

Digital Infrastructure 2026

Data Centre, Cloud and Connectivity Landscape in Malaysia

MYNOG-13

10 June 2026

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About MDEC

Malaysia Digital Economy Corporation (MDEC), a government agency under the purview of the Ministry of Digital, was established in 1996 to lead Malaysia's digital economy. Beginning with the implementation of the MSC Malaysia initiative, we have since then catalysed digital transformation and growth all over the nation. By offering greater incentives and governance for growth and re-investment, we aspire to bolster Malaysia's status as the digital hub of ASEAN, opening new doors and driving shared prosperity for all Malaysians.

Overview: Malaysia 2025 Highlights

DATA CENTRE INVESTMENT (2021-2025)



**RM
425.7B**

DIGITAL INVESTMENT

Source: MITI, Dec 2025

**RM
289.9B**

DC INVESTMENT

Source: MITI, Dec 2025

**7.5
GW**

ENERGY DEMAND

(AS OF DEC 2025)

Source: Tenaga Nasional, Dec 2025

**?
GW**

ENERGY DEMAND IN PIPELINE



Johor is ranked 4th established APAC data centre markets

2025

Global Data Center Market Comparison

A PUBLICATION OF CUSHMAN & WAKEFIELD'S DATA CENTER ADVISORY GROUP

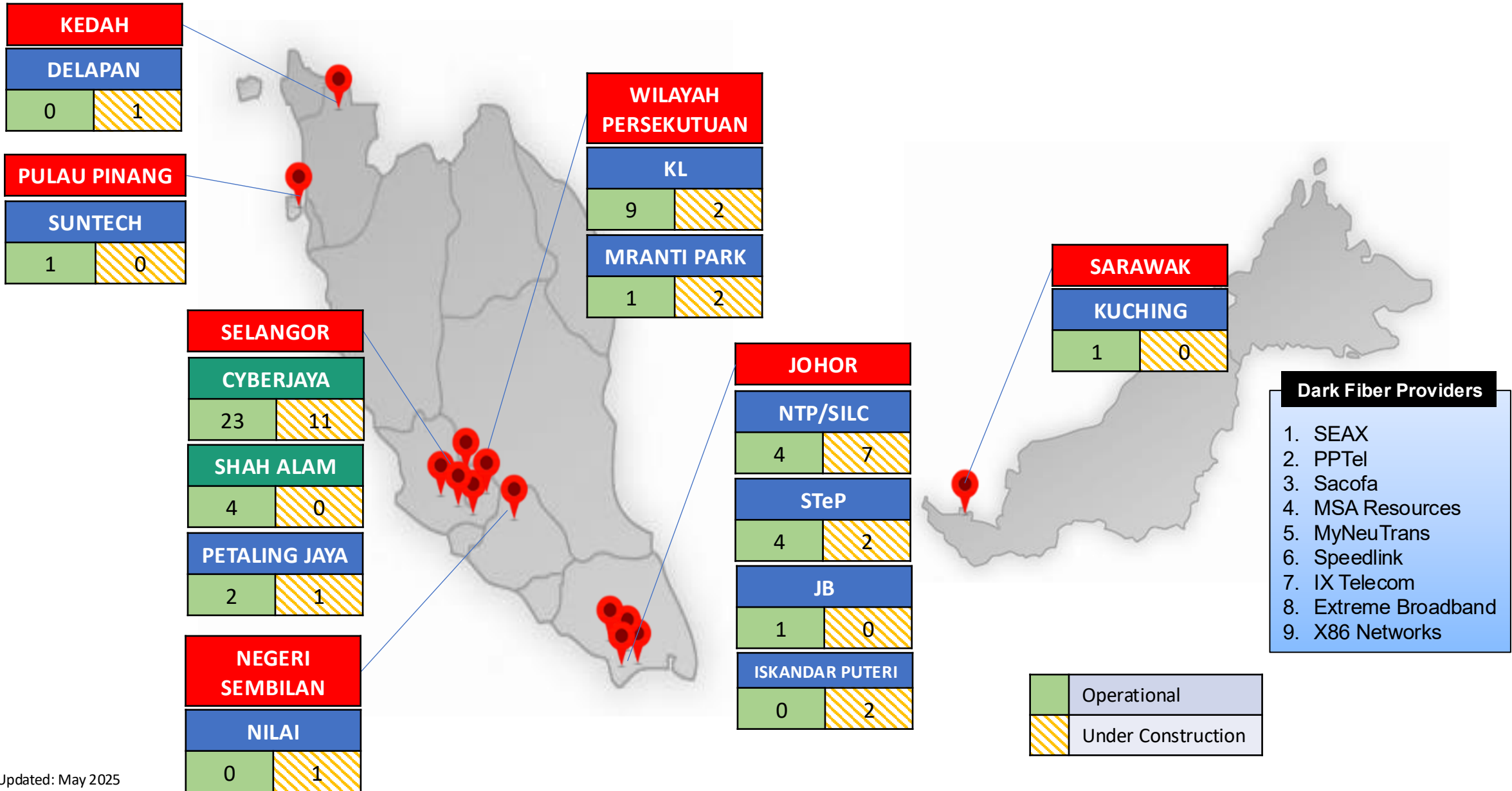
Established Markets Rankings

AMERICAS	APAC	EMEA
1 Virginia	Beijing	London
2 Phoenix	Shanghai	Frankfurt
3 Dallas	Sydney	Amsterdam
4 Atlanta	Johor	Paris
5 Oregon	Melbourne	Madrid
6 Columbus	Guangzhou	Milan
7 Salt Lake City	Mumbai	Stockholm
8 Chicago	Osaka	Dublin
9 Carolinas	Seoul	Brussels
10 Sao Paulo	Singapore	Johannesburg

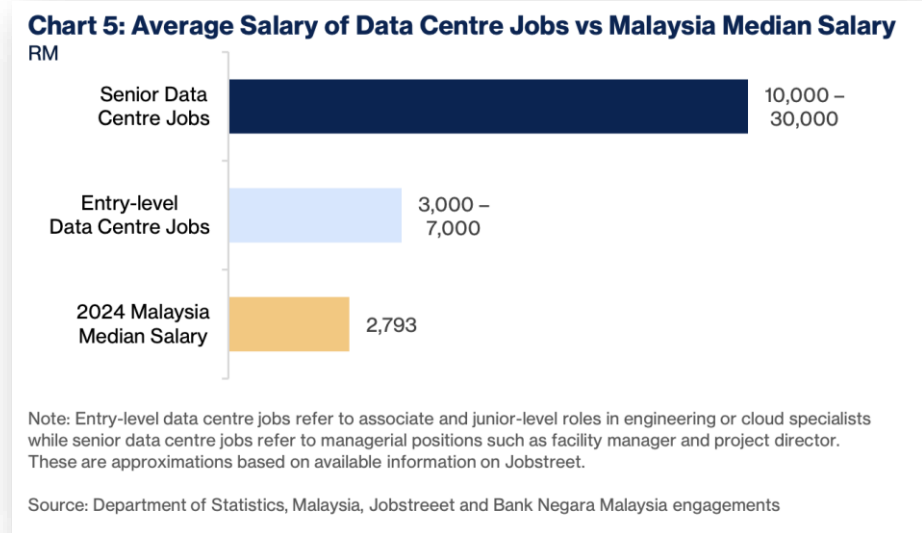
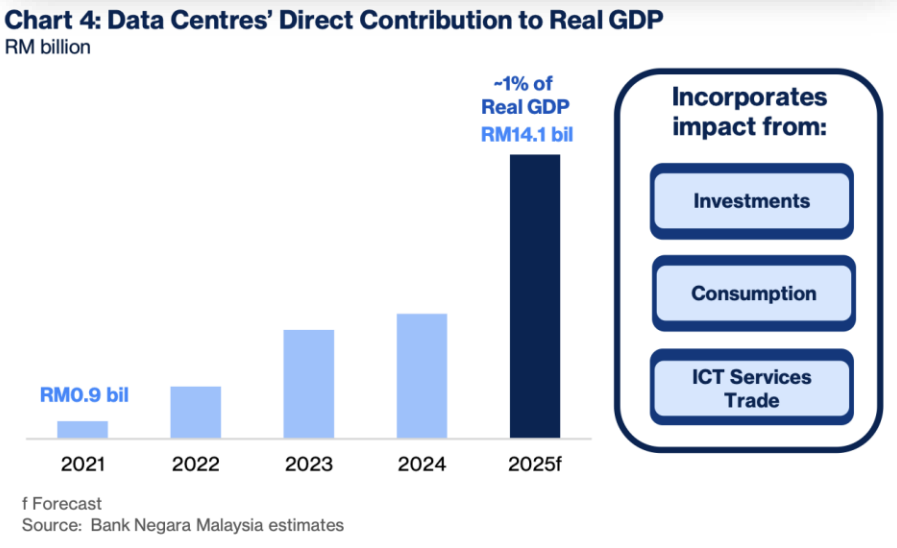
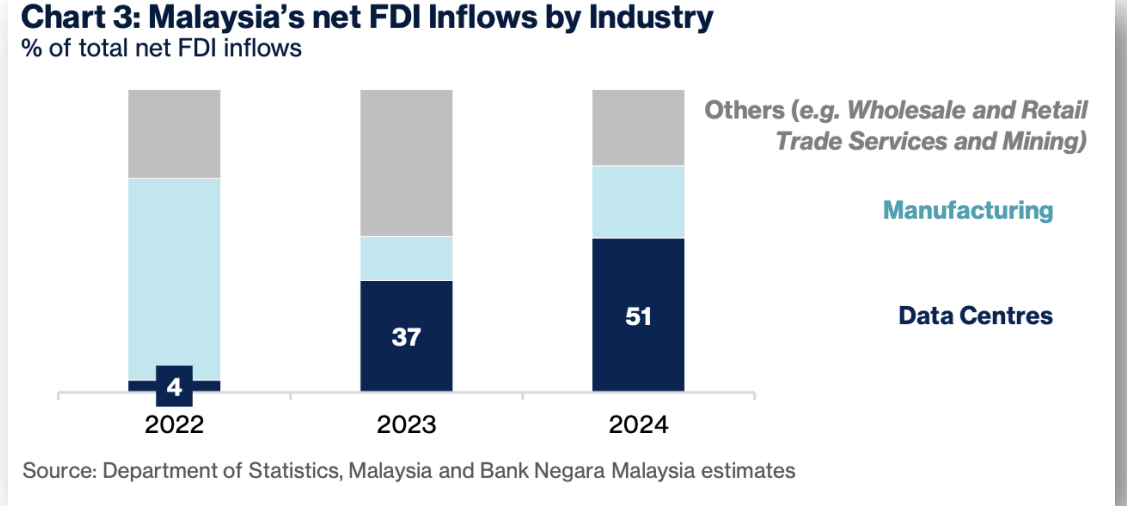
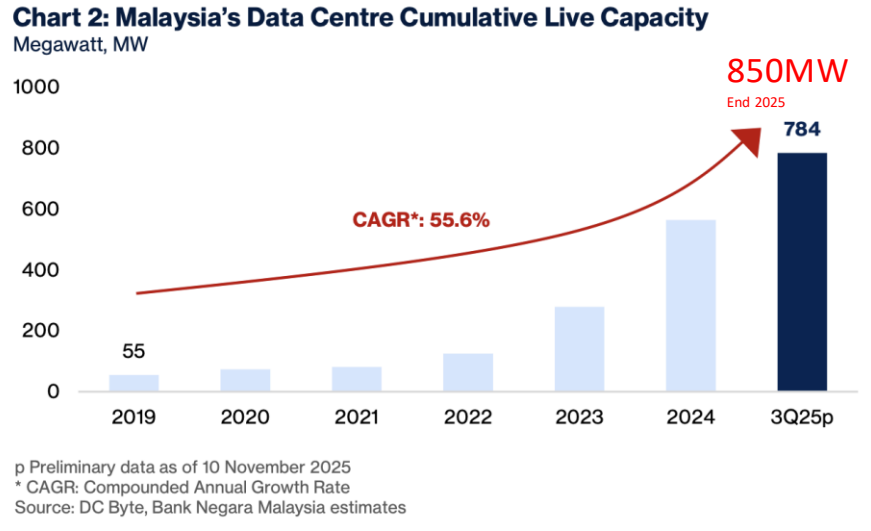
Emerging Markets Rankings

AMERICAS	APAC	EMEA
1 Austin/San Antonio	Auckland	Abu Dhabi
2 Iowa	Brisbane	Dubai
3 Pennsylvania	Busan	Berlin
4 Reno	Pune	Helsinki
5 Minneapolis	Bengaluru	Zurich
6 Kansas City	Perth	Munich
7 Nashville	Canberra	Oslo
8 Indianapolis	Taipei	Warsaw
9 Central Washington	Batam	Reykjavik
10 Santiago	Hanoi	Tel Aviv

MALAYSIA'S DATA CENTRE HOTSPOTS



From Bytes to Bucks: The Economics of Data Centres in Malaysia

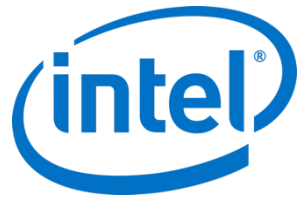


SUPPLY CHAIN ECOSYSTEM GROWING IN MALAYSIA

Testing, Assembly and Packaging of Semiconductors

Manufacturing of DC equipment, AI and Cloud servers for data centres

Hyperscale, Cloud and AI data centres



AI Infrastructure In Malaysia

14:13

4G 75

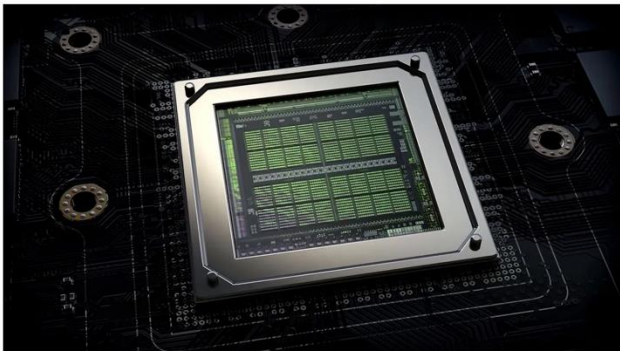
GPU imports to Malaysia surge by 3,400% in 2025, raising alarm amid smuggling investigations

News By Kunal Khullar published May 12, 2025

A strategic expansion plan for AI or a way to reroute restricted GPUs?

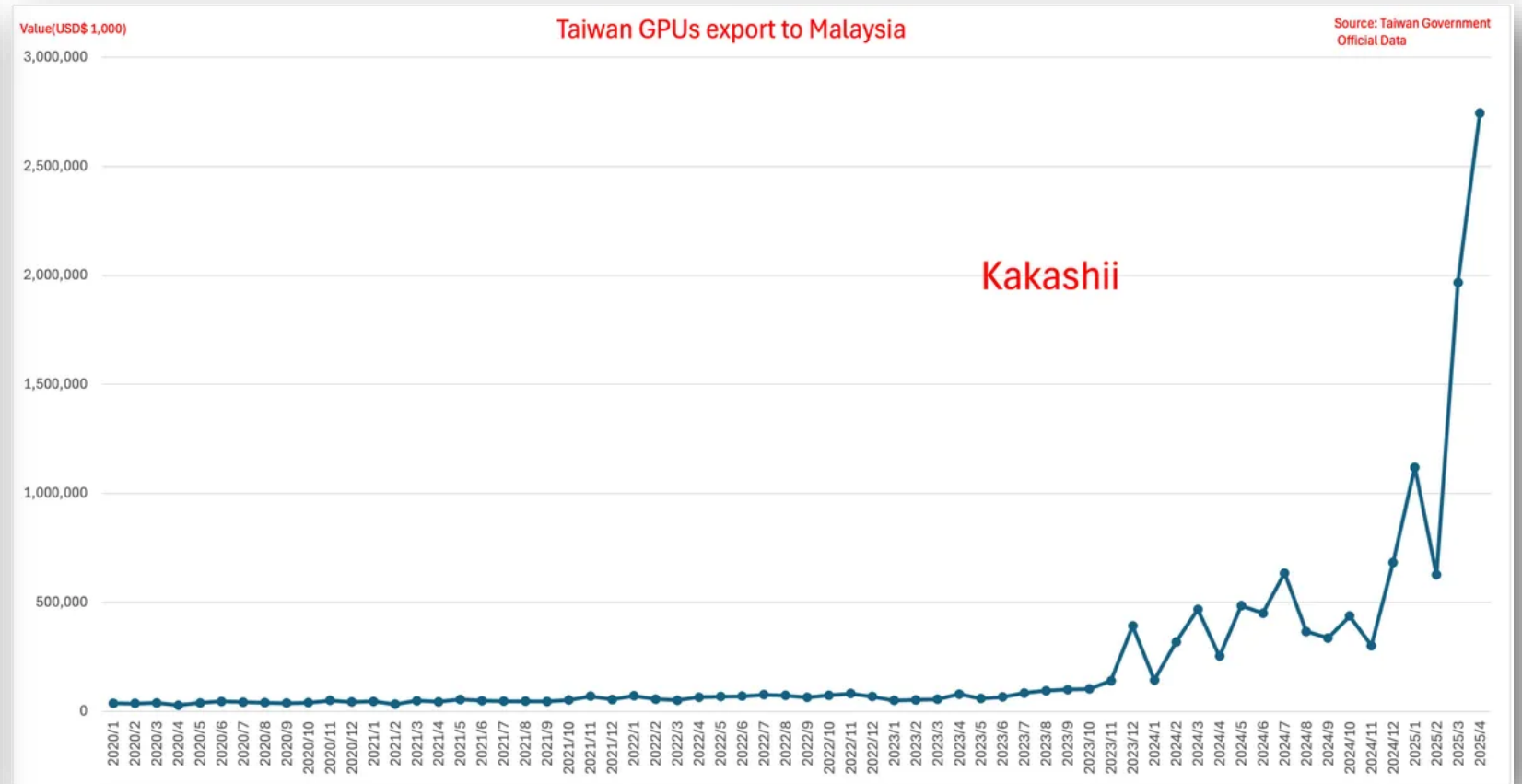


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(Image credit: Nvidia)

Malaysia has reportedly recorded an unprecedented surge in GPU imports as per data shared by Taiwan's International Trade Administration, highlighted in a post by X user @kakashiii111. Despite requests from the U.S.



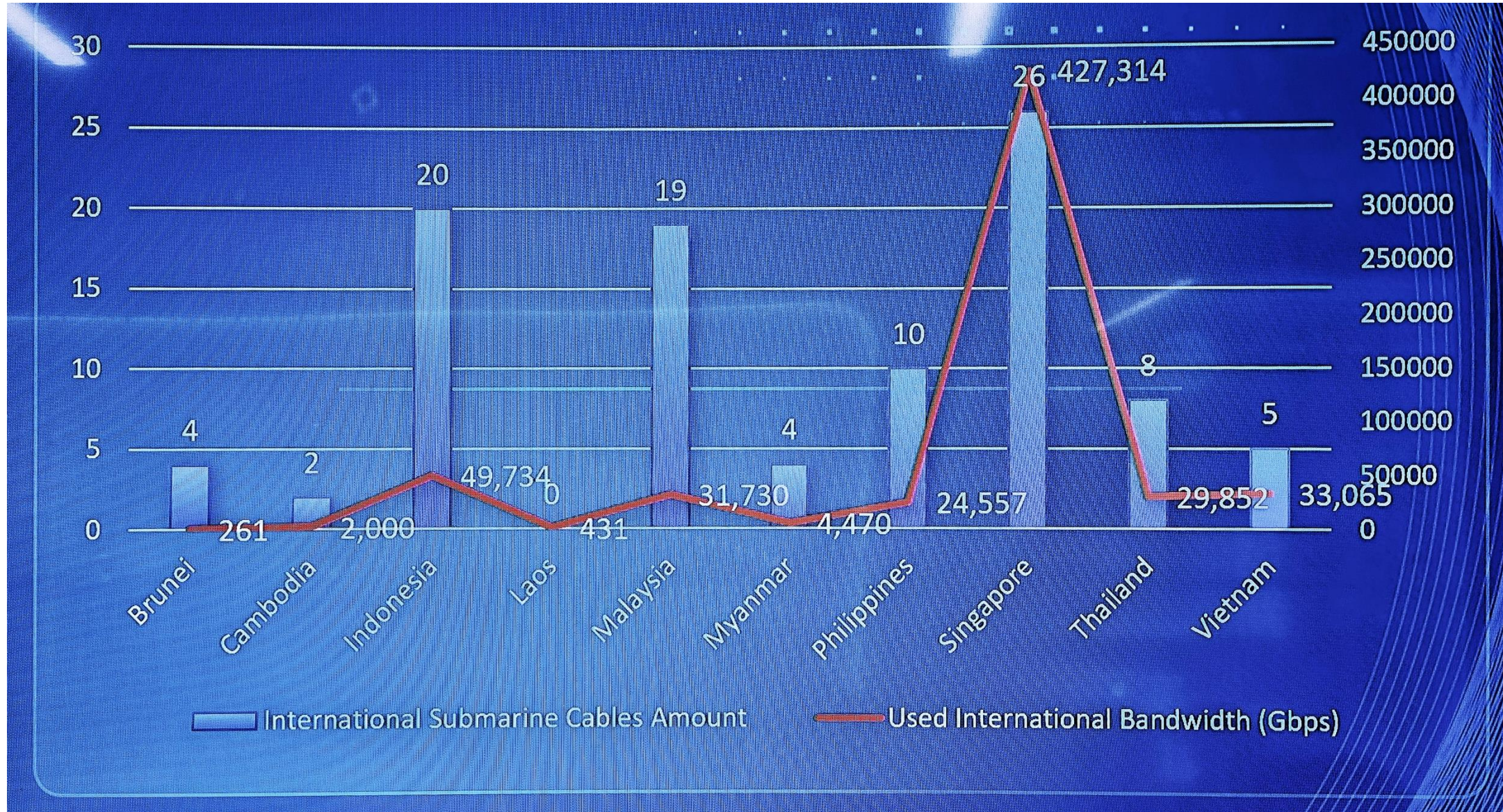
This trajectory is raising many questions – not just from the US Govt.

Is Malaysia becoming too AI focused ?

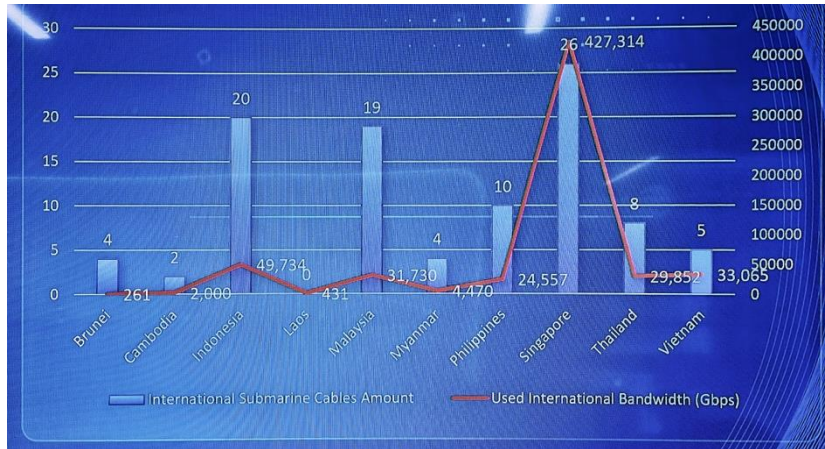
Do we have the energy to continue this trajectory ?

Connectivity

Submarine Cable Capacity/Usage in ASEAN



Malaysia (and most of ASEAN) Today is Hugely Dependent on Singapore



This is obviously a major concentration risk.

MOST, if not ALL, the new data centres being built in Johor and even Klang Valley, connect back to Singapore.

The **Causeway** and **Second Link** are arterial links between MY and SG. If anything happens to either one ... unthinkable.

Singapore is also becoming more dependent on Malaysia

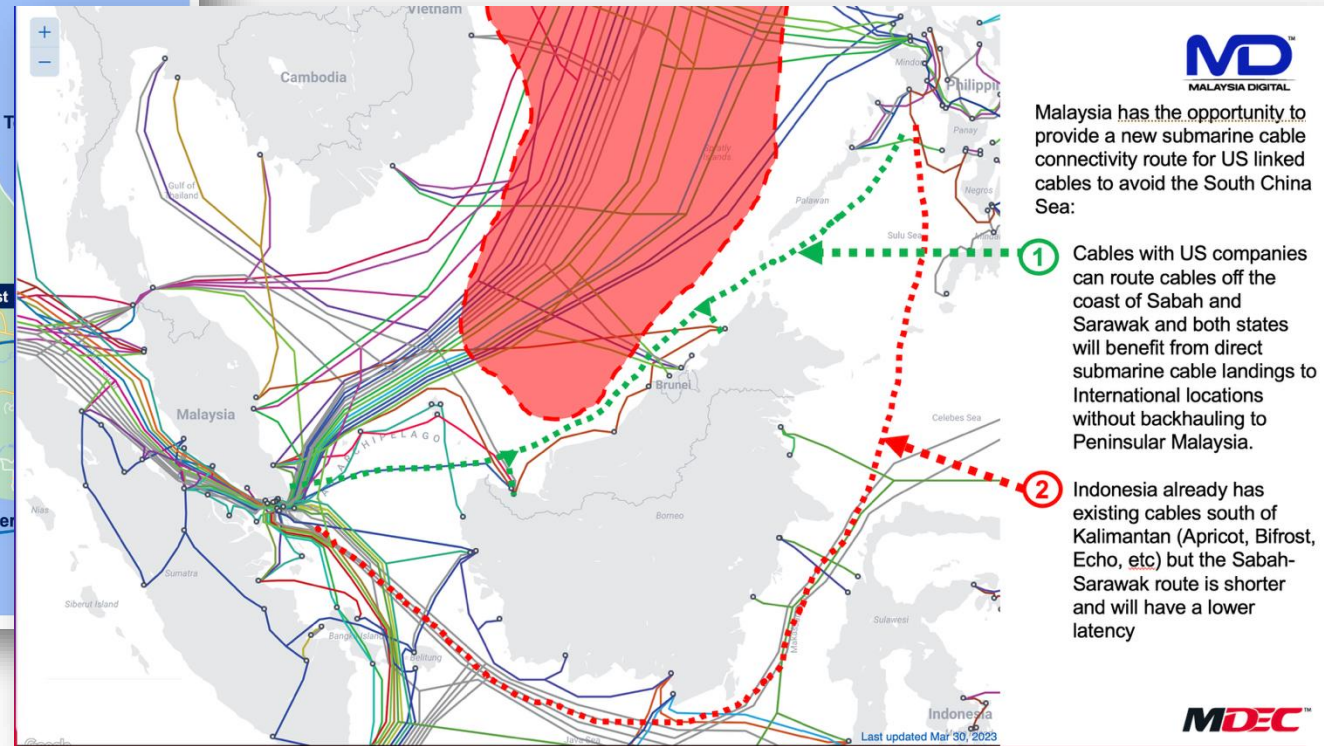
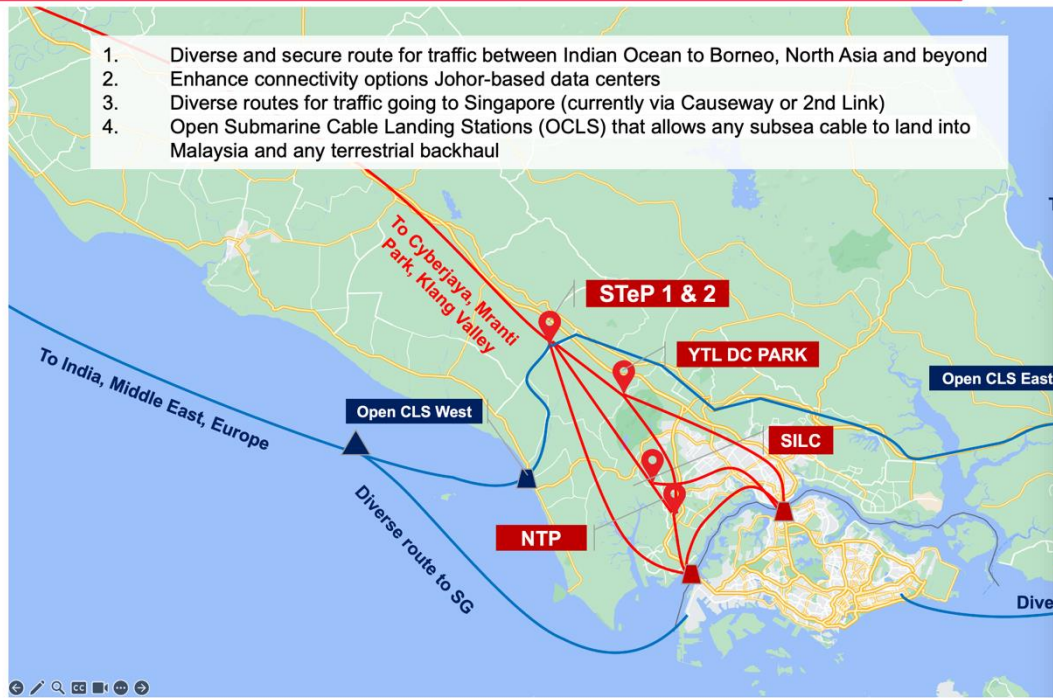
Data Centre capacity in Singapore is a scarce commodity and workloads requiring huge amounts of power, like AI, will need to overflow into Johor.

The JSSEZ and perhaps the newly endorsed “**ASEAN Framework for Cross Border Cloud Computing**” will accelerate more two-way traffic.

Johor and Singapore will eventually meld into one unified (*mostly*) regional hub for digital infrastructure and this will need even more connectivity to the rest of the world.

MYNOG 11 - 2024 – Remember These ?

The East West Gateway Concept



EWG SCOPE OF PROJECT



TERRESTRIAL FIBER NETWORK

Facilitate a high-speed data transport between the East and West CLS linking it to the Internet Data Exchange.

Business Potential Extending high-speed connectivity inland

Terrestrial Connectivity Details:

•**East Route:** From **Tanjung Balau**, the fiber will traverse a **terrestrial network** and then connect via **Jalan Parit Panjang** to our Internet Data Exchange at **Sedenak Tech Park (STeP)/Ibrahim Technopolis (IBTEC)**.

•**West Route:** From **Benut**, connectivity will follow **Jalan Parit Panjang** and **Jalan Pontian** to our Internet Data Exchange at **Sedenak Tech Park (STeP)/Ibrahim Technopolis (IBTEC)**.



CABLE LANDING STATION (CLS)

Facility on the shore end where the submarine cables land. Become gateway for fiber connectivity.

Business Potential Enhancing regional and global connectivity

The **East-West Gateway** will connect two strategic CLS points:

- East Johor:** *Ladang Siang, Tanjung Balau*
- West Johor:** *Tampok Laut, Benut*

INTERNET DATA EXCHANGE

Fiber network aggregation meeting point for the terrestrial fiber network connecting the 2 CLS and the users.

Business Potential Co-location and interconnect services

East & West CLS will be interconnected via an **Internet Exchange located in STEP**, forming a resilient East-West digital corridor.

FUTURE PHASE



SUBMARINE CABLE

Provide global interconnection. Connecting CLS in one country to another country.

EAST-WEST GATEWAY LOCATION



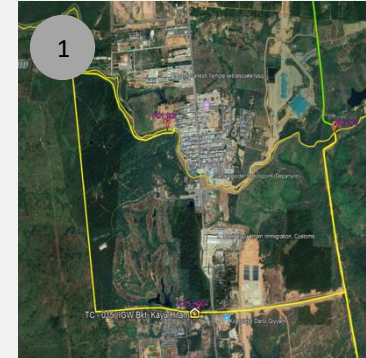
LinkaranFibre's Peninsular Malaysia fibre backhaul provides an integrated and secure cross-border connectivity solution linking tech hubs and data centres

880km
fibre from Bukit Kayu Hitam to
Plentong within a secured PGB
Right of Way (ROW)

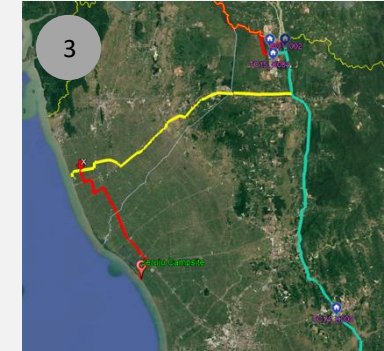
288 fibre cores
with ultra-low attenuation in cable
(0.2dB/Km)

Border-to-border
terrestrial fibre connectivity with
opportunity to connect with
existing and new cable landing
stations (CLS)

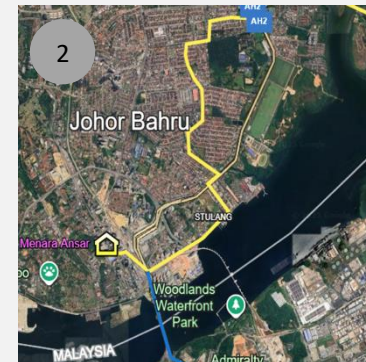
Diverse route
connecting key DC hubs e.g.,
Delapan, Elmina and Sedenak



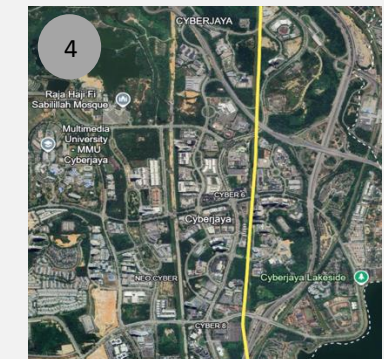
Connection to Thailand



Connection to potential CLS



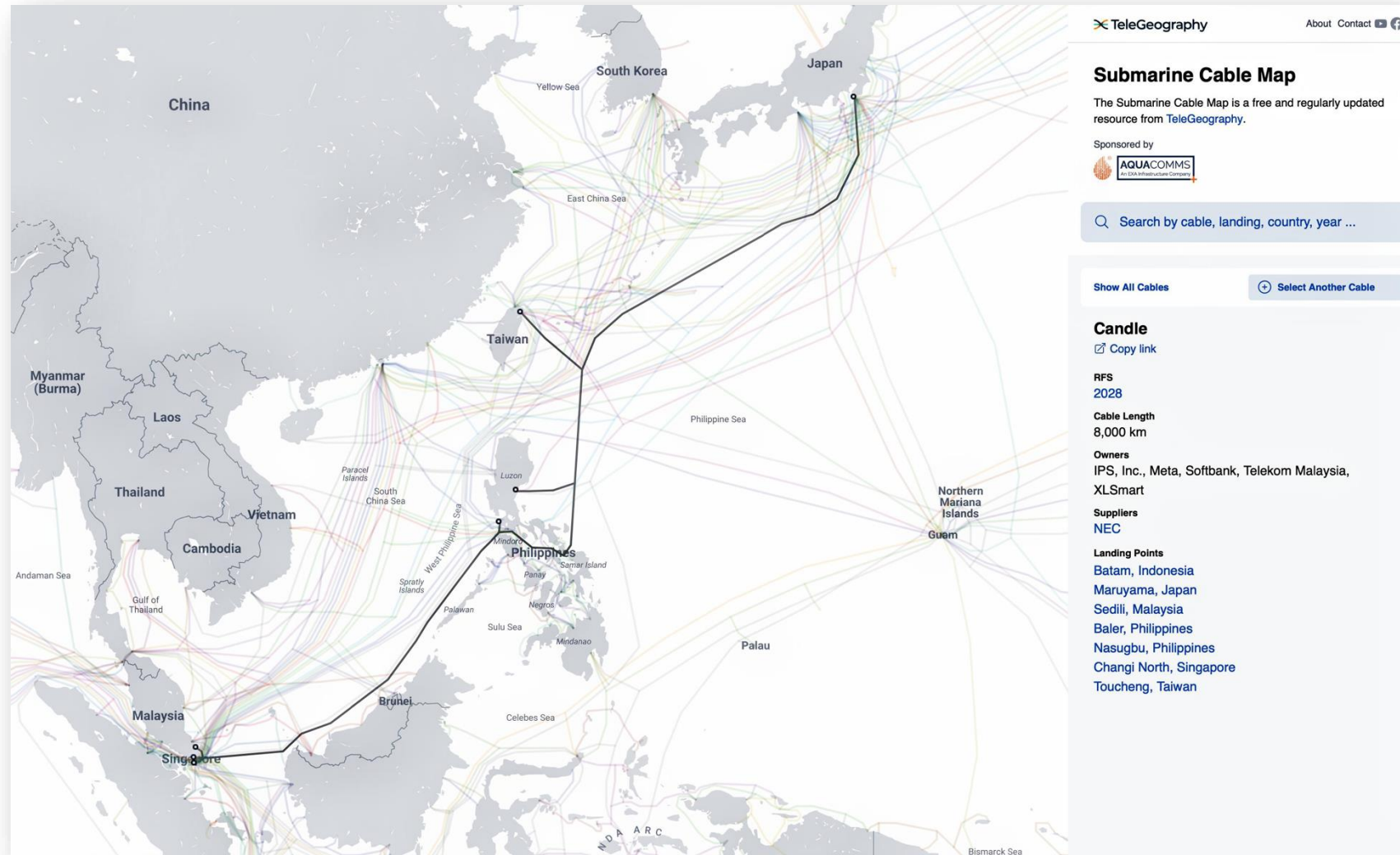
Connection to SG



Connection to Cyberjaya

**source: LinkaranFibre information pack*

CANDLE Submarine Cable System



8,000 km 24-fiber pair 570 Tbps cable

Scheduled for 2028




Linking Japan, Taiwan, the Philippines, Indonesia, Malaysia, and Singapore.

Led by a consortium including Meta, SoftBank, NEC, and Telekom Malaysia

Where do We Go From Here?

- Johor and Singapore will eventually meld into one unified (*mostly*) regional hub for digital infrastructure and this will need even more connectivity to the rest of the world.
- AI is evolving. **LLM training** might have been the initial driver for **centralized GPU centric** infra but **Agentic AI** appears to be the new hot tech and the infra needs to be more **distributed** and **balanced** (not just GPUs but tightly integrated with CPUs, Memory, Networking, etc)

Thank you

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  Malaysia Digital Economy Corporation