

## **10. Country Report of Malaysia<sup>1</sup>**

### **10.1 Current Status of the ICT Sector of Malaysia**

The digital revolution of a country is no longer an option but a much-needed necessity when it comes to uplifting a nation. It is undeniable that broadband and the internet have an impact on a nation's economy. Many countries have embraced the Internet and have spent billions on building the infrastructure. There is a unique synergy between the growth of a country's economy and the development of its information and communications technology (ICT) sector. Hence, Malaysia has placed a great importance on the development of its ICT sector by actively injecting investments and spearheading programmes and efforts to boost the ICT talent and market in all parts of the country. The country's ICT sector is currently standing at an interesting crux of its cycle, whereby it is mid-way through its charge forward into a new and faster digital world. Smart devices are no longer a thing of luxury for the average-income Malaysians. Personal computers are in almost every urban household in Malaysia, and faster internet connection is constantly in demand by the country's discerning consumers. "The ICT industry has been charting an impressive 10 per cent average growth yearly for the last five years, and is now an industry worth RM55 billion and is targeted to hit RM100 billion by 2017". Hence, the growth of the ICT industry will, in turn, drive the demand for robust digital infrastructure which is fundamental to Malaysia's competitiveness where accessibility and affordability are equally critical in uplifting the economy and narrowing the socio-economic gap through the provision of digital opportunities

Originating with National Broadband Initiative (NBI) and High Speed Broadband (HSBB) the primary goal was to achieve a broadband household penetration of at least 50% by 2010 with intended outcome of 1% contribution to GDP for each 10% broadband penetration. Malaysian government has undergone various efforts to step up its game in the ICT sector which include efforts to push the country's data centre sector in order to make Malaysia a regional data centre hub. Within the business world, local organisations have been receptive and experimental in some cases, towards 'transformational technologies' such as cloud computing and analytics to harness the big data, the ICT developments that fueled by the on-going enterprise mobility trend. MDEC recently launched an alliance for data center industry called the Malaysian Data Centre Alliance (MDCA) in line with the government's development of the Entry Point Project 3 (EPP3) which aims to position Malaysia as a world class data centre hub. The data center industry is thriving with the current trends and push for it that are so pervasive in today's businesses, with its services for enterprises and consumers that include social media, cloud, big data and mobility.

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Digital Malaysia is a national agenda that draws huge opportunities created by the digital world to harness the country's ICT capabilities. It is built upon a vibrant domestic ICT industry, transformative use of digital solutions by government, businesses and citizens, as well as a robust enabling ecosystem. Malaysia sailed into the first wave of IT economy the wave of IT transformation which automated individual activities in the value chain, from order processing to manufacturing resource planning. Productivity increased dramatically and also saw the standardization of processes across companies. The second wave represented the Internet economy to which unleashed the second wave of IT-driven transformation. Consumers have access to computers and computers are all connected, changing how we communicate and transact. Malaysia now stands at the brink of the third IT transformation, the Digital Economy after the rate of adoption of new technologies has accelerated over the past decade, we have 3 times the economic opportunity now through the digital economy than what have seen over the last 20 years. Against today's borderless global economy, Malaysia and enterprises have the opportunity to further leapfrog ahead over other countries if we are able to reimagine our business models and proactively evolve to stay relevant. The Eleventh Malaysia Plan focuses on ICT as an imperative enabler for a knowledge economy, especially in the areas of industry, infrastructure, human capital and digital inclusion (Malaysia: The Digital Economy Empowering the Digital Wave to Enhance National Competitiveness and Productivity Global Competitiveness, 2015).