



**MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY**

SPEECH BY

**YB SENATOR TENGKU DATUK SERI UTAMA ZAFRUL
TENGKU ABDUL AZIZ, MINISTER OF INVESTMENT,
TRADE AND INDUSTRY, MALAYSIA**

**AT THE GRAND OPENING OF
THE GDS NTP DATA CENTRE CAMPUS**

10.47 a.m. – 10.52 a.m

10 August 2023 (Thursday)

**GDS International Nusajaya Data Centre, Taman Teknologi
Nusajaya, 79250 Iskandar Puteri, Johor**

Yang Berhormat Tuan Lee Ting Han,

Chairman of Johor State Investment, Trade and Consumer Affairs Committee

Mr. William Huang,

Chairman and CEO of GDS

Distinguished Guests,

Ladies and Gentlemen,

A very Good Morning and *Salam Malaysia Madani* to everyone,

1. I am pleased to be here today at the grand opening of the GDS NTP Data Centre Campus. On behalf of the Ministry of Investment, Trade, and Industry (MITI), I would like to congratulate GDS for their achievement in establishing this cutting-edge, energy-efficient data centre campus right here in the heart of Nusajaya, Johor. This project has taken off well since my visit last June, and I am honoured to witness its opening today.

2. Just two days ago, I witnessed the exchange of the Electric Supply Agreement (ESA) between TNB and four prominent data centre players, including GDS. With the ESA, these data centre players have strategically secured power with a total capacity of 1,500MW.
3. Therefore, to me today's event is not just about commemorating GDS's achievement, but also about marking a significant milestone in Malaysia's digital and sustainable technology landscape.
4. This multi-Ministry, multi-agency collaboration is proof that we certainly keep our word and commitment towards fostering innovation, sustainability, and technological advancement, to facilitate investors' ease of doing business in Malaysia.

Ladies and Gentlemen,

POSITIONING MALAYSIA AS THE HUB OF DATA CENTRES FOR SOUTHEAST ASIA

5. Malaysia has increasingly captured the global data centre business in Southeast Asia. This is due to a combination of factors and natural advantages – proactive investor facilitation, cost-efficiency, plentiful landbank, and seamless connectivity to Asia and beyond through 22 submarine cable networks and 14 landing stations.
6. In a world where data reigns as the new oil, the security and profitability of the digital economy rest on robust data centres – the pulsating hubs propelling governments, businesses, and individuals into a global sphere of digitized connections, collaboration, and innovation.
7. And today, the digital economy stands as one of Malaysia's foremost economic cornerstones, contributing a substantial 23.2% to the nation's GDP, or RM348 billion (~USD76 billion) in the year 2021. This contribution is expected to reach 25.5% by the year 2025, or more than RM382 billion (which is approximately USD84 billion).
8. As for the data centre market share in Malaysia, the projection is nothing short of remarkable, with an expected average annual growth rate of 16%, or USD2.08 billion (equivalent to RM9.36 billion) from 2021 to 2026.

9. In our pursuit to achieve these goals, the Government, through MITI and its agencies, has meticulously crafted the New Industrial Master Plan 2030 (NIMP2030). The NIMP2030 will be launched by the Prime Minister by end of this month. It is a game-changer that will catalyse Malaysia's economic complexity and high-impact industrial growth through 2030.
10. The NIMP2030 employs a mission-based approach to strategically promote five 'economically complex' industries, which are aerospace, chemicals/ petrochemicals, digital economy, E&E and pharmaceuticals. All these will open doors to substantial development opportunities and become the primary cornerstones for the nation's economic complexity and sustainable GDP growth.
11. Through the masterplan's ambitious industrial reforms, we will generate higher-value exports that will create more high-tech and high-paying jobs. All these will substantially raise the median salary, enhancing the lives and consumption power of Malaysians, which will, in turn, energise the business landscape.

12. NIMP2030 aims to propel Malaysia, among others, towards being a digitally vibrant nation, with high-income growth, and establishing our position as a global leader in the region's digital economy by increasing our exports derived from digital content and services.
13. Digital transformation and connectivity will also pave the way for our companies, especially the MSMEs to tap into more global opportunities. Empowered by enablers such as digital platforms and data centres, companies can build and expand their revenue streams and channels to thrive locally, regionally, and even globally.
14. A notable enabler for this is the Digital Investment Office (DIO), a strategic collaboration between MIDA and MDEC. The DIO has been busy positioning Malaysia as the 'Digital Heart of ASEAN'. Its promotion and facilitation efforts had secured RM80.4 billion of approved investments in digitalization as at end- 2022, exceeding the RM70 billion investment target by 2025.
15. This achievement affirms that Malaysia is on the right track in terms of attracting high-quality investments in the digital and ICT industries. It also underscores our nation's

commitment to digital innovation and growth, as well as our readiness to facilitate a vibrant digital future.

Ladies and gentlemen,

THE GREEN DEAL: DATA CENTRES AND SUSTAINABILITY

16. In a world of remarkable technological advancements, global data centres must also focus on reducing their carbon footprint. As such, the integration and availability of renewable energy are becoming key considerations for investments in this sphere.

17. In sync with one of the NIMP's missions, which is to push for net zero by 2050, Malaysia is actively pushing for a new power generation strategy. We aim to achieve 31% renewable energy in our installed capacity by 2025, with a firm goal of reaching 40% by 2035.

18. Integral to this vision is the Government's commitment to Environmental, Social, and Governance (ESG) practices. I'm pleased to announce that MITI will introduce the National Industry ESG framework, or i-ESG, for the

manufacturing sector by September this year. A holistic guide, the i-ESG comprises standards, financial support, incentives, capacity building, as well as market mechanisms. It serves as a strategic guide to Malaysia's sustainable development goals within the broader context of NIMP 2030.

19. Working in harmony with the i-ESG is our National Energy Transition Roadmap (NETR). This roadmap stands as a robust declaration of our resolve to decrease greenhouse gas emissions by 45% by 2030 from today's 33%.
20. A central pillar in our Government's strategy for data centres is the recently launched Green Lane initiative, spearheaded by TNB (which I had mentioned earlier in my speech). Taking centre stage in fortifying supply processes, this initiative mirrors our commitment to meeting the increasing demands of the data centre industry and fostering its growth.
21. This transformative initiative is set to redefine data centre connectivity, launching it into a new era of speed and efficiency. This initiative's crowning feature is its ability to connect data centres three times faster than before,

reducing what was once a 48-month process to just 12 months.

22. This transformative approach is further supported by the energy-efficient technologies integrated into data centre operations. Innovations such as liquid cooling with advanced airflow management and the utilization of renewable energy sources will definitely significantly reduce environmental impact.

23. For instance, by optimizing cooling systems with certain technologies, data centres can achieve an impressive 94% reduction in cooling power consumption. This not only leverages sustainable solutions but also enables data centres to substantially mitigate their carbon footprint. Through such cutting-edge measures, we are cultivating a more environmentally conscious digital landscape, that strongly reflects our unwavering commitment to a sustainable and prosperous future.

Ladies and gentlemen,

CONCLUSION

24. Before I conclude, allow me to emphasise that both the Federal Government and the State Government of Johor remain steadfast in their commitment to foster an environment that is not only business-friendly but also conducive to high-quality, capital-intensive foreign investments, such as those by GDS. Our collective efforts are oriented towards facilitating growth and setting the stage for breakthrough innovations.

25. The inauguration of the GDS International NTP Data Centre Campus is more than just a technological achievement; it represents a symbol of progress, partnership, and limitless potential. This heralds a brighter future for Malaysia to further define our regional leadership in attracting innovative and hi-tech investments. To GDS, again, I extend my heartfelt thanks for this invitation, and my heartiest congratulations on achieving this significant milestone.

26. We are currently entering an exciting new era, filled with promise and potential. May our journey be filled with fresh opportunities and new frontiers, guiding us towards growth, success and endless discoveries. Thank you.