

Hartamas Insider

This week's spotlight New Property Opportunities with Malaysia's Data Centre Expansion

What's going on here?

Malaysia and Indonesia are expected to benefit significantly from the rising demand for data centres driven by AI growth, according to CGS International.

What does this mean?

CGS' recent report highlights the impact of AI proliferation on sectors such as telecommunications, real estate, power producers, tech manufacturing, and construction. CGS notes that entities involved in the data centre construction value chain, including equipment providers, real estate landlords and contractors, will benefit more over the next three to five years due to the industry's focus on building infrastructure for AI training. Malaysia and Indonesia are expected to be the top beneficiaries due to their prime locations for connectivity while Singapore is limited by land and power constraint. Data centre capacity in Malaysia, Thailand, and Indonesia is projected to grow at a 32% to 56% compound annual growth rate (CAGR) from 2023-2028, compared to Singapore's 8% CAGR.

Why should I care?

Malaysia's power infrastructure and the National Energy Transition Roadmap that focus on renewable energy and sustainability makes our country an attractive option for the growing needs of data centre operators.

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