Malaysia Digital Industry Report (MDIR) 2024

Analysis by MDEC Foresight

Overview

Malaysia Digital is a national strategic initiative that continues to drive the growth of the digital economy by strengthening the ecosystem through collaboration with international and domestic investors, companies and talents.
The Government offers various incentives and benefits to Malaysia Digital (MD) companies to accelerate their growth and generate both direct and indirect economic impact, with many international companies choosing to establish their presence in Malaysia.

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.

Cumulative Malaysia Digital (MD) Performance

MD Companies Performance as of Dec 2024

Total Awarded Companies (Cumulative)
6,157

Total Active Companies
3,757

Cumulative Revenue
RM 892.9 billion

Cumulative Exports
RM 330.7 billion

Cumulative Investments
RM 633.4 billion

Generated Jobs
265,288 jobs

228,721
86.2% jobs held by local talent

Cumulative MD Performance Includes:

- Global Business Services & Data Centre
- Information Technology
- Digital Creative Content
- Institutes of Higher Learning (IHLs) and Incubators

IHL and Incubators are excluded from the Industry Analysis

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.

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.

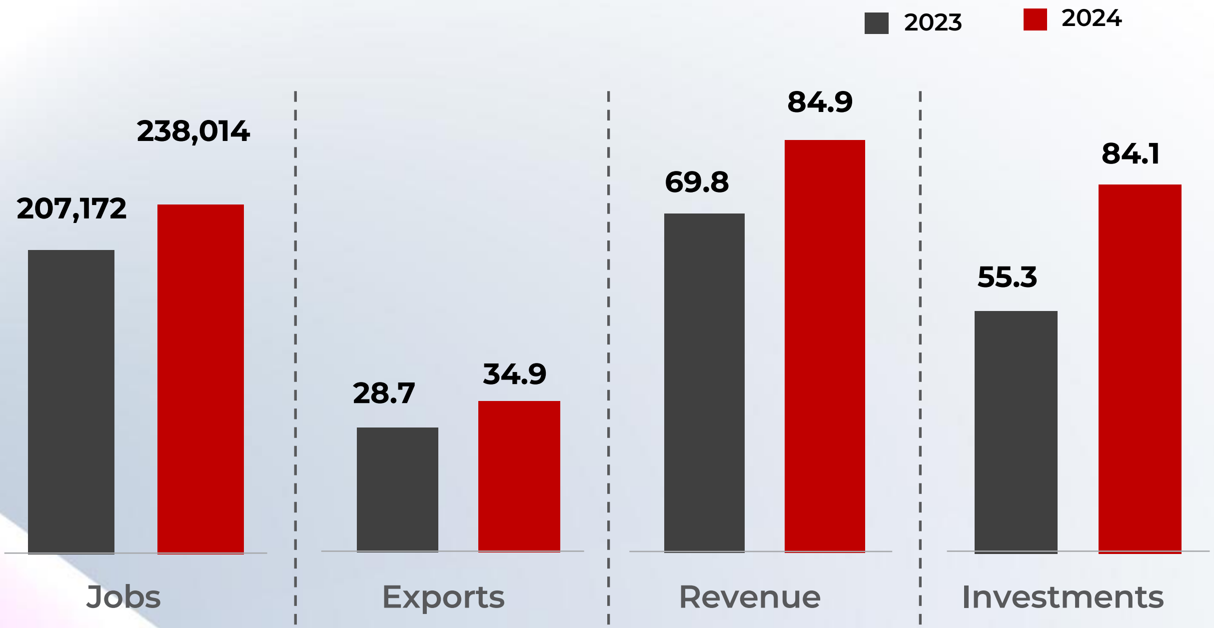
Information Technology (InfoTech)
Companies involved in the design, development, implementation and technical services of any computing-based information systems. For example, businesses in software analytics, development, systems integration, artificial intelligence, internet-of-things and data analytics.

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.

FY 2024 Year-on-Year Performance

2024 Malaysia Digital Performance

Jobs, Exports, Revenue and Investments Performance, 2023 and 2024



238,014 jobs	RM 34.9 billion	RM 84.9 billion	RM 84.1 billion
14.9% YoY change	*21.6% YoY change*	*21.6% YoY change*	*52.1% YoY change*

In 2024, MD companies saw **solid overall growth**.

When compared with the same time period in 2023, **Jobs** increased by 14.9%, indicating stable hiring and business confidence. Similarly, **Revenue** rose by 21.6%, reflecting stronger demand across digital solutions and services.

Investments saw the highest growth at 52.1%, largely driven by GBS & DC and InfoTech clusters.

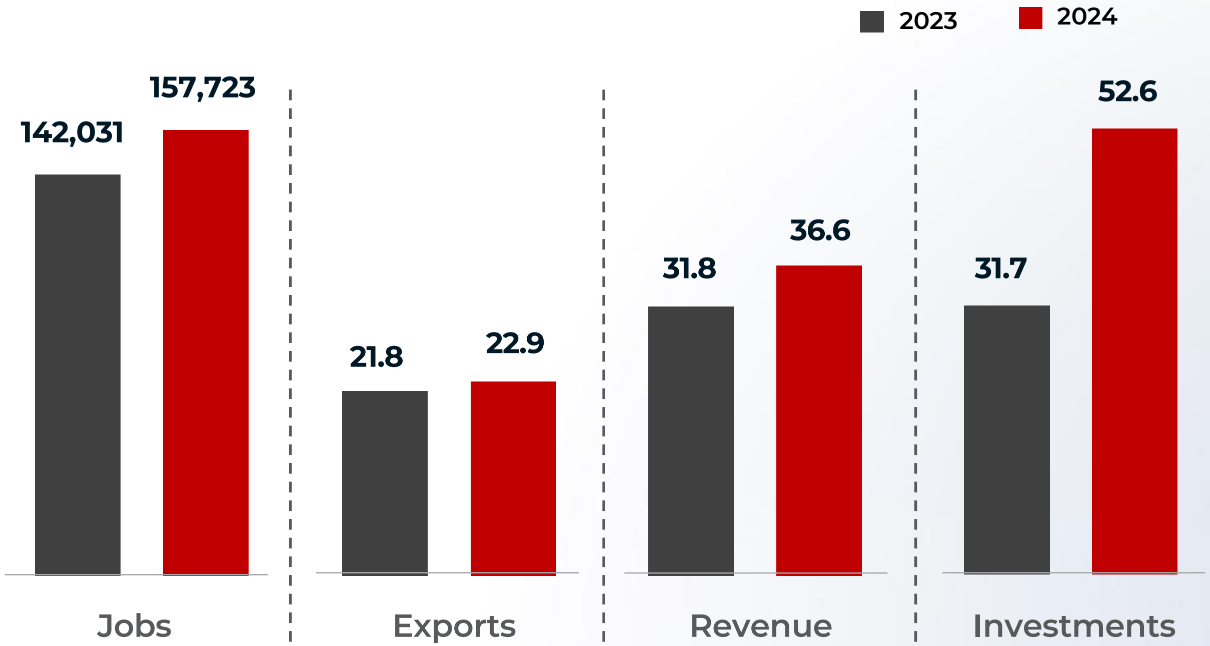
Exports grew by 21.6%, boosted by global demand for digital and high-tech solutions and services.

Note: Year-on-Year (YoY) change compares the performance in the 2024 with the same period in the previous year (2023).
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

Global Business Services & Data Centre (GBS & DC)

GBS & DC Performance, 2023 and 2024



Jobs	Exports	Revenue	Investments
157,723 jobs	RM 22.9 billion	RM 36.6 billion	RM 52.6 billion
11.0% YoY change	*5.0% YoY change*	*15.1% YoY change*	*65.9% YoY change*

Cluster Highlights

GBS & DC emerged as the top-performing cluster, recording **65.9%** YoY investment growth.

Malaysia is strengthening its position as a regional data centre hub, driven by **strong global tech investments and investor-friendly policies**. As of end-2024, the country hosts approximately 54 operational data centres.[1] While the Klang Valley and Johor remain core clusters, Sarawak, Negeri Sembilan and Kedah are emerging as new growth hubs.

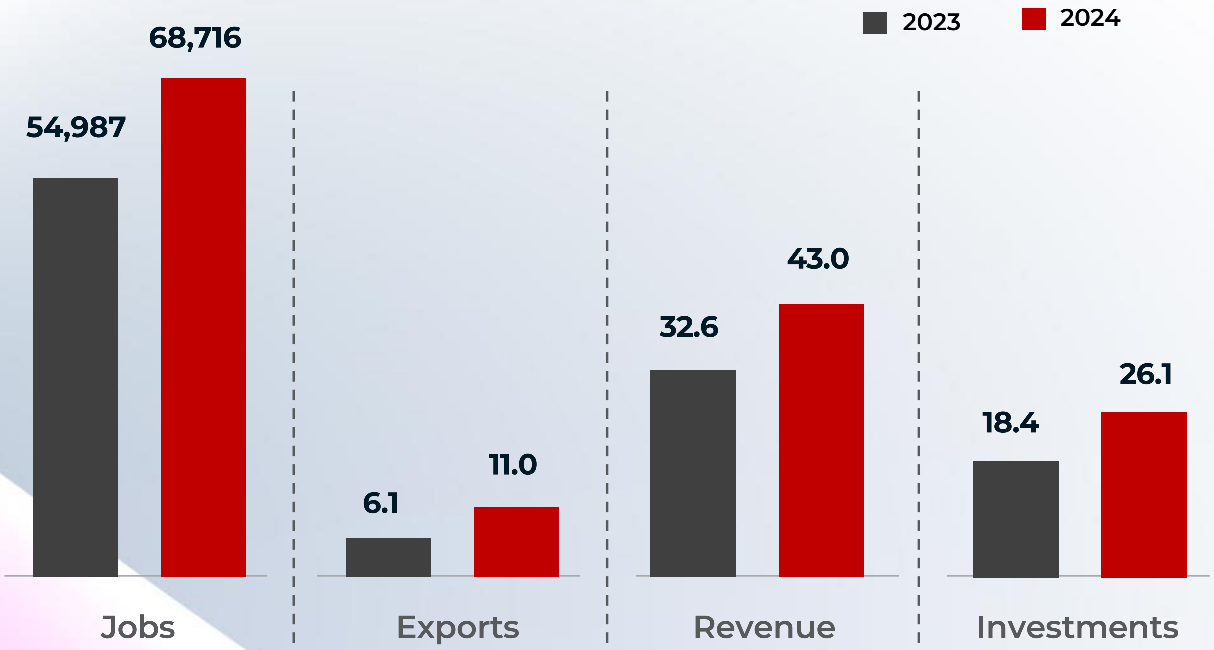
Malaysia continues to strengthen its role as a global outsourcing hub, shifting from cost-driven business process outsourcing (BPO) to **high-value GBS enabled by AI and data analytics**.

[1] MIDA

Note: Year-on-Year (YoY) change compares the performance in 2024 with the same period in the previous year (2023). 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, 2023 and 2024



Jobs	Exports	Revenue	Investments
68,716 jobs	**RM 11.0** billion	**RM 43.0** billion	**RM 26.1** billion
25.0% YoY change	*80.3% YoY change*	*31.9% YoY change*	*41.8% YoY change*

Cluster Highlights

The InfoTech cluster saw commendable **growth cross all metrics**.

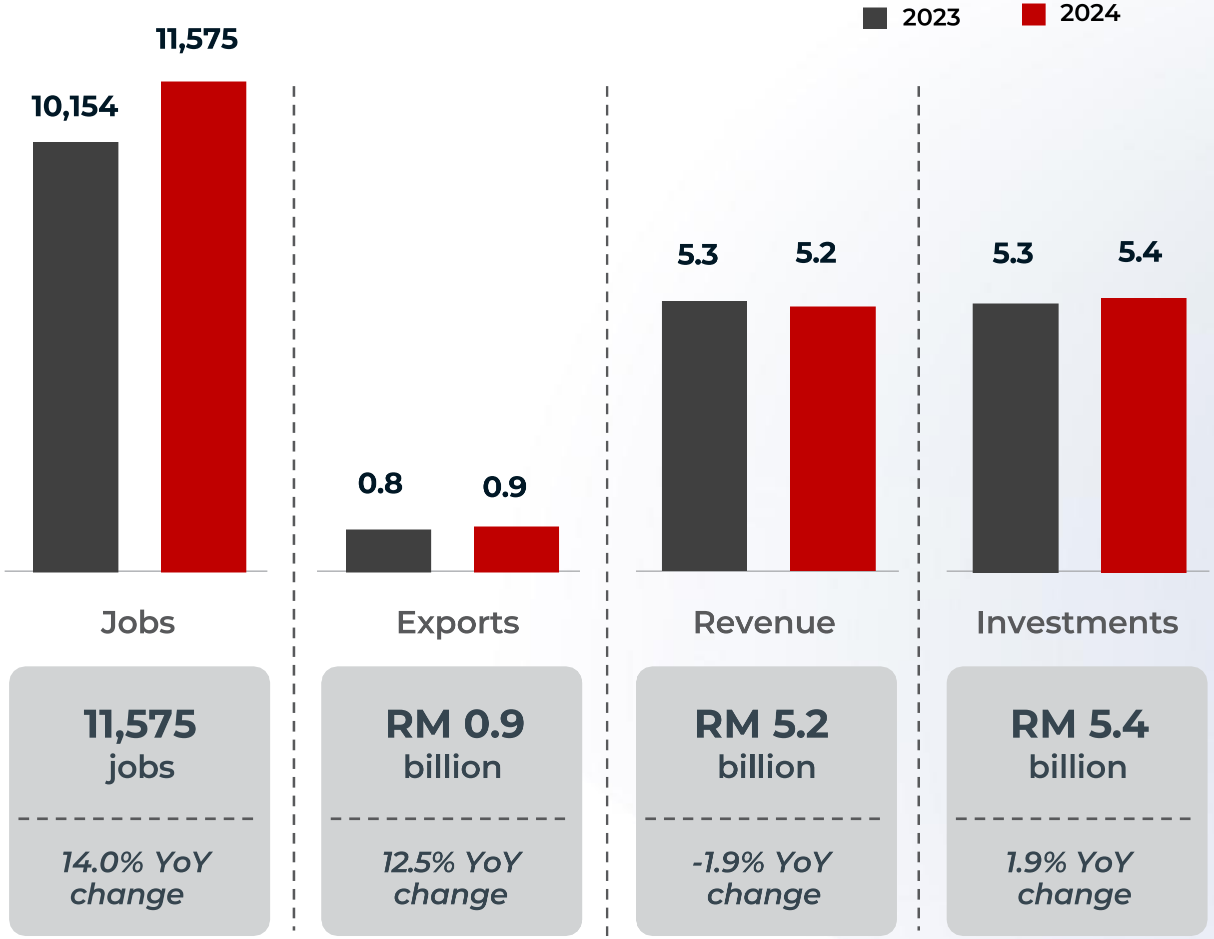
Exports surged 80.3% YoY in 2024, nearly doubling, underscoring the impact of **targeted facilitation, enhanced market access** and **funding support** in accelerating MD companies' global scale.

Strong double-digit growth was also recorded for Jobs (25.0%), Revenue(31.9%) and Investments (41.8%).

Note: Year-on-Year (YoY) change compares the performance in 2024 with the same period in the previous year (2023). 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, 2023 and 2024



Cluster Highlights

The DCC cluster recorded **moderate growth**, with jobs and exports rising 14.0% and 12.5% YoY, while investments grew modestly at 1.9%.

However, it was observed that revenue declined by 1.9% YoY, reflecting structural challenges, particularly the **lack of structured support across the full IP lifecycle**, especially during the early and middle stages of ideation, development, and commercialisation.

To address these gaps, the government, through MDEC, is advancing the **Digital Content Grant (DCG)** and developing the **Digital Creative Ecosystem (DICE) Roadmap** to accelerate local content creation, supporting projects in gaming and animation.

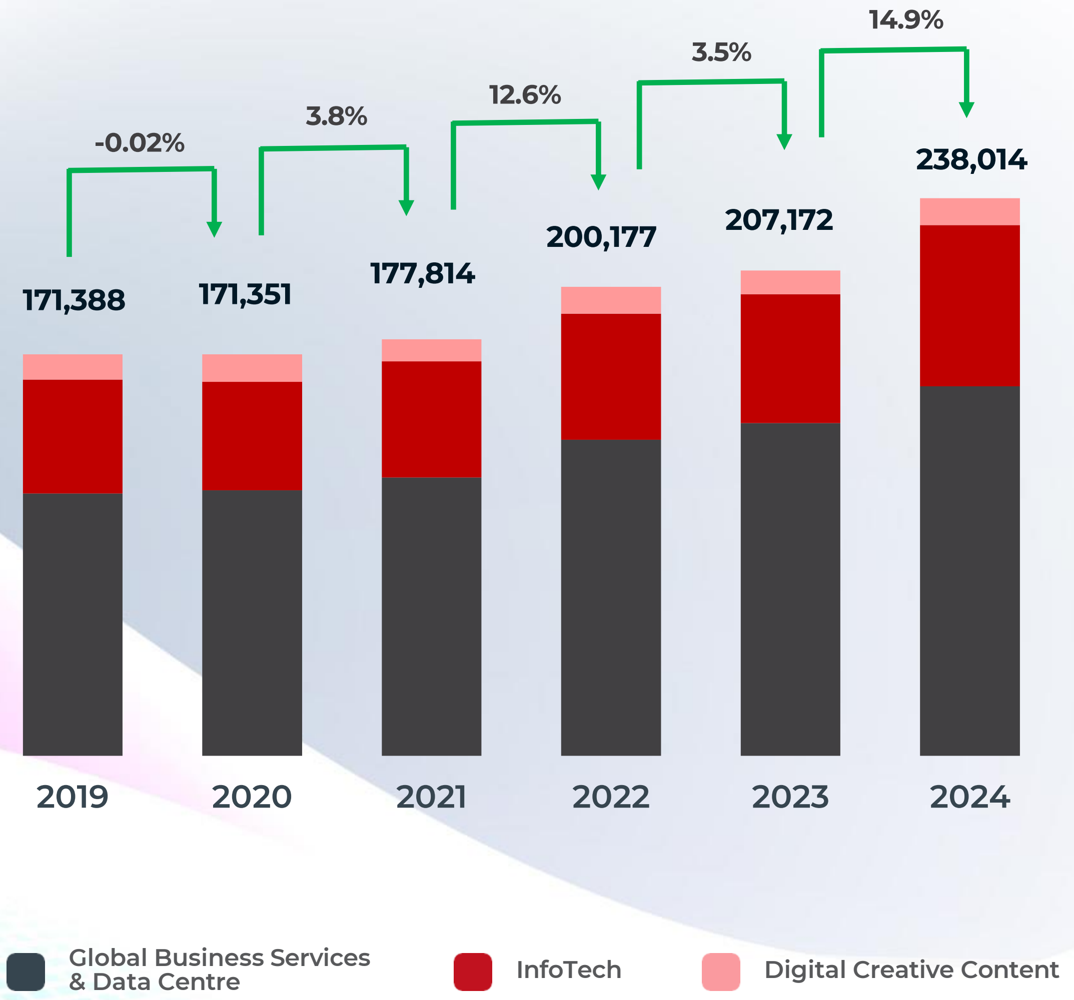
Note: Year-on-Year (YoY) change compares the performance in 2024 with the same period in the previous year (2023).
It shows how much a value has increased or decreased over a one-year period. Analysis excludes numbers from the Incubators and IHL Cluster.

Historical Performance

Jobs, Exports, Revenue, Investments

2024 Malaysia Digital Performance

Generated jobs by industry cluster, no. of jobs, 2019-2024



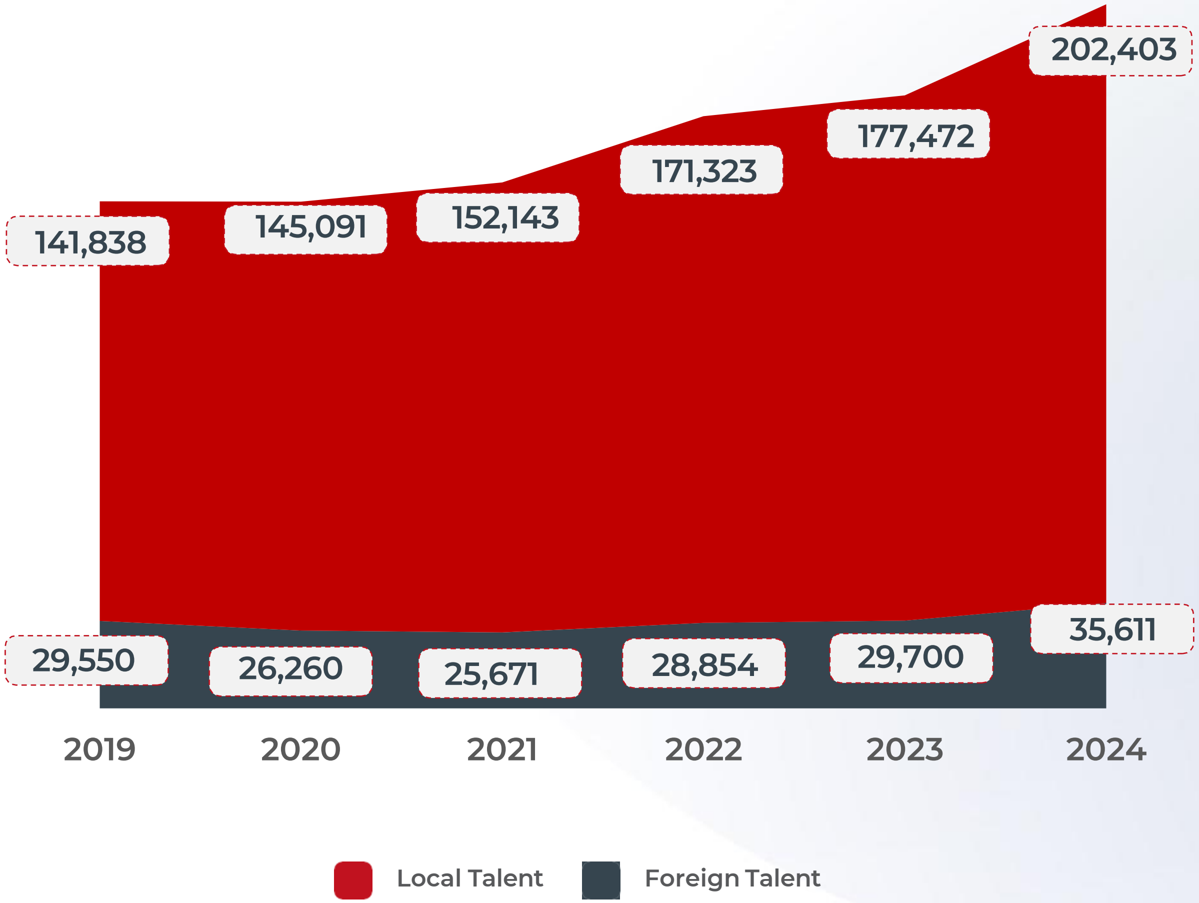
In 2024, Malaysia's digital economy supported **238,014 jobs**, marking a strong **14.9% YoY** increase. This growth was underpinned by robust GDP growth, which rose from 3.6% in 2023 to 5.1% in 2024.

InfoTech was the **fastest growing** cluster, expanding by 25.0% YoY while **DCC** experienced steady growth of 14.0% YoY.

A healthier digital economy also created greater employment opportunities across the digital sector, where the **GBS & DC** cluster continued to dominate, accounting for **two-thirds of total** digital economy **jobs of MD companies.**

2024 Malaysia Digital Performance

Generated jobs by type of talent, no. of jobs, 2019-2024



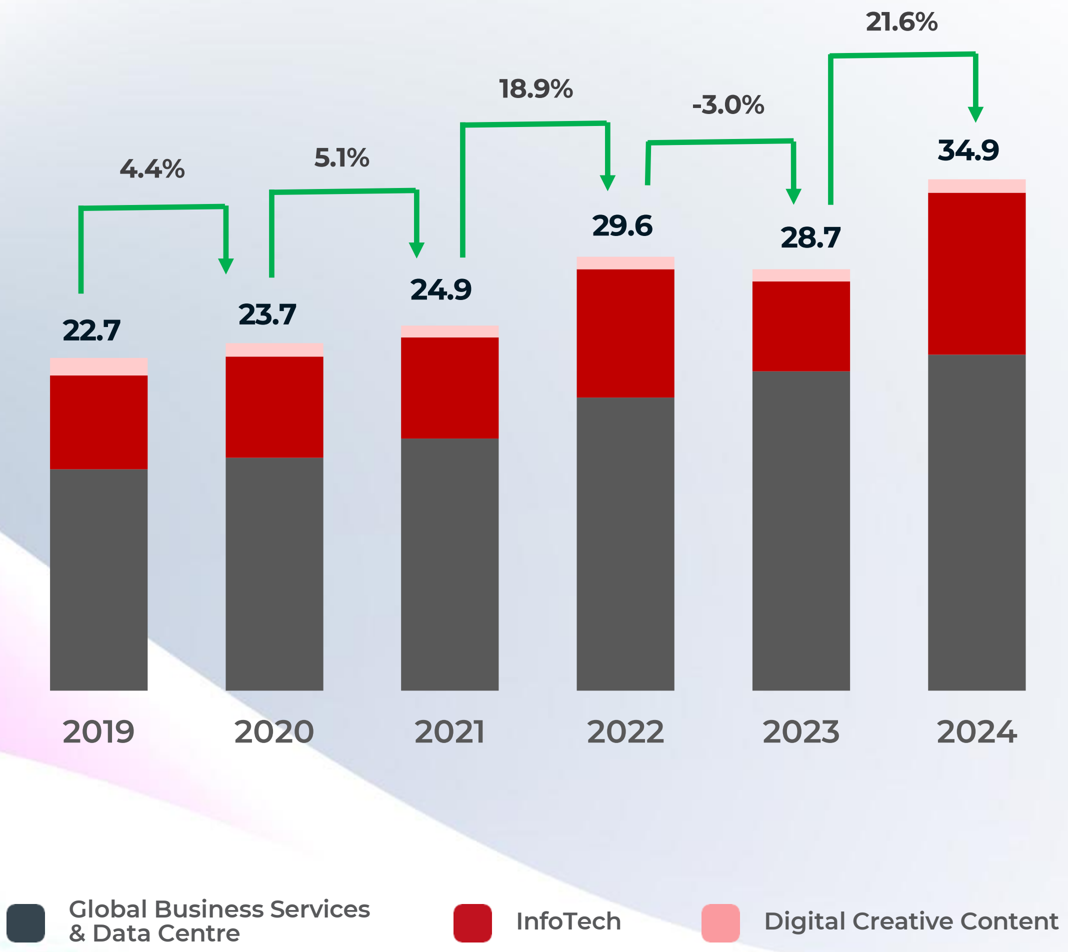
Both local and foreign talent employment recorded **double-digit growth** in 2024.

Local talent employment surpassed the 200,000 mark, increasing by 14.0% YoY while foreign talent employment reached 35,611, growing at 19.9% YoY.

As businesses **accelerated digitalisation and adopted technologies** such as AI, cloud, and data analytics, demand for digital roles continued to rise across sectors. In addition, greater support for local firms to scale and for foreign companies **to establish regional hubs** in Malaysia further boosted employment growth.

Exports

Exports by industry cluster, RM billion (%), 2019-2024



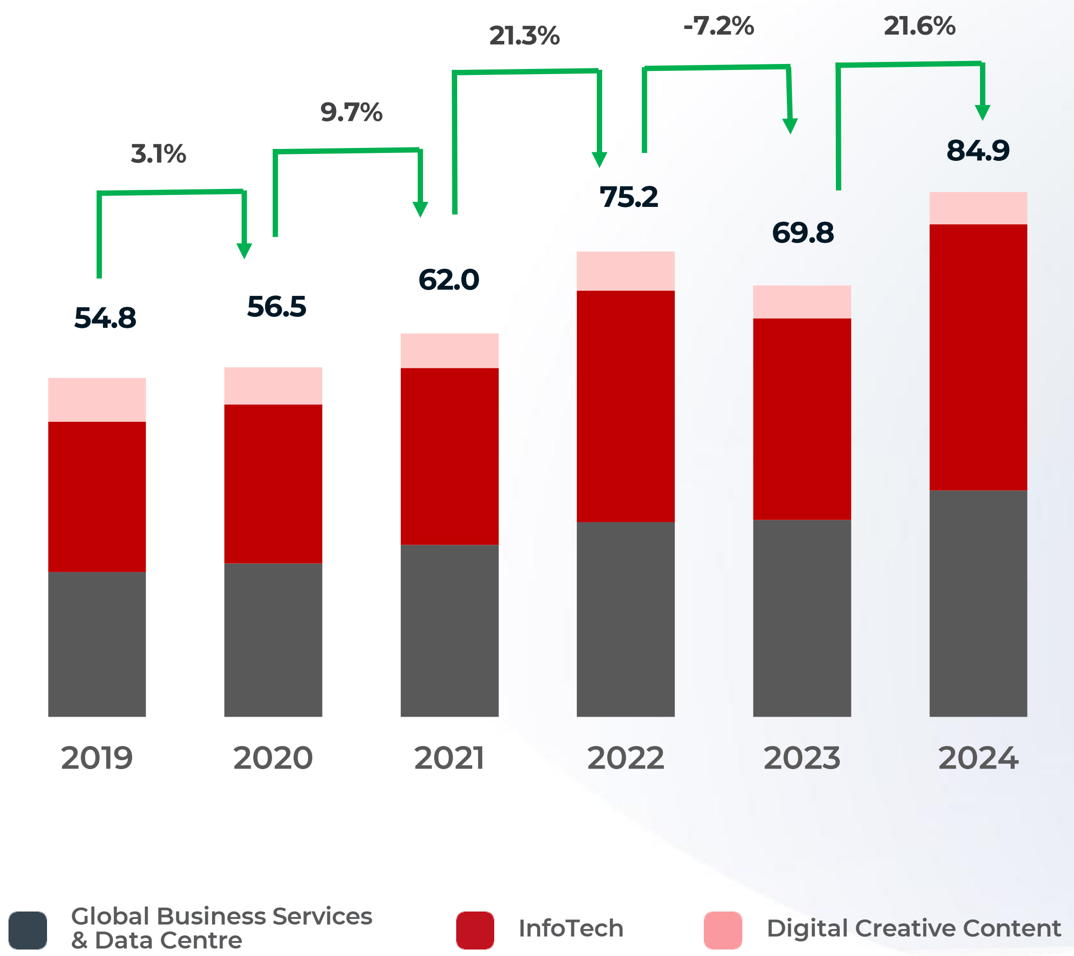
Exports rebounded strongly in 2024, recording a **21.6% YoY growth**, with total exports by MD companies reaching **RM34.9 billion**. This growth was primarily driven by **InfoTech**, which registered an impressive **80.3% YoY increase**.

InfoTech's strong growth trajectory underscores its future potential, as Malaysia advances **up the digital value chain** and expands **exports of high value-added** software, AI, and digital solutions/ services.

In terms of export value, the **GBS & DC** cluster continued to lead, contributing **nearly two-thirds of total exports** among MD companies.

Revenue

Revenue by industry cluster, RM billion (%), 2019-2024



Revenue rebounded strongly in 2024, recording a **21.6% YoY growth**, driven by the **InfoTech** and **GBS & DC** clusters.

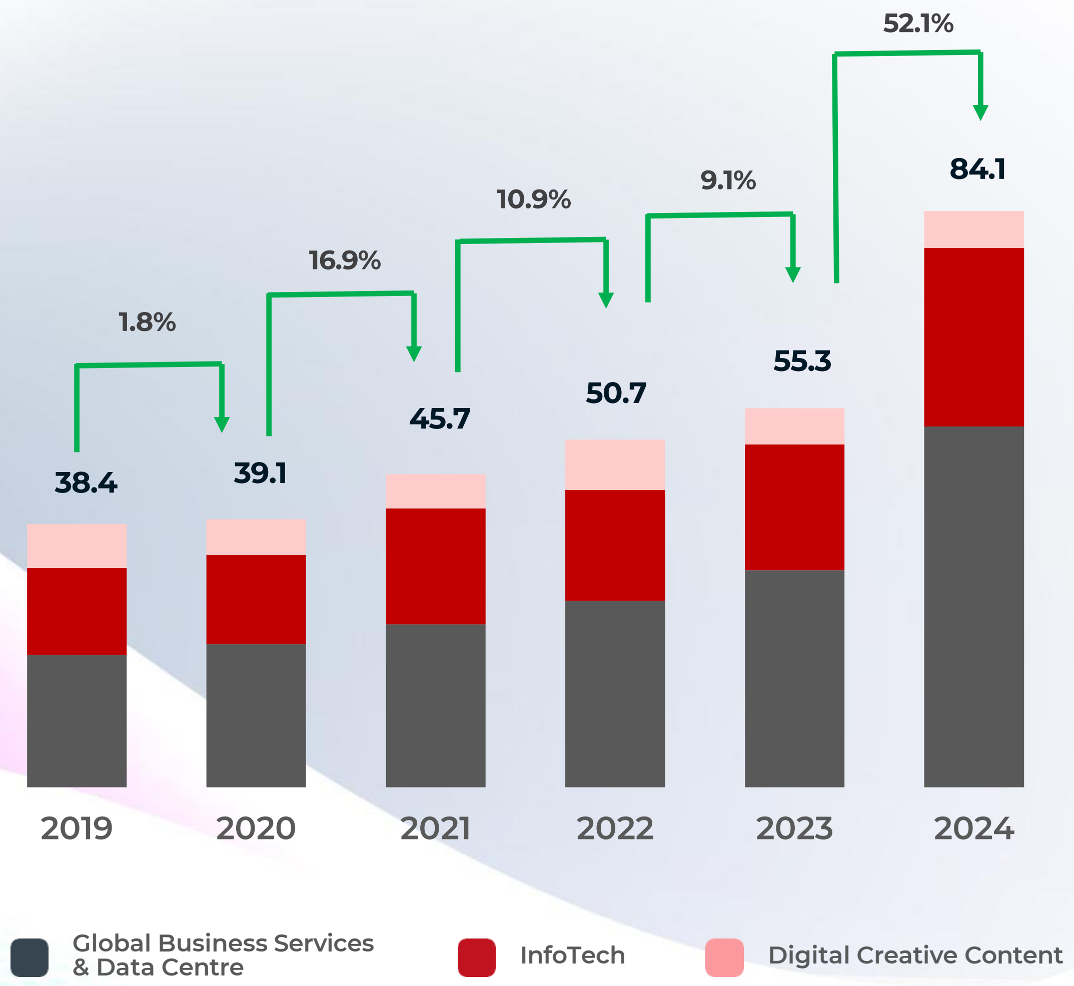
InfoTech led in revenue contribution, accounting for **over 50% of total revenue** and registering a robust **31.9% YoY growth**.

GBS & DC was the second largest contributors, generating **RM 36.6 billion**, with a **15.1% YoY increase**.

The revenue growth of these clusters was supported by a **stronger Malaysian economy**, which boosted the sales of digital solutions and services.

Investments

Investments by industry cluster, RM billion (%), 2019-2024



Investments in Malaysia's digital economy saw a **significant jump of 52.1%** YoY in 2024, reaching a total of **RM 84.1 billion**.

The bulk of these investments (**93.6%**) came from the **GBS & DC** and **InfoTech** clusters, reflecting strong investor confidence in Malaysia's digital economy particularly in **data centres** and other **high-value, technology-driven sectors**.

Key investments originated from countries such as **Singapore, U.S., China, Australia** and **India**.

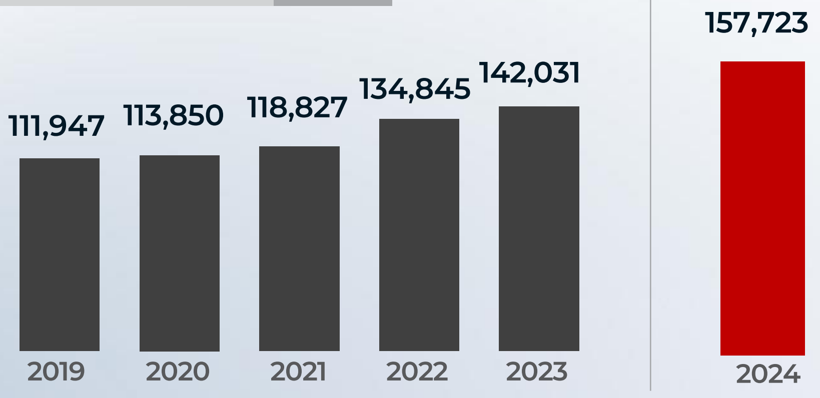
Historical Performance

By Cluster

Global Business Services & Data Centre (GBS & DC)

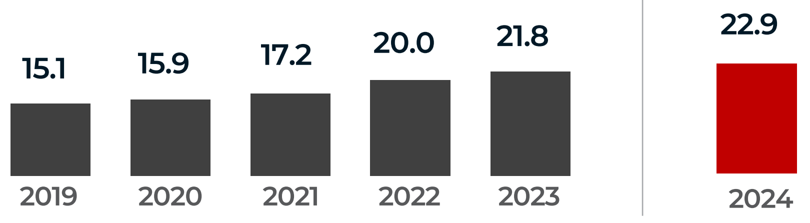
Jobs (number of jobs)

CAGR 2019-2024 **7.1%**



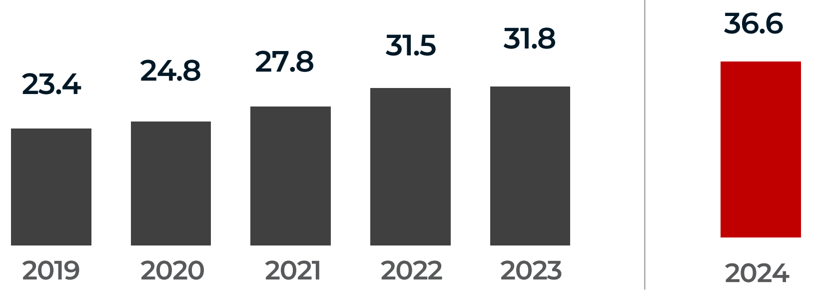
Exports (RM billion)

CAGR 2019-2024 **8.7%**



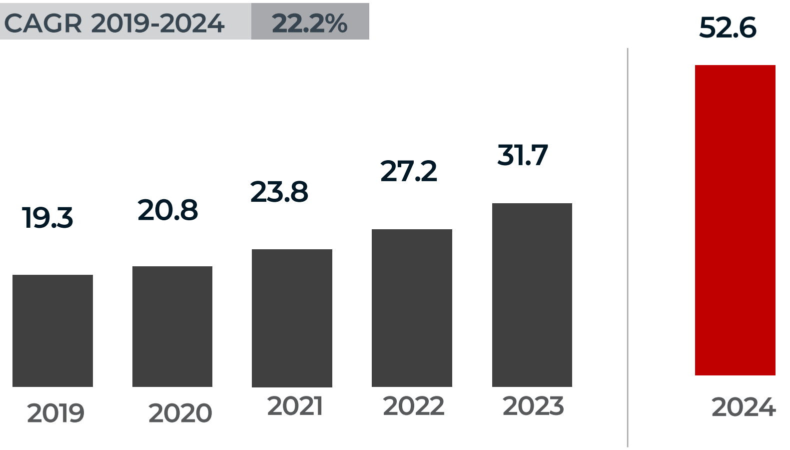
Revenue (RM billion)

CAGR 2019-2024 **9.4%**



Investments (RM billion)

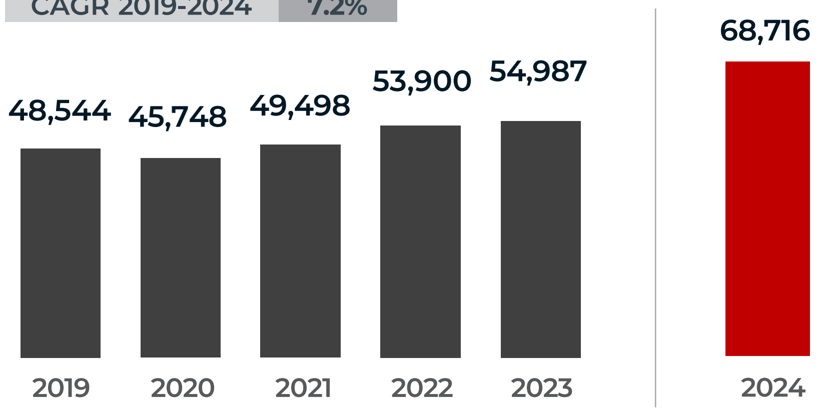
CAGR 2019-2024 **22.2%**



Information Tech (InfoTech)

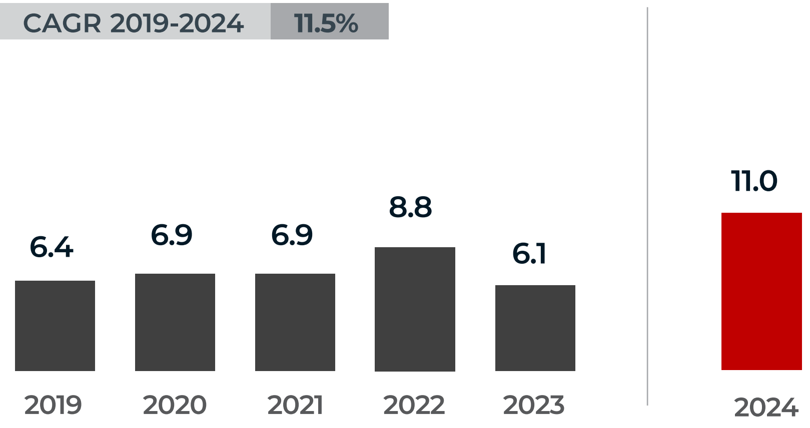
Jobs (number of jobs)

CAGR 2019-2024 7.2%



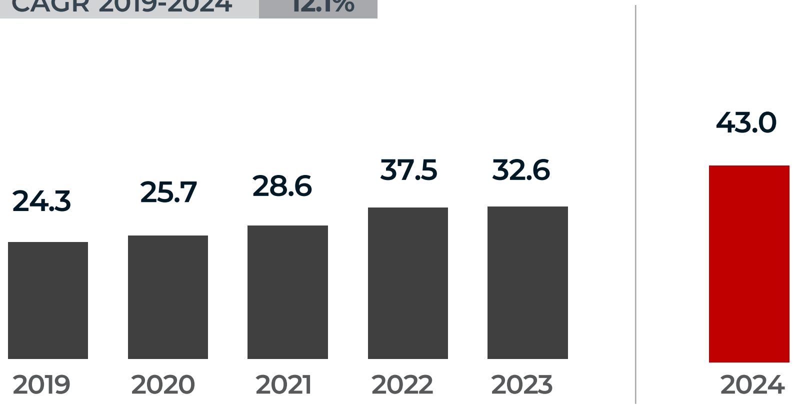
Exports (RM billion)

CAGR 2019-2024 11.5%



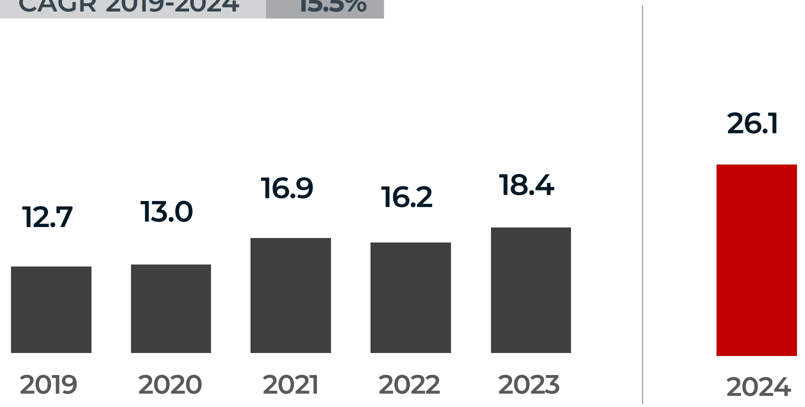
Revenue (RM billion)

CAGR 2019-2024 12.1%



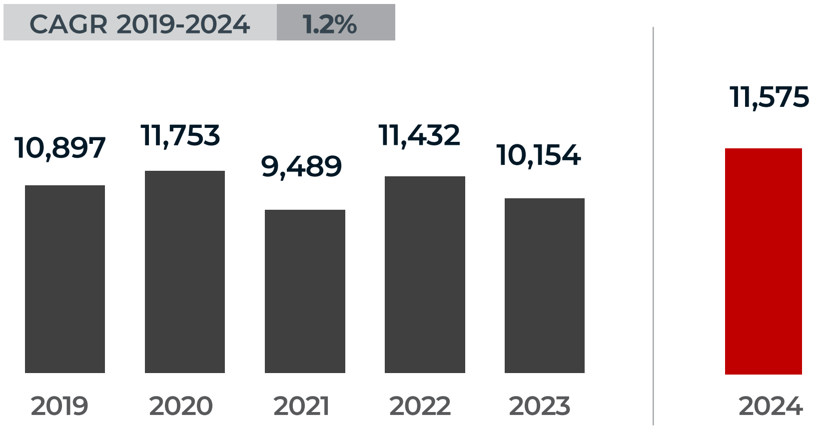
Investments (RM billion)

CAGR 2019-2024 15.5%

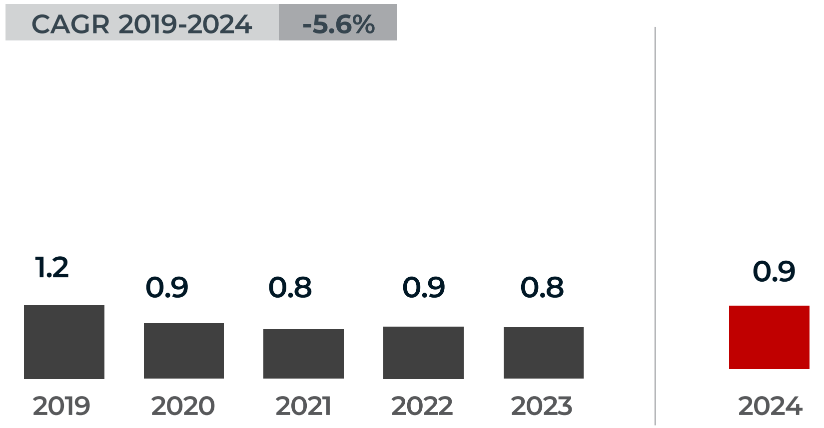


Digital Creative Content (DCC)

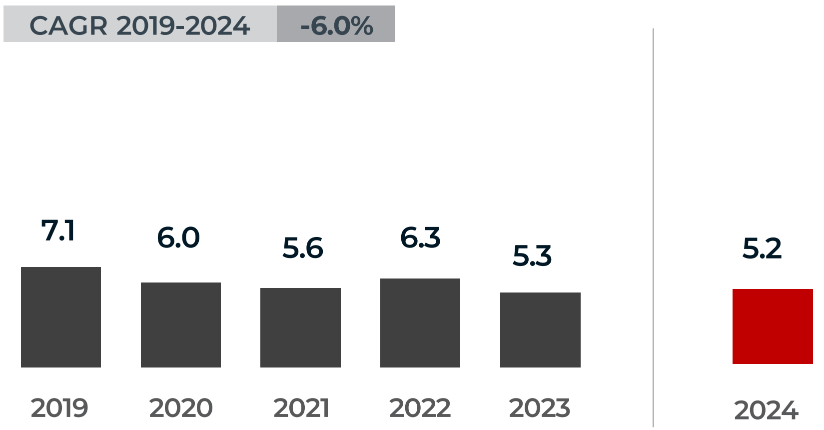
Jobs (number of jobs)



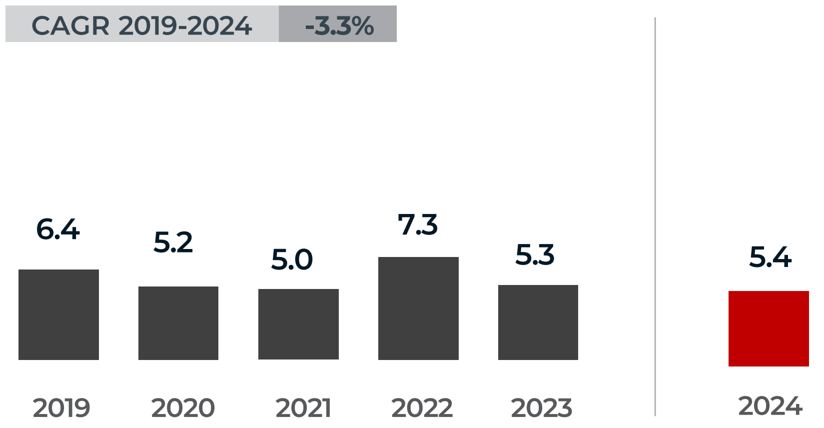
Exports (RM billion)



Revenue (RM billion)



Investments (RM billion)



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