

Malaysia Digital Industry Report (MDIR) H1 2025

Overview

Malaysia Digital (MD) is a Government led strategic initiative to position our nation as a leading digital economy. The initiative strengthens the digital ecosystem by attracting investments, nurturing talent and enabling collaboration between local and international technology companies.

Through the initiative, the Government offers a range of incentives and benefits to MD companies to support business expansion, encourage investment and generate both direct and indirect economic impact. Today, many leading global technology companies have chosen Malaysia as a base for their regional and international operations.

The performance of MD companies is regularly tracked through the Malaysia Digital Industry Report (MDIR) survey, which monitors key metrics such as digital investments, job creation, revenue and exports. Conducted annually, the MDIR survey provides valuable insights into the performance and overall health of Malaysia's digital industry.

Digital Industry Landscape & Outlook

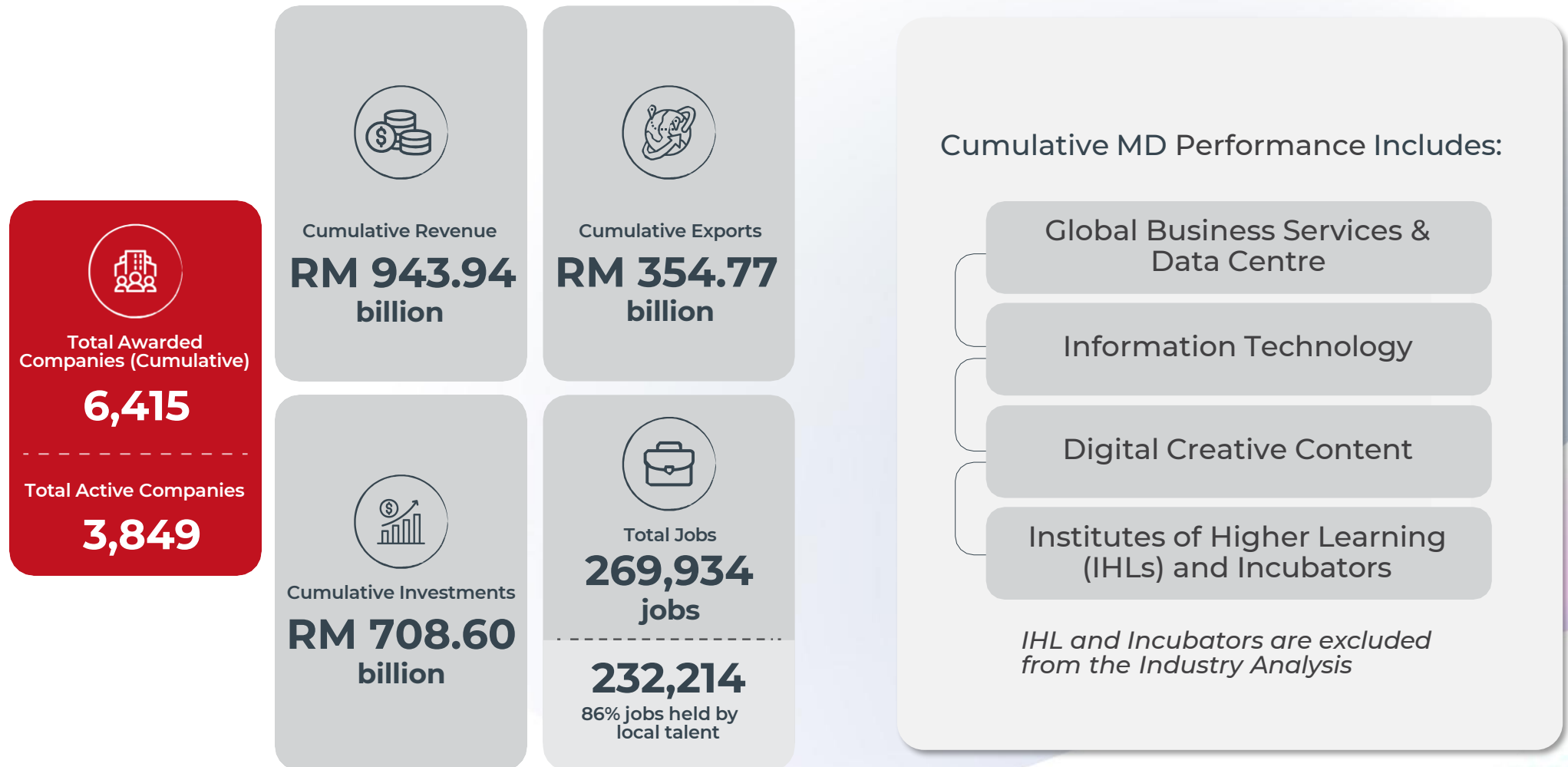
Malaysia's digital industry maintained strong momentum in H1 2025, with Malaysia Digital (MD) companies recording encouraging growth in jobs, exports, revenue and investments. Growth was strongly driven by continued investment expansion in data centres and cloud infrastructure, as well as global business services and knowledge process outsourcing. While the Global Business Services & Data Centre (GBS & DC) cluster remained the key growth engine, the Information Technology (InfoTech) and Digital Creative Content (DCC) clusters continued to strengthen Malaysia's digital capabilities through innovation, high-value digital solutions and services as well as digital creative content.

As Malaysia advances its AI agenda, GBS & DC are expected to evolve beyond infrastructure providers into AI compute and digital services hub supporting regional next-generation workloads. At the same time, InfoTech companies will play an increasingly pivotal role in accelerating enterprise AI adoption through AI-enabled applications, cloud-native solutions, advanced cybersecurity, intelligent automation and other next-generation digital solutions and services. DCC companies are well positioned to harness AI to enhance content creation, gaming, animation and immersive digital experiences. Together, these developments are expected to create a high-growth, high-value digital industry, and advance the country's aspiration to become an AI Nation by 2030.

Looking ahead, Malaysia will continue to strengthen its digital competitiveness in the region, deepening Made by Malaysia innovation and participation in regional digital value chains. The country's competitive advantage will increasingly depend not only on attracting data centre and digital infrastructure investments, but also other high-value digital investments. Supported by the 13th Malaysia Plan (RMK-13), the National Fourth Industrial Revolution Policy (N4IR) and the Malaysia Digital 2030 (MD2030) Action Plan, AI and other emerging technologies are expected to become the key catalysts for productivity, business and workforce transformation as well as higher-value digital exports.

Cumulative Malaysia Digital (MD) Performance

MD Companies Performance as of H1 2025



Note: The above numbers are derived from the Malaysia Digital Industry Report (MDIR), which is a biannual reporting exercise aimed at gathering historical Financial Performance, Human Resource, and ESG from companies and entities holding the Malaysia Digital (MD) Status. The figures represent the aggregate of all Malaysia Digital companies for the reporting year, cumulative from 1996 until 2024 (except for jobs)

Malaysia Digital Industry Clusters



Global Business Services & Data Centre (GBS & DC) Companies that are involved in data centre activities and GBS companies that manage centralised and integrated service delivery models that encompass shared services, knowledge-based and business process outsourcing services and centres of excellence for multiple business units located in geographically dispersed locations.

Information Technology (InfoTech)

Companies involved in the design, development, implementation and technical services of any computing-based information systems. For example, businesses in software analytics, development, systems integration, artificial intelligence, internet-of-things and data analytics.

Digital Creative Content (DCC)

Companies engaged in the creation, delivery and enhancement of digital content. This includes the use of creative technologies for the development, production and distribution of digital contents and complimentary tools, products, services and platforms. For example, companies in broadcasting, content distribution, game development, animation, interactive comics and edutainment content.

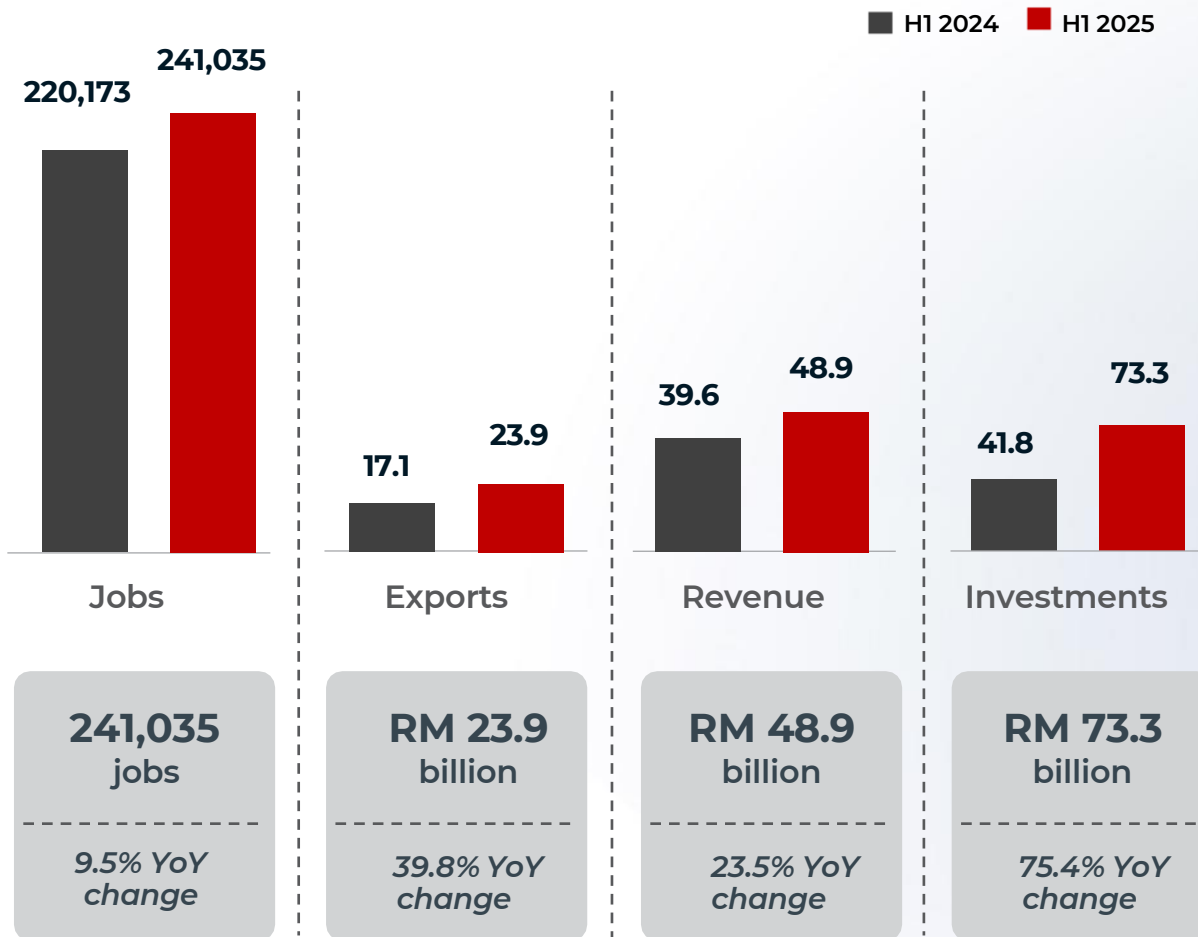
Note: This report excludes numbers from the Incubators and IHL Cluster. Instead, MDIR focuses on core industry clusters (GBS & DC, DCC, and Infotech) that contribute directly to jobs, revenue, exports and investment. Incubators and IHLs are excluded as their impact is more developmental than commercial.

The background is a deep red gradient. It features several thin, white, wavy lines that flow across the frame, creating a sense of motion and depth. Scattered throughout the background are numerous small, bright red dots, some of which appear to be part of the wavy lines, while others are standalone points of light.

1H 2025 Year-on-Year Performance

H1 2025 Malaysia Digital Performance

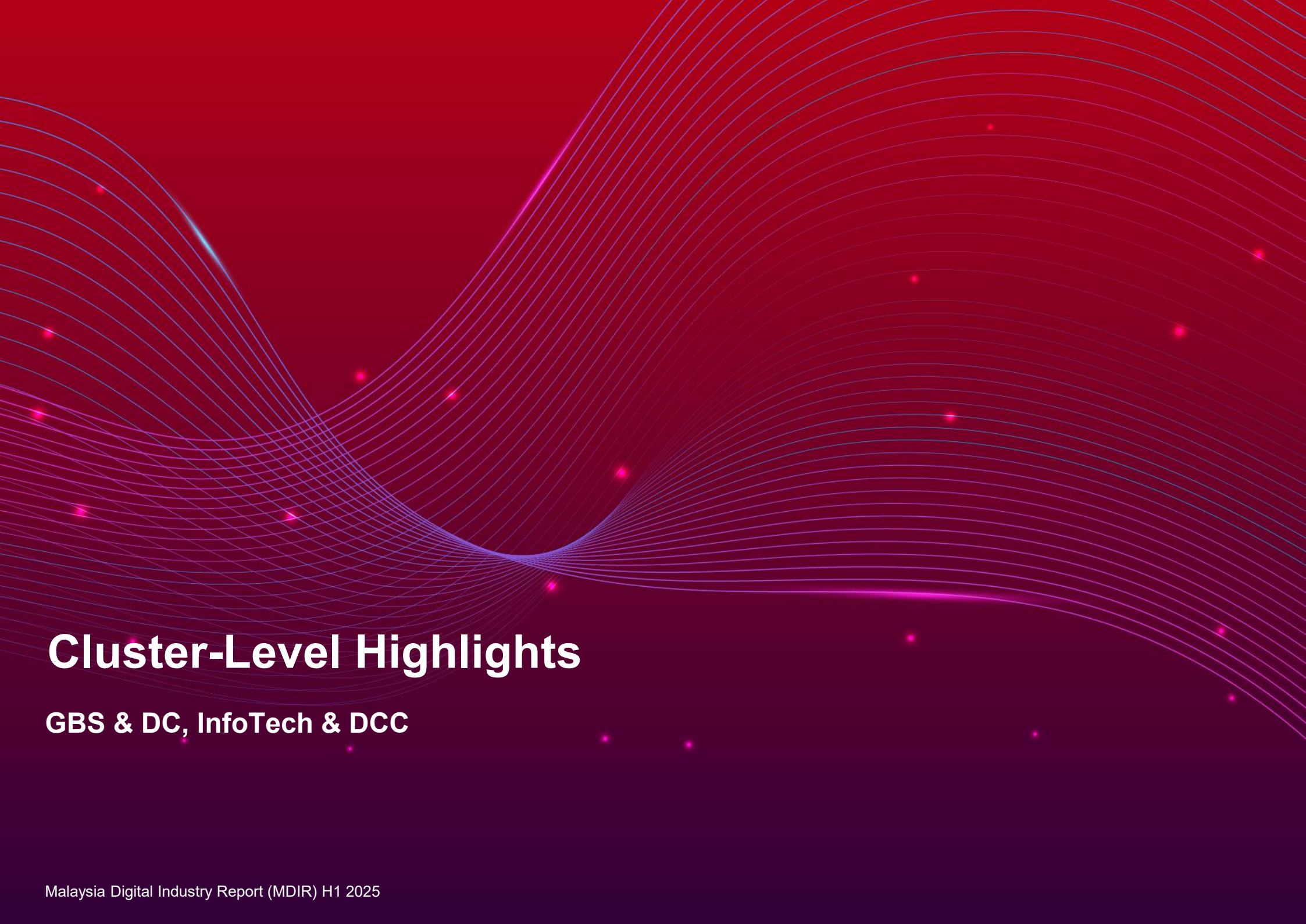
Jobs, Exports, Revenue and Investments Performance, H1 2024 and H1 2025



Key Highlights

- MD companies sustained **broad-based YoY growth**, with **investments (+75.4%)** leading performance, alongside healthy growth in **revenue (+23.5%)**, **exports (+39.8%)** and **jobs (+9.5%)**.
- The surge in investments demonstrated **continued investor confidence in Malaysia as a regional digital hub**, particularly in data centre and cloud infrastructure as well as global business services and knowledge process outsourcing.
- This investment momentum **supported continued business expansion**, contributing to higher revenue, exports and jobs, notably from GBS & DC.

Note: Year-on-Year (YoY) change compares the performance in the H1 2025 with the same period in the previous year (H1 2024). It shows how much a value has increased or decreased over a one-year period. Analysis excludes numbers from the Incubators and IHL Cluster.

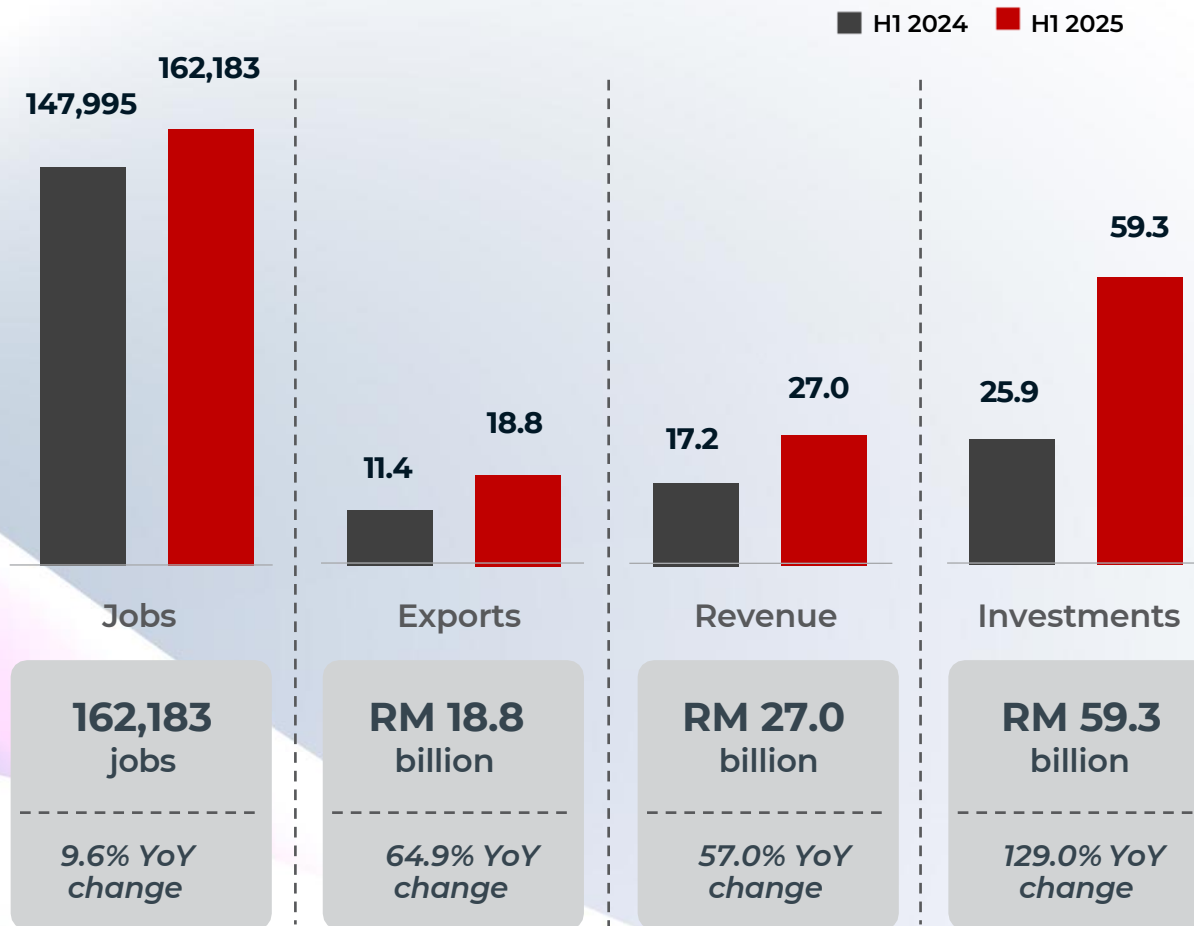


Cluster-Level Highlights

GBS & DC, InfoTech & DCC

Global Business Services & Data Centre (GBS & DC)

GBS & DC Performance, H1 2024 and H1 2025



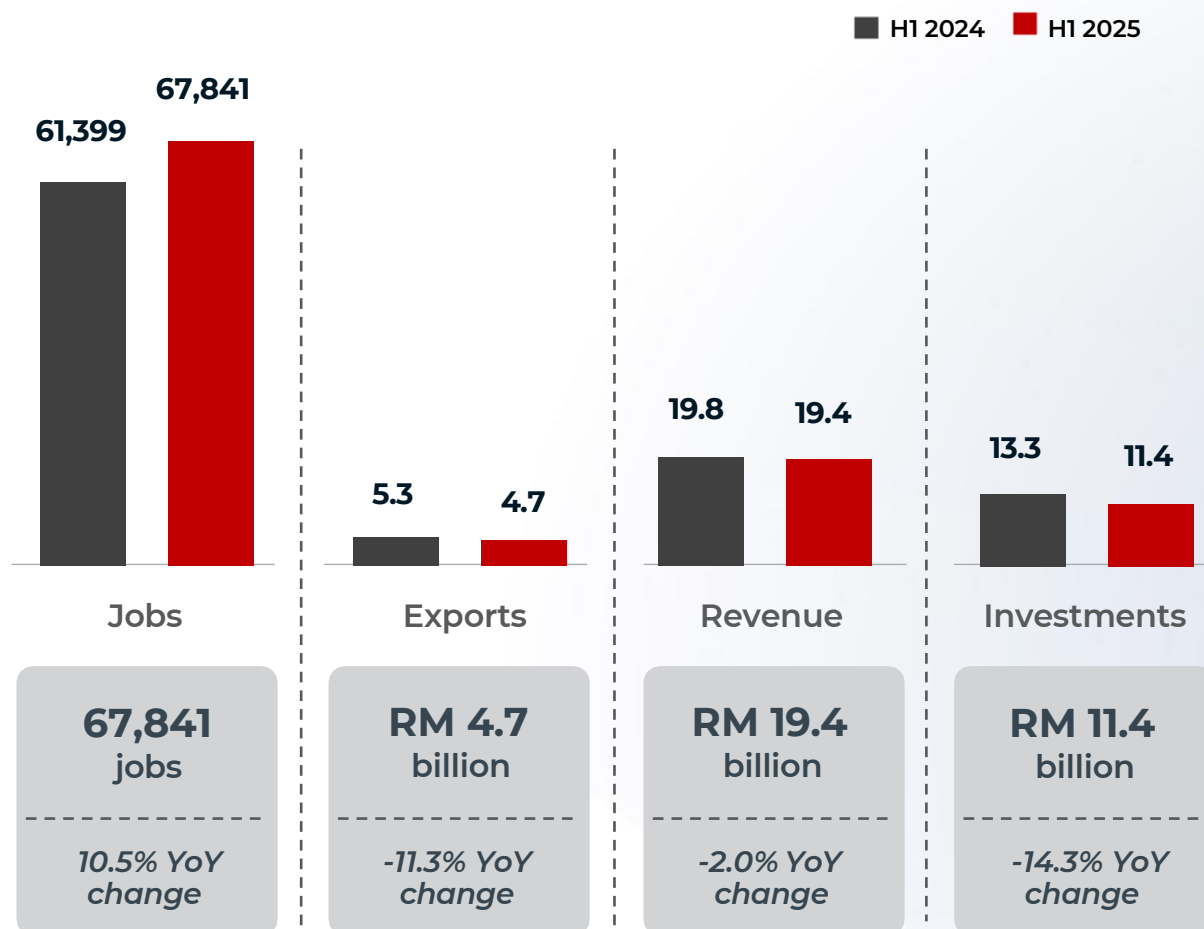
Key Highlights

- GBS & DC remained the **largest contributor** across all performance indicators, reaffirming its role as the **backbone of MD growth**.
- Investment experienced **more than twofold growth (+129.0% YoY)**, witnessing continued expansion of **hyperscale data centres infrastructure** and **cloud investments by major tech companies** in Malaysia, notably from KL, Selangor and Johor.
- Strong double-digit growth in **exports (+64.9% YoY)** and **revenue (+57.0% YoY)** reflects sturdy **global demand** for high-value shared services and outsourcing as well as greater uptake for AI, cloud and digital services delivered from Malaysia.

Note: Year-on-Year (YoY) change compares the performance in the H1 2025 with the same period in the previous year (H1 2024). It shows how much a value has increased or decreased over a one-year period. Analysis excludes numbers from the Incubators and IHL Cluster.

Information Technology (InfoTech)

InfoTech Performance, H1 2024 and H1 2025



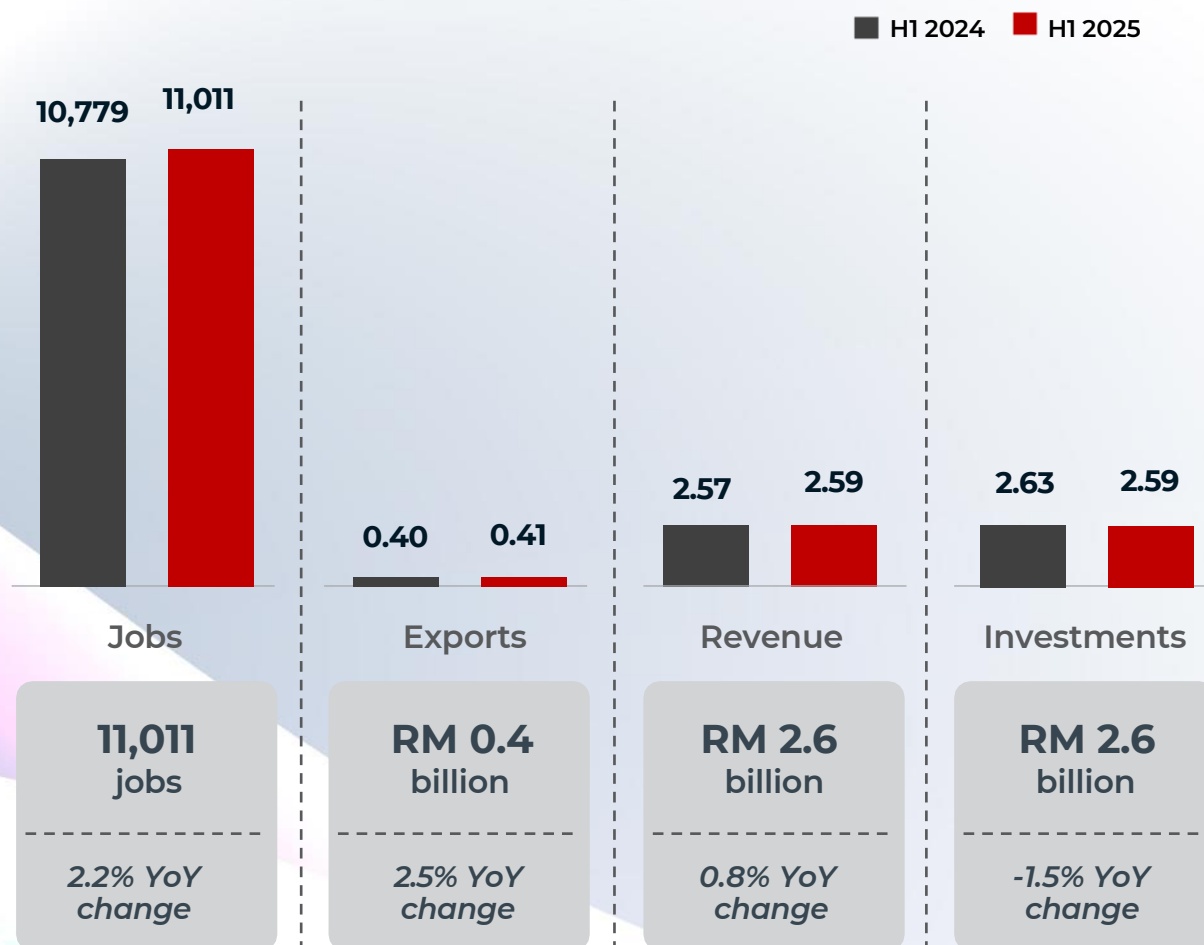
Key Highlights

- InfoTech continued to record steady **employment growth (+10.5% YoY)**, reflecting sustained demand for jobs like software engineering, AI, cybersecurity and digital solution capabilities.
- However, **revenue (-2.0% YoY)**, **exports (-11.3% YoY)**, and **investments (-14.3% YoY)** moderated amid escalating global trade tensions and supply chain disruptions, which heightened business uncertainty and tempered enterprise spending.
- While most MD companies were shielded from direct reciprocal tariffs, they faced the ripple effects. Reduced **client demand**, **longer procurement cycles** and **delayed digital transformation investments**, resulted in slower business expansion and export growth.

Note: Year-on-Year (YoY) change compares the performance in the H1 2025 with the same period in the previous year (H1 2024). It shows how much a value has increased or decreased over a one-year period. Analysis excludes numbers from the Incubators and IHL Cluster.

Digital Creative Content (DCC)

DCC Performance, H1 2024 and H1 2025



Key Highlights

- DCC maintained **stable performance**, with marginal growth in **employment (+2.2% YoY)**, **exports (+2.5% YoY)** and **revenue (+0.8% YoY)** while **investments** recorded a slight decline (**-1.5% YoY**).
- The sector continued to benefit from sustained demand for digital animation, gaming and creative technologies.
- However, **investment activity remained cautious amid heightened global trade uncertainty** following the introduction of U.S. reciprocal tariffs.
- The Government, through MDEC, is accelerating targeted initiatives to strengthen the digital creative ecosystem through **talent development, local IP creation** and a more vibrant **industry ecosystem**.

Note: Year-on-Year (YoY) change compares the performance in the H1 2025 with the same period in the previous year (H1 2024). It shows how much a value has increased or decreased over a one-year period. Analysis excludes numbers from the Incubators and IHL Cluster.

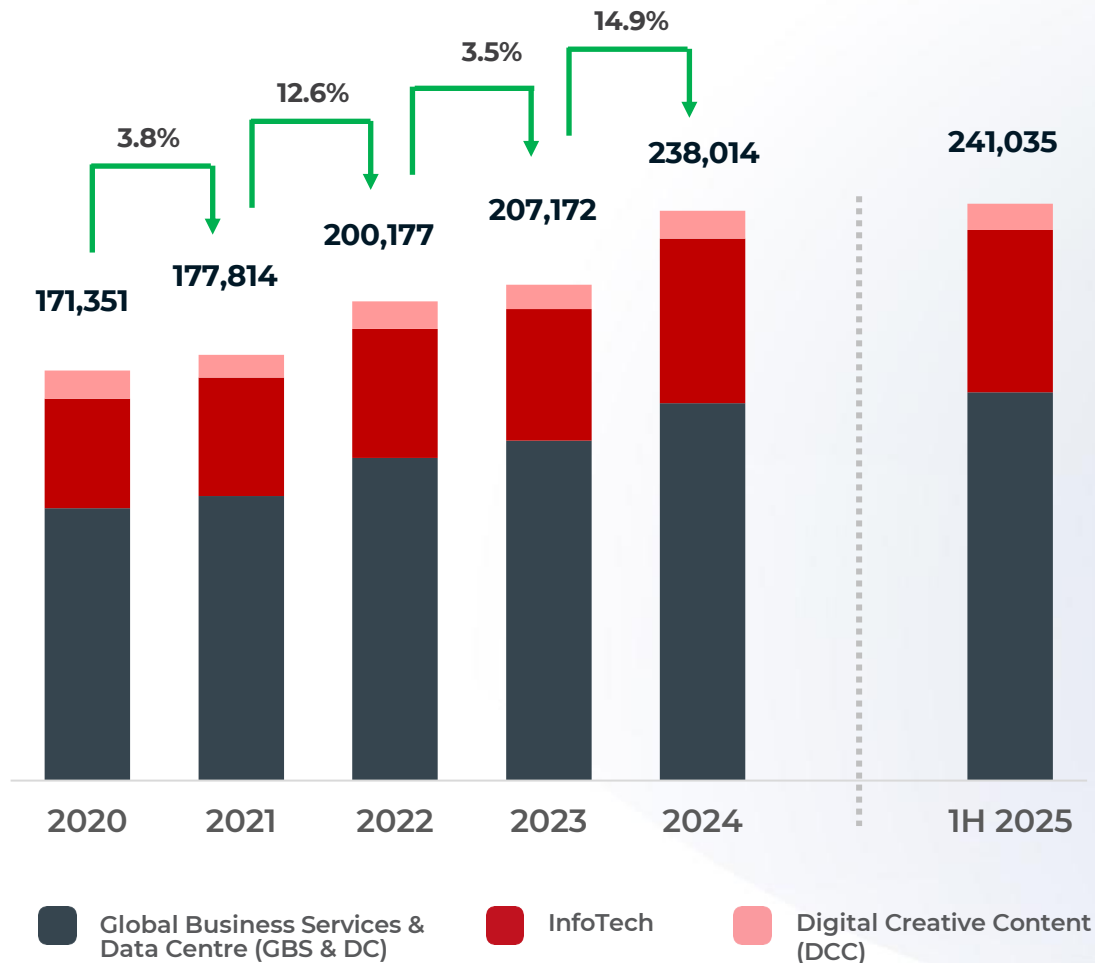
The background features a series of thin, flowing, wavy lines in shades of blue and purple, creating a sense of motion and depth. Scattered throughout the background are small, glowing dots in various colors, including blue, purple, and yellow, adding a futuristic or digital feel to the design.

Historical Performance

Jobs, Exports, Revenue & Investments

Jobs by Industry Cluster

Total jobs by industry cluster, no. of jobs, 2020 - H1 2025

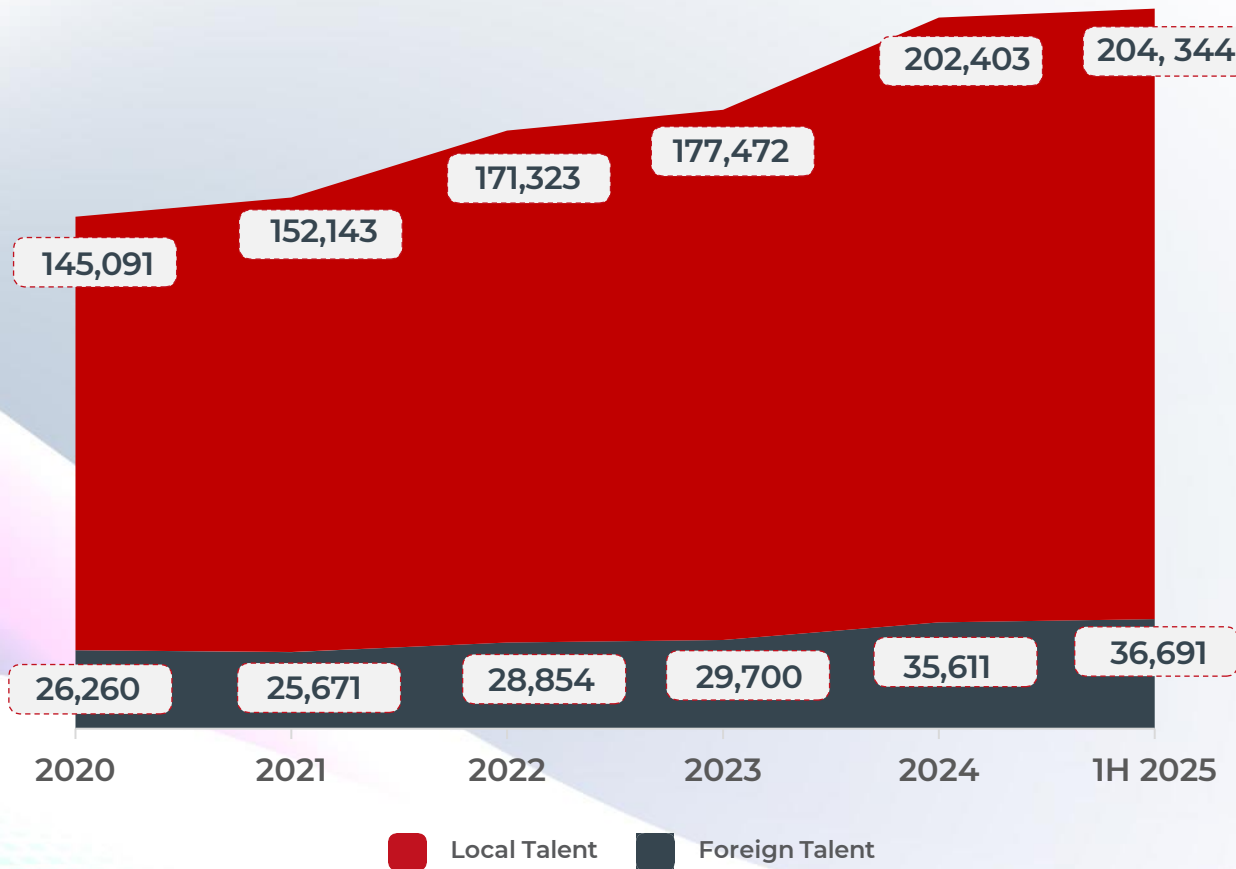


Key Highlights

- MD employment surpassed **241,000 jobs** in 1H 2025, continuing its long-term growth trajectory.
- GBS & DC** accounted for **67.3%** of employment, driven by continued job creation across data centres, cloud & AI infrastructure, global business services and outsourcing.
- InfoTech**, the second-largest employment contributor recorded the **strongest growth (+10.5% YoY)**, supported by sustained demand for digital talent to accelerate AI adoption, cloud migration and enterprise digital transformation.
- Job growth in **DCC** remained **modest (+2.2% YoY)**, although demand for **AI-enabled creative skills** is expected to increase as AI becomes more widely integrated into content creation and production workflows.

Jobs by Type of Talent

Total jobs by type of talent, no. of jobs, 2020 - H1 2025

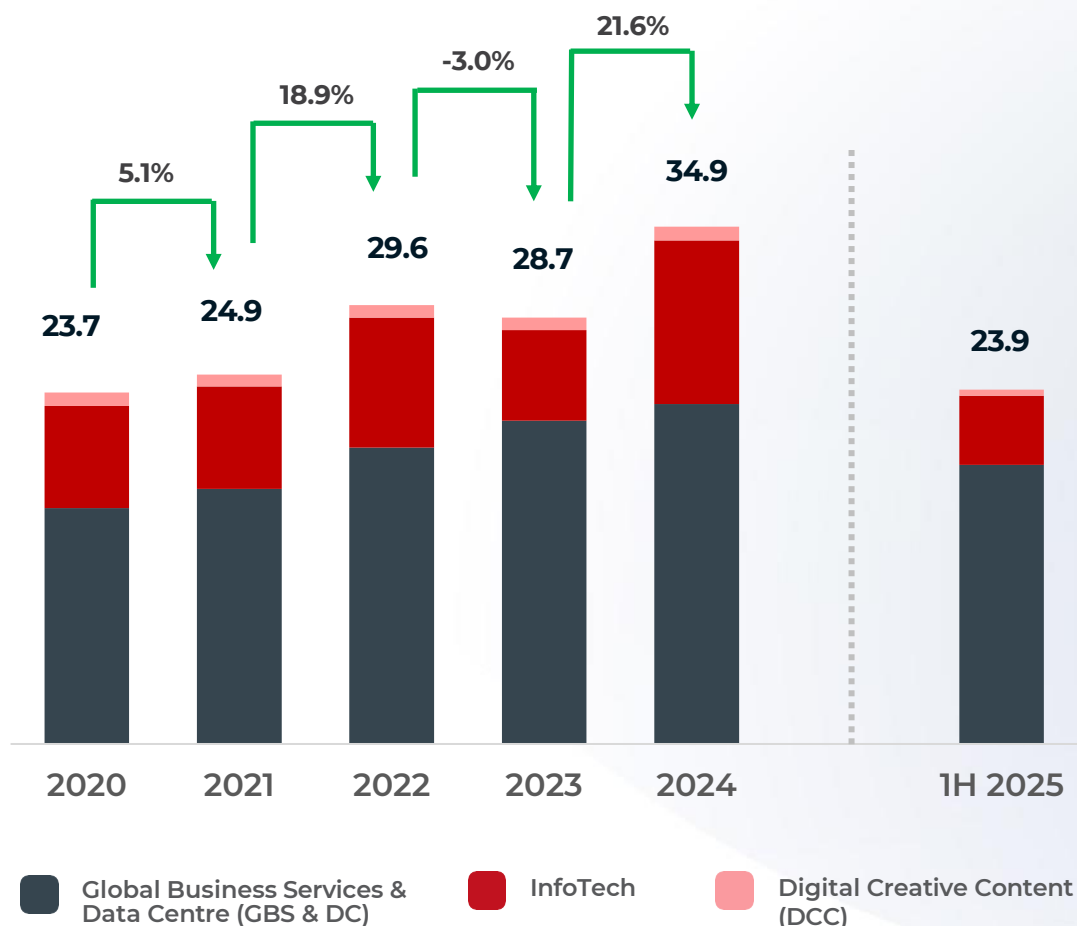


Key Highlights

- **Local talent** remained the **core of the MD workforce**, accounting for **84.8% of total jobs** (excluding IHLs) and growing by **9.9% YoY**.
- **Foreign talent** increased by **7.3% YoY**, **complementing** the local workforce in **specialised and niche roles** where specific expertise is required.
- Looking ahead, MD employment is expected to continue expanding, with greater emphasis on **productivity gains**, driven by adoption of **AI, automation**, and other **emerging technologies**.

Exports

Exports by industry cluster, RM billion (%), 2020 - H1 2025

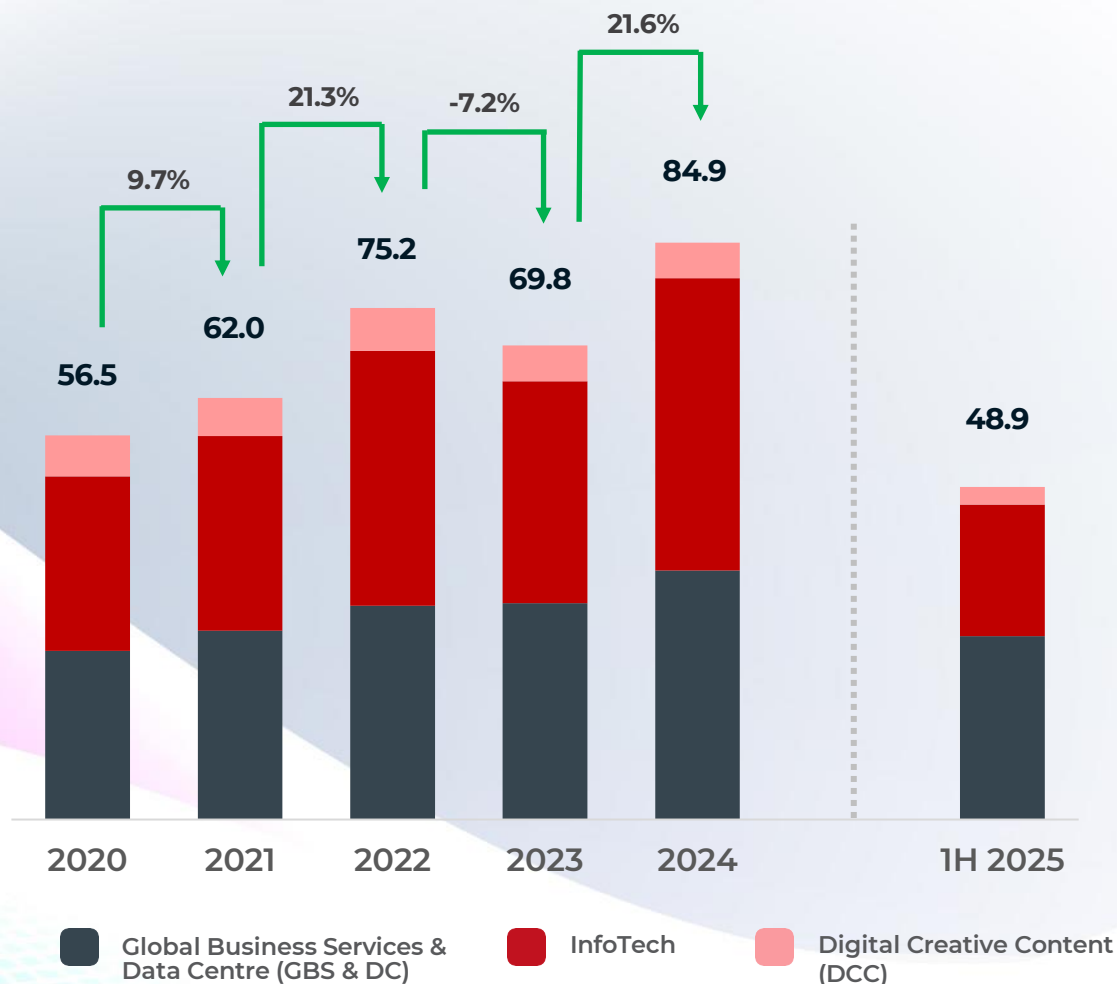


Key Highlights

- MD exports reached **68.5% of 2024 full-year value** in 1H 2025, with **GBS & DC** accounting for almost **80% of total exports**.
- Digital exports from **GBS & DC** surged by **64.9% YoY**, reflecting Malaysia's growing role in delivering regional digital infrastructure and higher-value global business and outsourcing services.
- While **InfoTech** companies are predominantly service-based and therefore largely insulated from direct tariff implications, **heightened global trade uncertainty** has moderated demand for export-oriented technology services.
- To strengthen the resilience of **MD exports**, MDEC is diversifying international market access by prioritising engagement across **more than 33 partner countries** through **DEX CONNEX** and **targeted business missions**.

Revenue

Revenue by industry cluster, RM billion (%), 2020 - H1 2025

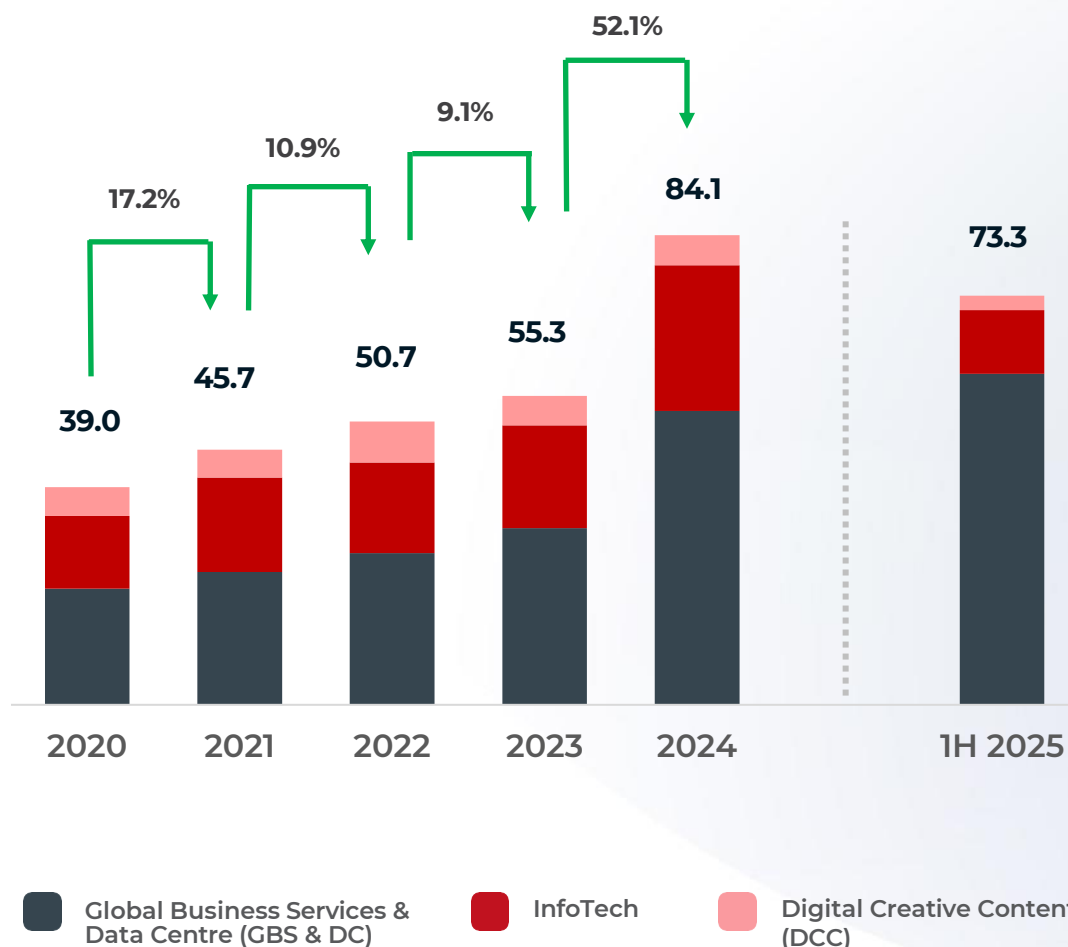


Key Highlights

- MD revenues reached **57.6% of 2024 full-year value in 1H 2025**, with **GBS & DC** and **InfoTech** accounting for **almost 95% of total revenues**.
- Strong demand for AI, cloud and data centre infrastructure services, coupled with the shift towards higher-value GBS activities, resulted in **GBS & DC overtaking InfoTech as the largest revenue contributor**.
- To strengthen revenue resilience across MD companies, MDEC strives to reinforce **strategic technology ecosystems**, develop **regional digital clusters** and **accelerate MSME digitalisation** through the Business Digitalisation Initiative (BDI).

Investments

Investments by industry cluster, RM billion (%), 2020 - H1 2025



Key Highlights

- MD investments reached a record high, achieving **87.1% of 2024 full-year value in 1H 2025**, driven primarily by continued expansion in **GBS & DC**, underpinned by spillover demand from Singapore, supportive government policies and rising global demand for AI and cloud infrastructure.
- While GBS & DC remained the key investment drivers, sustained growth in InfoTech and DCC is essential to maintain a balanced, innovation-driven digital ecosystem.
- To support this, the MADANI Government allocated **RM20 million** in Budget 2026 to strengthen the digital creative industry and **RM53 million** under the Malaysia Digital Acceleration Grant (MDAG) to enhance the competitiveness of MD companies in strategic, high-growth digital activities.

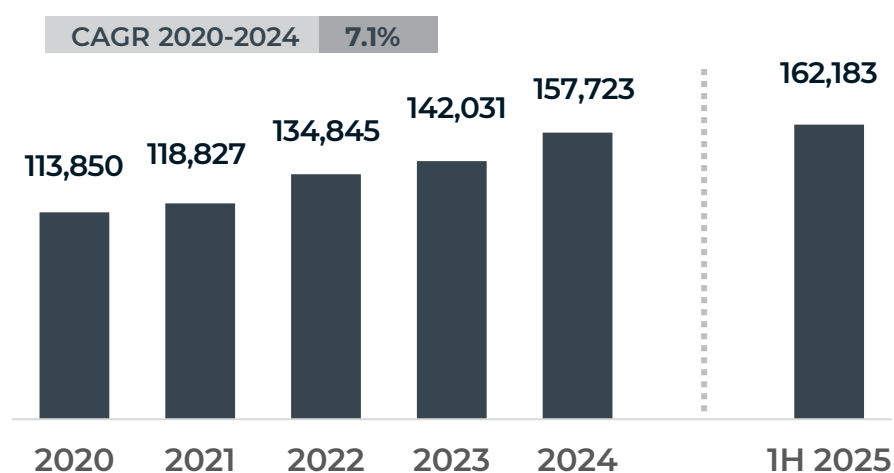
The background features a series of thin, wavy, light blue lines that flow across the frame. Interspersed among these lines are numerous small, glowing blue dots of varying sizes, creating a sense of depth and movement.

Historical Performance

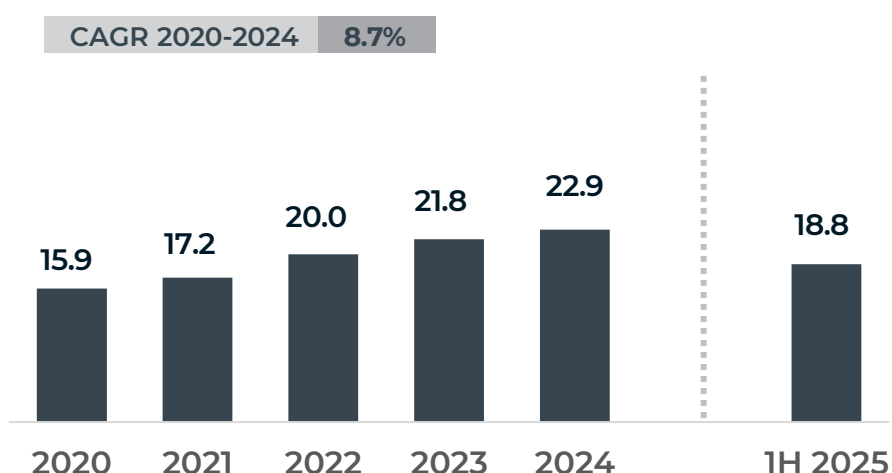
By Cluster

Global Business Services & Data Centre (GBS & DC)

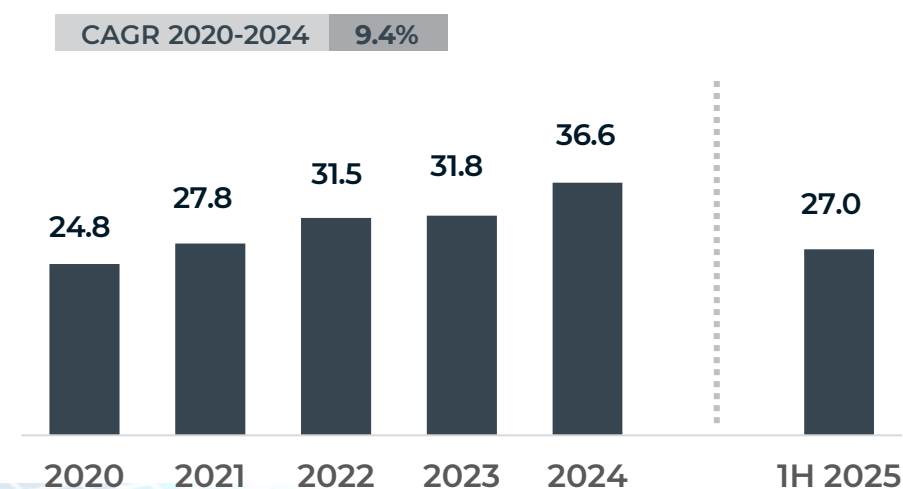
Jobs (number of jobs)



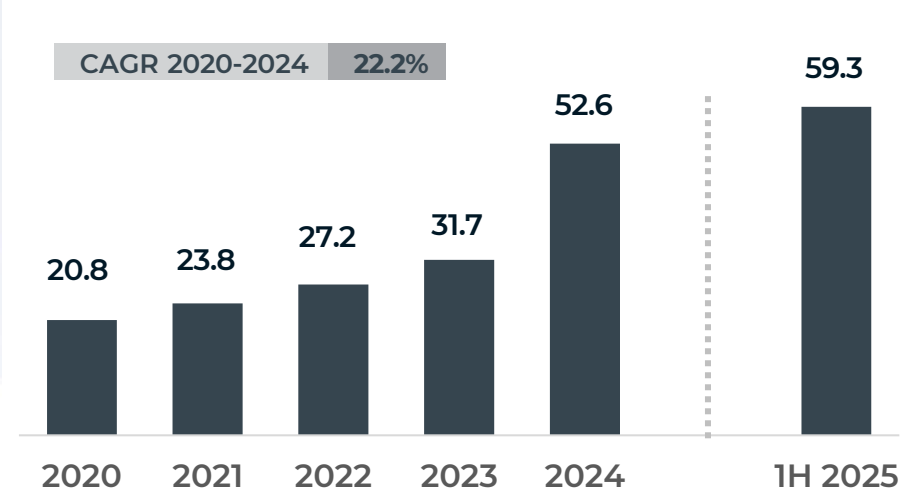
Exports (RM billion)



Revenue (RM billion)



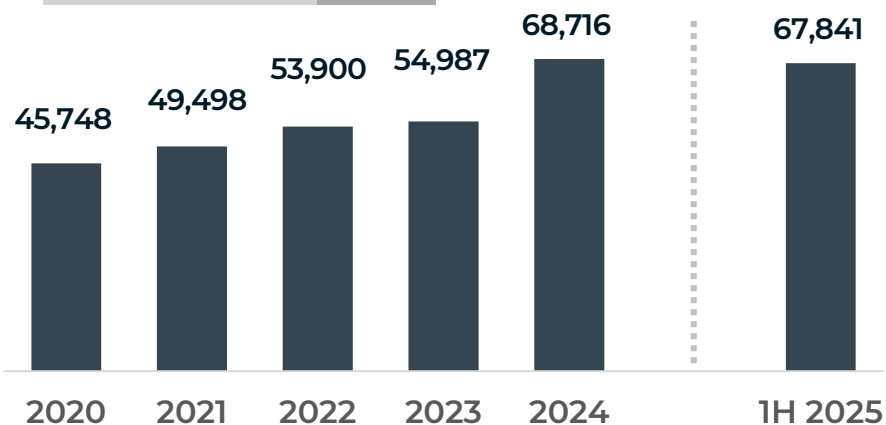
Investments (RM billion)



Information Technology (InfoTech)

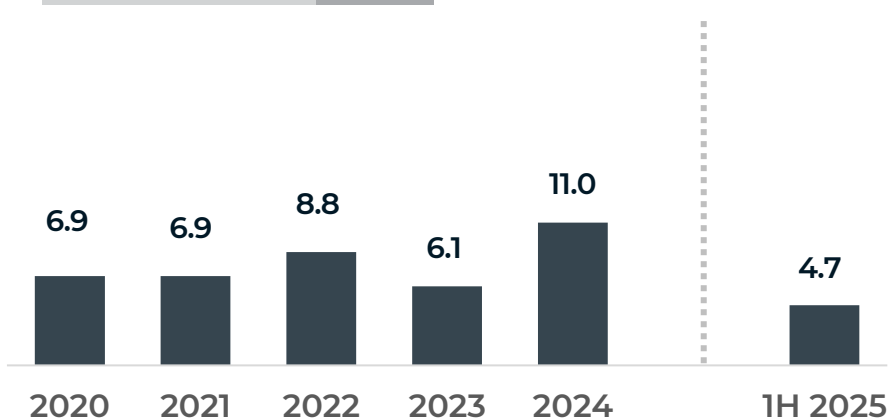
Jobs (number of jobs)

CAGR 2020-2024 7.2%



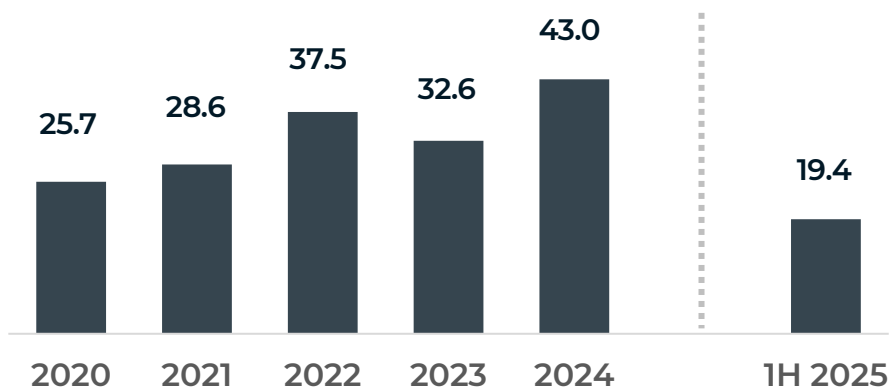
Exports (RM billion)

CAGR 2020-2024 11.5%



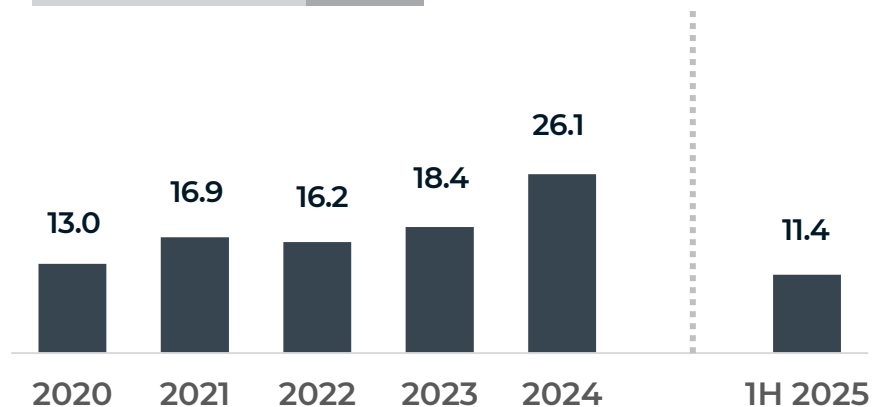
Revenue (RM billion)

CAGR 2020-2024 12.1%



Investments (RM billion)

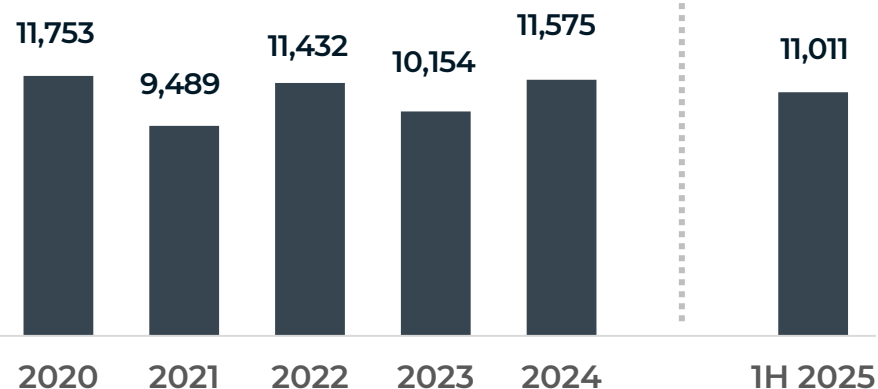
CAGR 2020-2024 15.5%



Digital Creative Content (DCC)

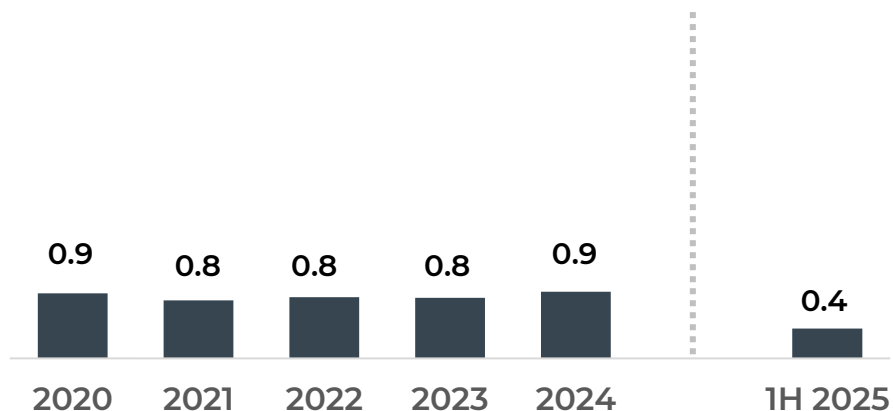
Jobs (number of jobs)

CAGR 2020-2024 1.2%



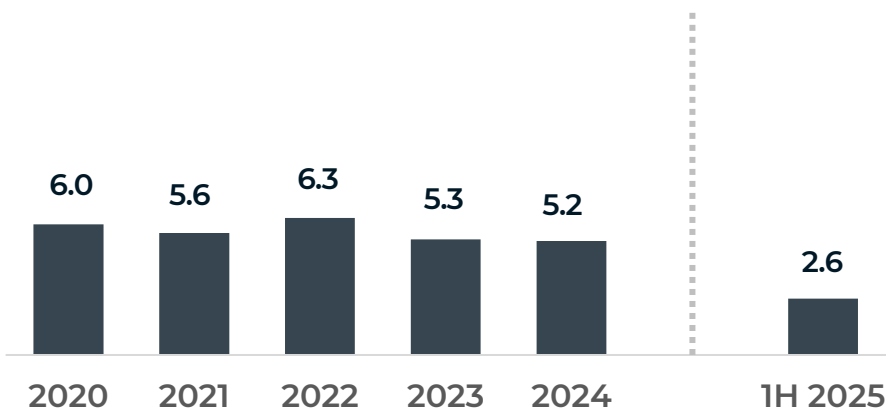
Exports (RM billion)

CAGR 2020-2024 -5.6%



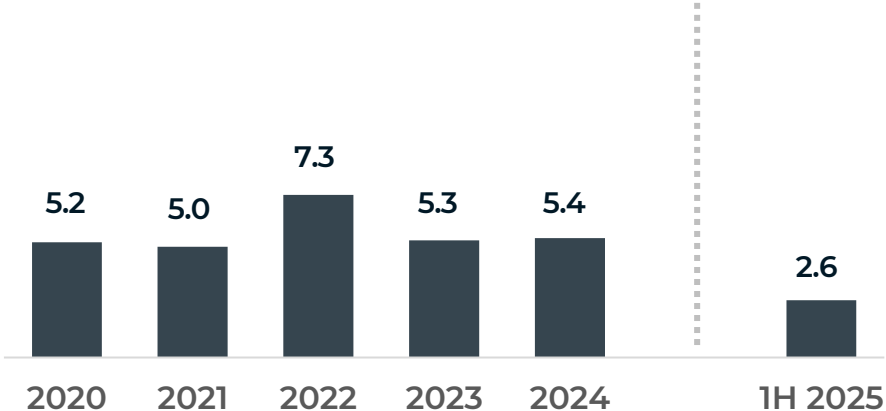
Revenue (RM billion)

CAGR 2020-2024 -6.0%



Investments (RM billion)

CAGR 2020-2024 -3.3%



MDECTM

mdec.my

Malaysia Digital Economy Corporation Sdn Bhd 199601016995 (389346-D)

2360, Persiaran APEC,
63000, Cyberjaya,
Selangor Darul Ehsan, Malaysia

Tel: +603-8315 3000
Email: clic.mdec.com.my
Toll Free No: 1-800-88-8338
Fax: +603-8315 3115

