

## **Global Tech Titans Agree Malaysia Remains an Attractive Digital Global Business Services Hub**

- *During Malaysia Tech Month 2021, global tech titans including DownUnder GeoSolutions, Roche Services, Jabil and Dell Technologies, reiterated Malaysia's strengths as a hub for digital investments*
- *Malaysia ranks among top three in AT Kearney's Global Services Location Index, thanks to support from MDEC, PIKOM and OM*

**CYBERJAYA, 6 SEPTEMBER 2021:** During the Digital Investments Week of Malaysia Tech Month 2021 (MTM'21), global technology titans from the Digital Global Business Services (DGBS) industry reiterated their confidence in Malaysia as an attractive investment hub.

The DGBS industry is one of the key contributors to Malaysia's digital economy. While active GBS companies accounts for approximately 20 per cent of total active MSC Malaysia companies, they are the largest contributor to the overall performance of MSC Malaysia, adding up to 50 per cent of investments, 66 per cent of exports, and 61 per cent of jobs created.

There are currently 579 GBS companies within MSC Malaysia, with 57 per cent being foreign direct investments (FDIs). Furthermore, 30 per cent of these foreign-owned GBS are part of the Forbes Global 2000 and Fortune500 companies, including HSBC Electronic Data Processing, Dassault Systèmes and Jabil Global Business Services.

The DGBS industry has grown along with Malaysia's digital transformation. In the mid-2000s, Malaysia Digital Economy Corporation (MDEC) began placing emphasis into the shared services and outsourcing (SSO) industry, a precursor to GBS. In 2006, Outsourcing Malaysia (OM) was formed to promote Malaysia as a GBS hub.

"MDEC recently launched the 'Digital Investments Future5 (DIF5) Strategy', a five-year plan focusing on five key thrusts aimed at attracting investments and advancing Malaysia's digital economy in line with the Malaysia Digital Economy Blueprint (MyDIGITAL).

Besides targeting the creation of 50,000 high-value jobs, DIF5 places focus on 5 industry sectors and plans attract 50 Fortune500 tech companies to land and expand in Malaysia, with the DGBS industry being one of the focus industries. This validation by global tech titans shows we are on the right trajectory towards firmly establishing Malaysia the Heart of Digital ASEAN," said Raymond Siva, Senior Vice President of Investment and Brand, MDEC.

This public-private emphasis steered Malaysia into a prime GBS location. According to AT Kearney's Global Services Location Index, Malaysia ranks third behind India and China as the world's most competitive GBS locations.

During his keynote address on MTM'21 on "The Rise of Digital Global Business Services", Dr. Mohan V Avvari, Associate Professor of Strategy and Innovation, Faculty of Social Sciences, University of Nottingham Malaysia, said that Malaysia's high global ranking is thanks to a thriving GBS ecosystem built by MDEC along with associations like the National Tech Association of Malaysia (PIKOM).

Among Malaysia's core strengths are its digital infrastructure and the growth of its talent pool. Dr Mohan added that digital talent in Malaysia has evolved to include people with capabilities that are prized in GBS industries.

These strengths are echoed by DGBS mainstays in Malaysia. In his online sharing session during MTM'21, Dr. Matthew Lamont, Managing Director of DownUnder GeoSolutions (DUG), said that they chose Malaysia as a digital hub because they found "great opportunity" here. "It was simple for us to start working in Malaysia – the people were very welcoming and warm, and the bureaucracy is straightforward," he said.

Malaysia's geographical location is another strength. DUG's establishment in Malaysia not only allows them to serve across Southeast Asia, but also to Japan and Korea. Malaysia's time zone also works in favour with Australia, where DUG is headquartered.

DUG – who designs, owns, and operates one of the largest supercomputer networks in the world, with data centres in Kuala Lumpur, Perth, Houston, and London – manufactures a lot of their own equipment in Malaysia. This includes tanks and heat exchangers, which were made in Kuantan and Selangor respectively.

This illustrates Malaysia's robust technology and innovation ecosystem, which allows DGBS companies to find support and collaboration in various aspects of their activities.

Other DGBS providers in Malaysia share the same sentiments. During a panel session titled "The Growth of Global Business Services in Malaysia - The Holistic Perspectives", Arno Kamm, General Manager, Roche Services (APAC) Sdn Bhd, said that they established their GBS centre in Malaysia for its proximity within the APAC region and its multi-lingual talent pool, which proves vital for Roche's biggest APAC market: China.

Roche Services (APAC) began operations in Malaysia in 2016 and has since expanded to 800 employees, having added 100 positions this year with plans for 100 more by the end of 2021. Kamm said that they have experienced "strong growth" over the past five years, with no signs of stopping.

Kim Chin Kuang, Division Chief Financial Officer & Vice President of GBS Finance, Jabil, said that Malaysia is "still performing really well, from its financial attractiveness, conducive business environment due to the friendly and supportive government; and vibrant lifestyle that is able to retain our key talent."

Jabil's GBS operations started in Penang in 2009 with just 200 employees. Today, they have more than 1,100 employees serving 100 sites worldwide.

Meanwhile, TS Koay, General Manager, Senior Director, Dell Technologies Cyberjaya, said that Malaysia is still seen as the best value location for the DGBS industry. "With support from the top leadership, as well as the all the innovation and product ownership locally, I see that we can continue expanding," he said.

"The Digital Investments week of MTM'21 reflects the continued confidence that the DGBS industry – and, by extension, the global tech industry – has for Malaysia as a hub for investments and innovation. We are continuing our commitment to make Malaysia a stronghold for DGBS. Our DIF5 strategy includes DGBS as a focus industry and provides a clear, comprehensive and concerted strategic plan to attract, support and foster future tech investments," added Raymond Siva.

Digital Investments Week was part of Malaysia Tech Month 2021, a virtual and month-long curation of digital and technology events. Contents of webinars and talks which took place throughout MTM'21 are still available for viewing until 30 September 2021 at this site: <https://malaysiatechmonth.hubilo.com/> Registration is free.

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#### **About Malaysia Tech Month 2021**

Malaysia Tech Month 2021 (MTM 2021) is a virtual, month-long curation of electrifying digital and technology keynotes, workshops, discussion panels and business-matching sessions. It will feature distinguished group of local and international industry speakers and investors to share their expert thoughts and experiences in 4IR-driven digital economy.

MTM 2021 will see exciting programmes that will allow the spotlight to be shone upon digital ecosystem leaders and creators, leading-edge companies as well as talents, enabling all stakeholders to discover new perspectives on domestic and global trends in artificial intelligence, drone tech, data analytics, fintech and digital workforce.



Drawing out new tech conversations from public sector and enterprise decision makers, entrepreneurial and academic circles, MTM 2021 aims to drive MDEC's aspirations in establishing Malaysia as the Heart of Digital ASEAN and further reinforce Malaysia's position as the first-mover for the rise of the digital economy in the present and post-pandemic era.

**About Malaysia Digital Economy Corporation (MDEC)**

Malaysia Digital Economy Corporation (MDEC) is the agency under the Ministry of Communications and Multimedia Malaysia leading the digital transformation of the economy for 25 years. We aim to enable a nation that is deeply integrated with technology, providing equitable digital opportunities to society, people and businesses.

To achieve this, MDEC will execute on its **NADI** (Nadi Digital) framework, based on the four thrusts: **N**ew skills, **A**doption, **D**isruptors and **I**nterests. NADI will drive our core programmes for the rakyat, industry and investors. MDEC will continue to lead Malaysia's digital economy forward towards becoming a globally competitive digital nation, anchored on innovation, sustainability and shared prosperity, firmly establishing Malaysia as the Heart of Digital ASEAN.

**#MyMDEC #NadiDigital #SayaDigital #HeartofDigitalASEAN**

To find out more about MDEC's Digital Economy initiatives, please visit us at [www.mdec.my](http://www.mdec.my) or follow us on: Facebook: <https://www.facebook.com/MyMDEC/> Twitter: @mymdec

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