026

'SECURE WATER, POWER SUPPLY FIRST'

New Straits Times, Malaysia



INVESTMENTS

'SECURE WATER, POWER SUPPLY FIRST'

States must be able to support data centre developments before getting approvals

ASILA JALIL
KUALA LUMPUR
bt@nst.com.my

DATA centre investments must have adequate water and electricity supplies before they can receive federal government approval, said Investment, Trade and Industry Minister Datuk Seri Johari Abdul Ghani.

He said the government would ensure that states have sufficient water supplies to support data centre developments without compromising the needs of

other industries.

Speaking during his 2027 Budget wind-up speech in the Dewan Rakyat yesterday, Johari said investors were also encouraged to adopt water recycling technology.

"If there is not enough water in the state, don't host data centres."

Johari was responding to a supplementary question from Simpan Renggam member of parliament Datuk Seri Hasni Mohammad on the agencies involved in approving data centre investments.

He said applications must go through the Malaysian Investment Development Authority, with decisions taking into account recommendations from the Data Centre Task Force (DCTF).

The task force comprises representatives from the Investment, Trade and Industry Ministry, Digital Ministry and Energy Transition and Water Transformation Ministry.

State governments and water supply authorities are also involved in the discussions. "At the federal government lev-

el, we assess electricity requirements, with detailed discussions involving Tenaga Nasional Bhd.



Datuk Seri Johari Abdul Ghani

"Through DCTF, we want to ensure there is sufficient electricity reserve capacity in these states, and supply is allocated only to data centres with access to it."

Johari added that data centres unable to secure grid electricity supply would have to explore off-grid alternatives.

He said the government had approved 117 data centres, 55 of which were operational, 19 under construction and

16 had received approval but had yet to begin development.

The remaining 27 projects were at various stages of development, including some that had yet to commence work. These projects would obtain electricity through off-grid sources, he said.

Separately, Johari backed a proposal to position the Lahad Datu Palm Oil Industrial Cluster (POIC) Industrial Park in Sabah as a key industrial and investment hub under the Brunei Darussalam-Indonesia-Malaysia-Philippines East Asean Growth Area initiative.

He said the proposal was long overdue, adding that the POIC should have been developed ahead of the Johor-Singapore Special Economic Zone.