

Malaysia Digital Industry Report (MDIR)

H1 2024 Performance

Analysis by MDEC Foresight



Introduction to the Malaysia Digital Industry Report (MDIR)



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.

Why we are sharing half-year results

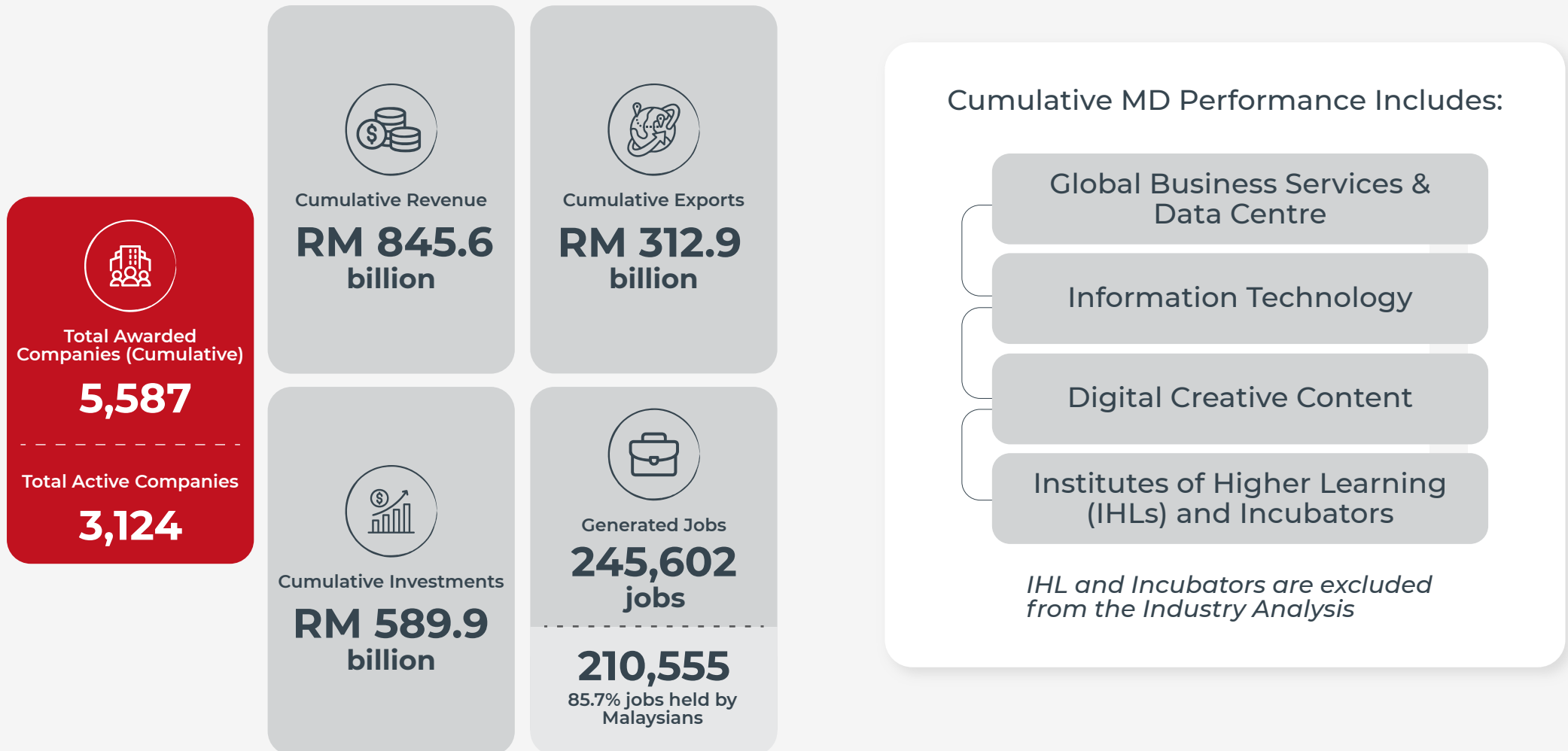
To provide early insight into how Malaysia's digital industry is performing in 2024, we are sharing the latest results from the first half of the year.

This mid-year update helps inform the public, industry stakeholders, and policymakers on key trends and progress made so far.

While full-year data will be released later, these early findings offer a timely snapshot of the industry's direction by highlighting growth areas, emerging challenges, and investment momentum across the digital ecosystem. Sharing this update supports more responsive planning and reflects the fast-moving nature of the digital economy.

Cumulative Malaysia Digital (MD) Performance

MD Companies Performance as of June 2024



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 June 2024.

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, e.g. 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 e.g. companies in broadcasting, content distribution, game development, animation, interactive comics and edutainment content.

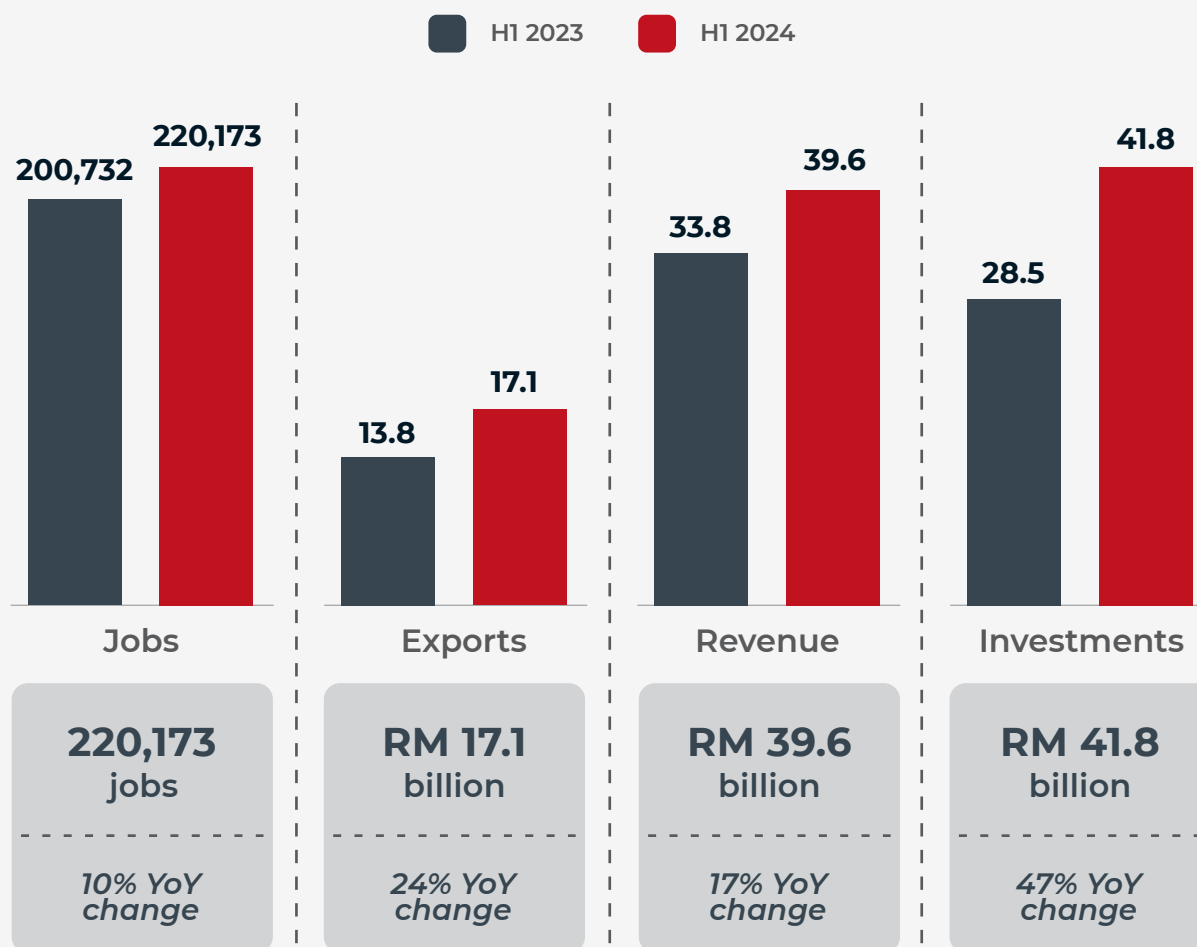
Note: This report excludes numbers from the Incubators and IHL Cluster.

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.

H1 2024 Year-on-Year Performance

H1 2024 Malaysia Digital Performance

Jobs, Exports, Revenue, and Investments Performance, H1 2023 and H1 2024



In the first half of 2024, MD companies saw **solid overall growth**.

When compared with the same time period in 2023, **Jobs** increased by 10%, indicating stable hiring and business confidence. Similarly, **Revenue** rose by 17%, reflecting stronger demand across digital services.

Investments saw the sharpest jump at 47%, largely driven by data centre developments and tech infrastructure projects.

Exports grew by 24%, boosted by global demand for digital and high-tech services.

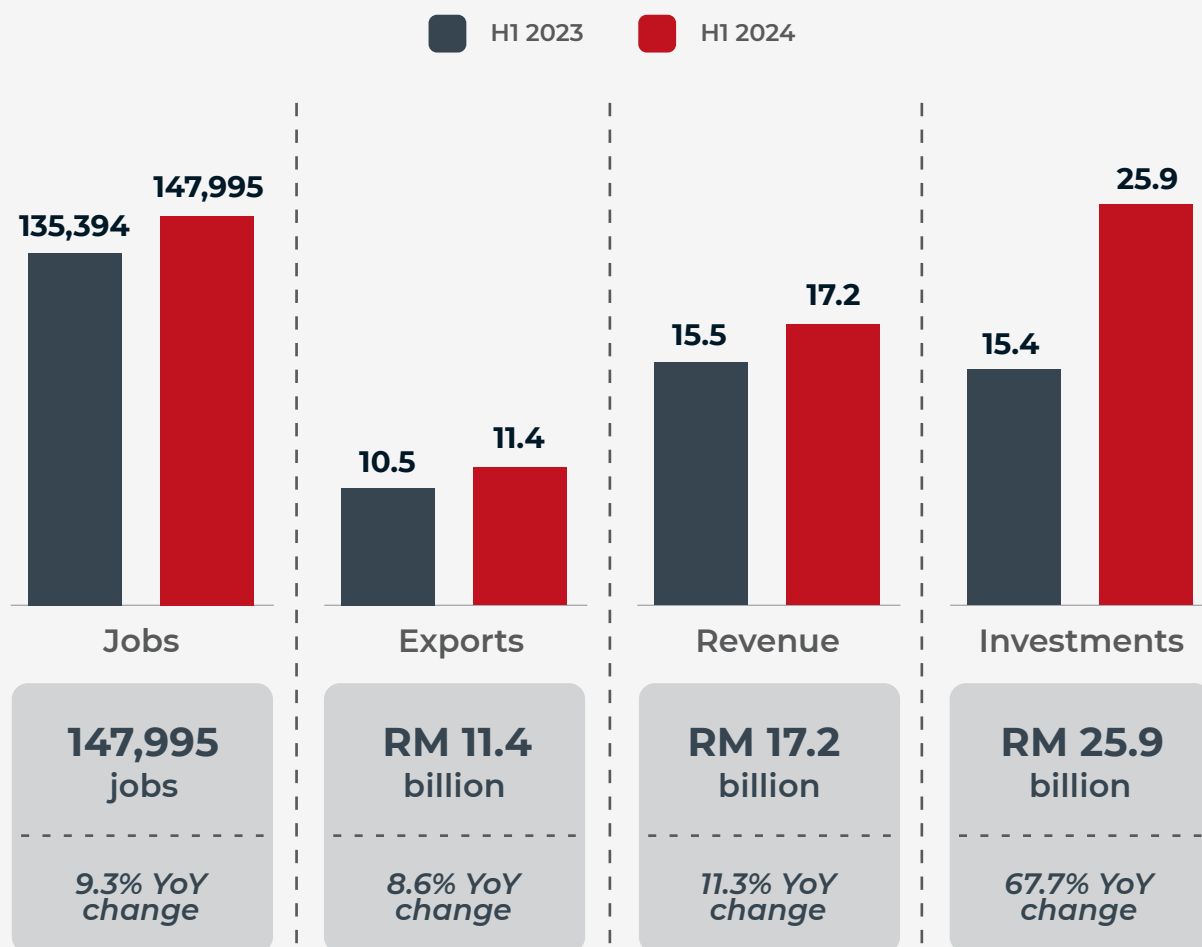
Note: Year-on-Year (YoY) change compares the performance in the first half of 2024 (H1 2024) with the same period in the previous year (H1 2023). It shows how much a value has increased or decreased over a one-year period. Analysis excludes numbers from the Incubators and IHL Cluster.

Cluster-Level Highlights



Global Business Services & Data Centre (GBS & DC)

GBS & DC Performance, H1 2023 and H1 2024



Cluster Highlights

GBS & DC was the best-performing cluster in terms of **investments** for the first half of 2024, charting a 67.7% YoY change.

This is likely due to continued capital inflows into **data centre development** and the expansion of **regional service hubs**.

It also reflects growing investor confidence in Malaysia's digital infrastructure, talent pool, and stable operating environment, factors that have consistently positioned Malaysia among the top global locations for business services.¹

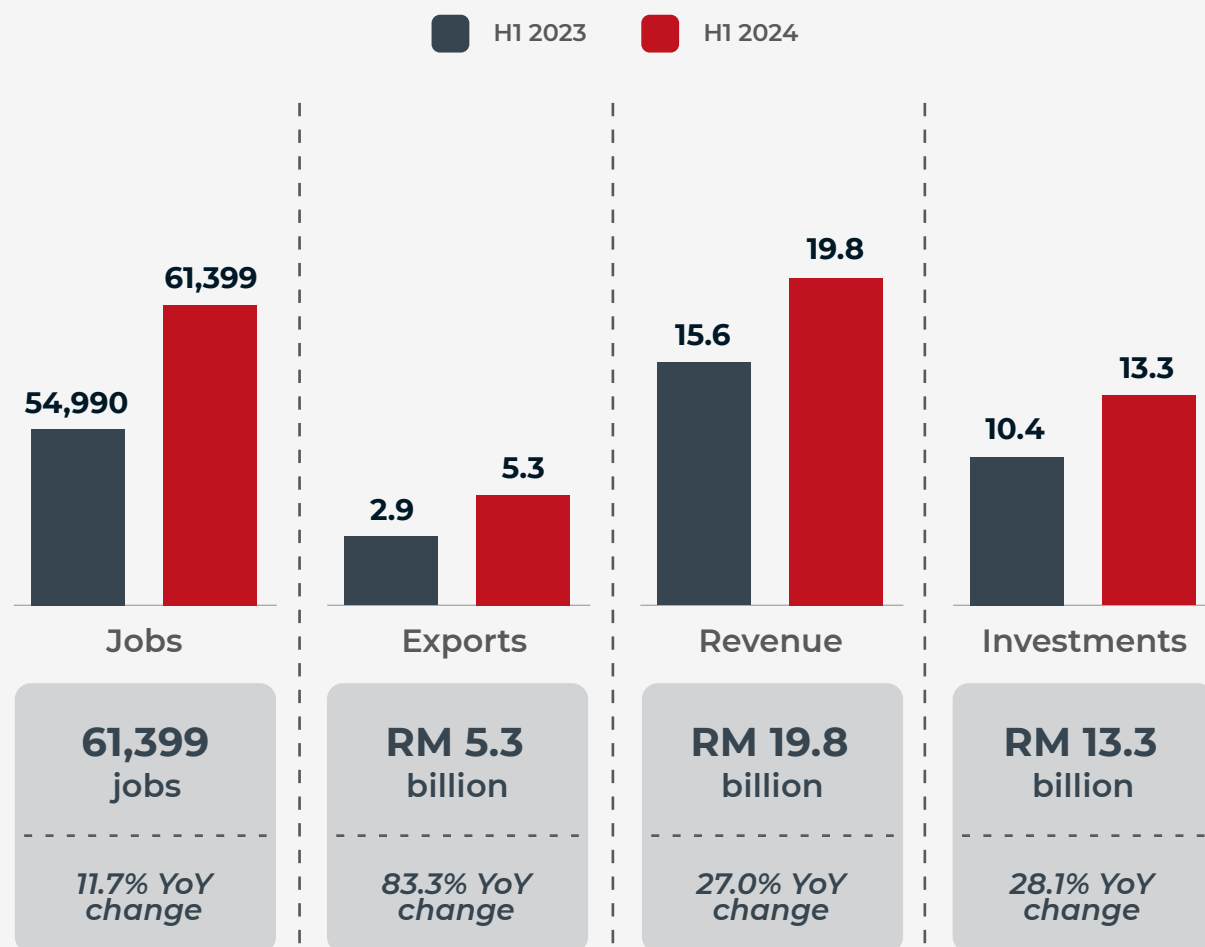
¹Malaysia ranked 3rd in Kearney's Global Services Location Index 2023, since 2024.

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Information Technology (InfoTech)

InfoTech Performance, H1 2023 and H1 2024



Cluster Highlights

Infotech was the best-performing cluster in terms of exports and revenue for the first half of 2024, recording an 83.3% and 27.0% YoY increase respectively. The sector also saw solid gains in job creation and investment.

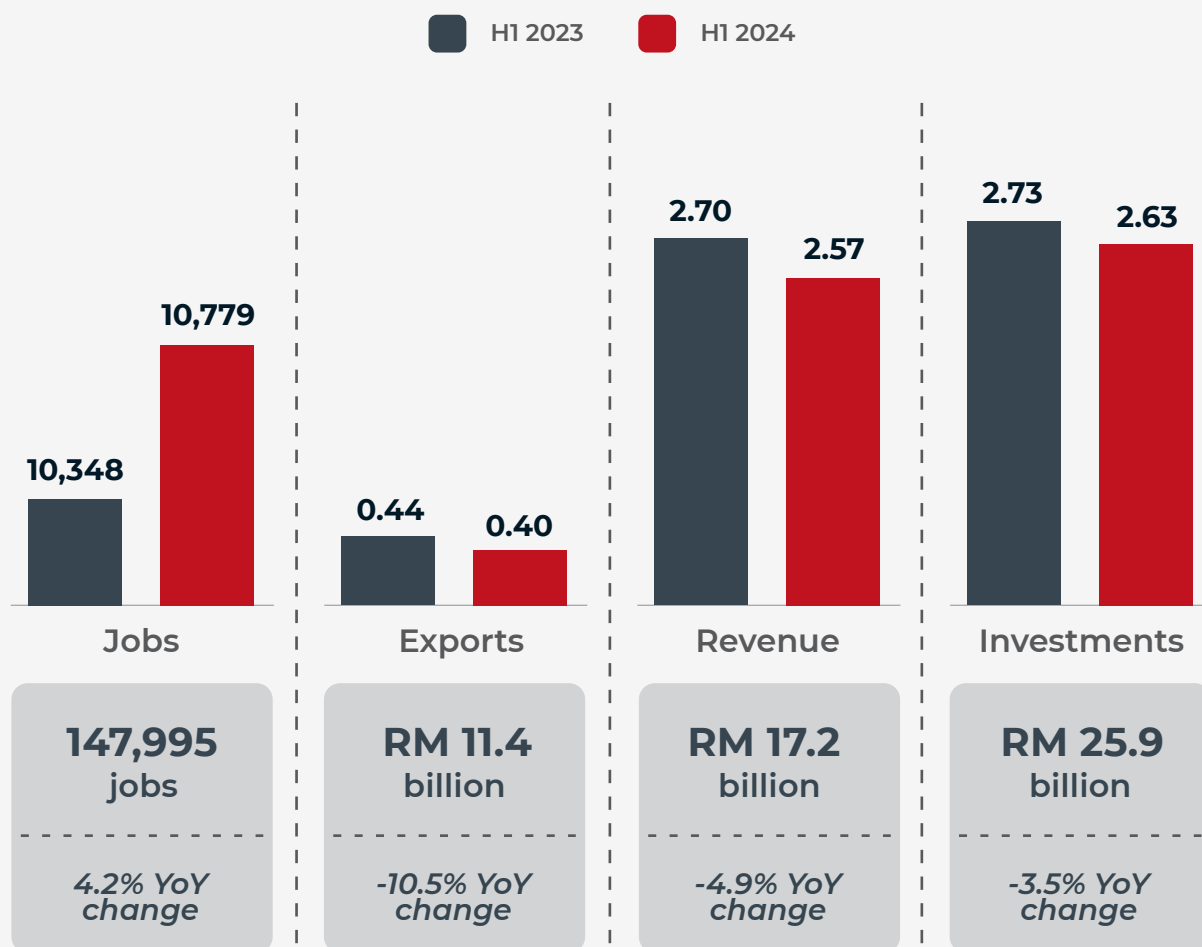
Infotech's export surge in H1 2024 was driven by a dual tailwind: a rebound in global demand for integrated circuits following a subdued performance in 2023, and the rapid acceleration of AI adoption by enterprises worldwide. Together, these trends boosted demand for Malaysia's Infotech exports, particularly in software, analytics, and digital service solutions.

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Digital Creative Content (DCC)

DCC Performance, H1 2023 and H1 2024



Cluster Highlights

DCC was the only cluster to record moderated performance across most indicators in the first half of 2024. Revenue declined by 4.9% YoY, exports fell by 10.5%, and investment dropped slightly by 3.5%. Jobs still saw a modest increase of 4.2%.

The weaker performance may be due to ongoing challenges in monetising creative content, tighter funding conditions, and increased regional competition. Demand for animation, gaming, and digital media may have also normalised after the post-pandemic surge.

The sector's reliance on IP development and production cycles means that returns are often delayed and highly sensitive to market timing.

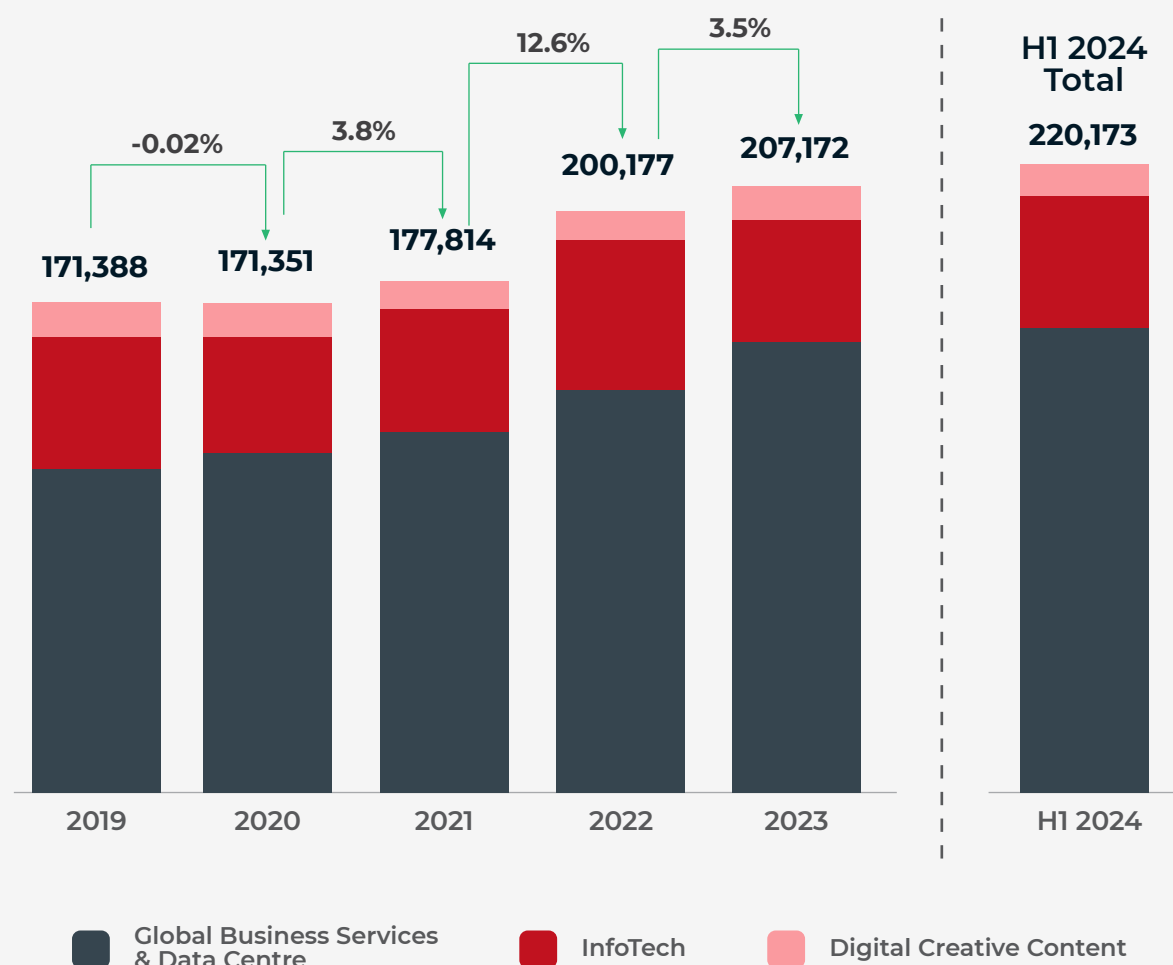
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Historical Performance

Jobs, Exports, Revenue, Investments

Jobs

Generated jobs by industry cluster, no. of jobs, 2019-H1 2024



A total of 220,173 jobs were recorded as of H1 2024.

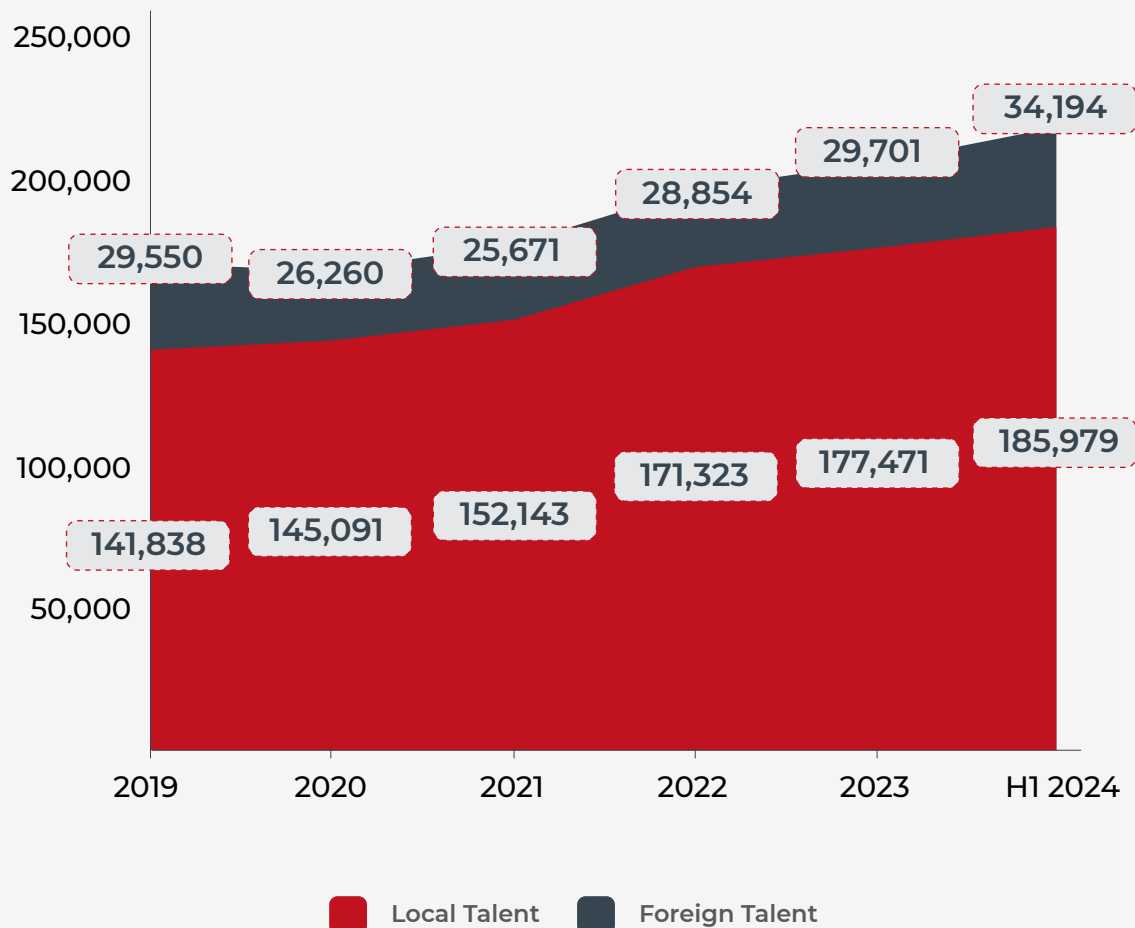
Employment has grown steadily from 171,388 in 2019 to over 220,000 in just the first half of 2024, reflecting strong and sustained talent demand across the digital industry.

GBS & DC continues to be the largest employer, contributing over two-thirds of total jobs. Infotech shows rapid growth, surpassing 61,000 jobs in H1 2024, while DCC employment remains stable but relatively modest.

The strong job creation in H1 2024 signals industry confidence and continued expansion across digital services, platforms, and infrastructure projects.

Jobs (Local and Foreign Talent)

Generated jobs by type of talent, no. of jobs, 2019-H1 2024



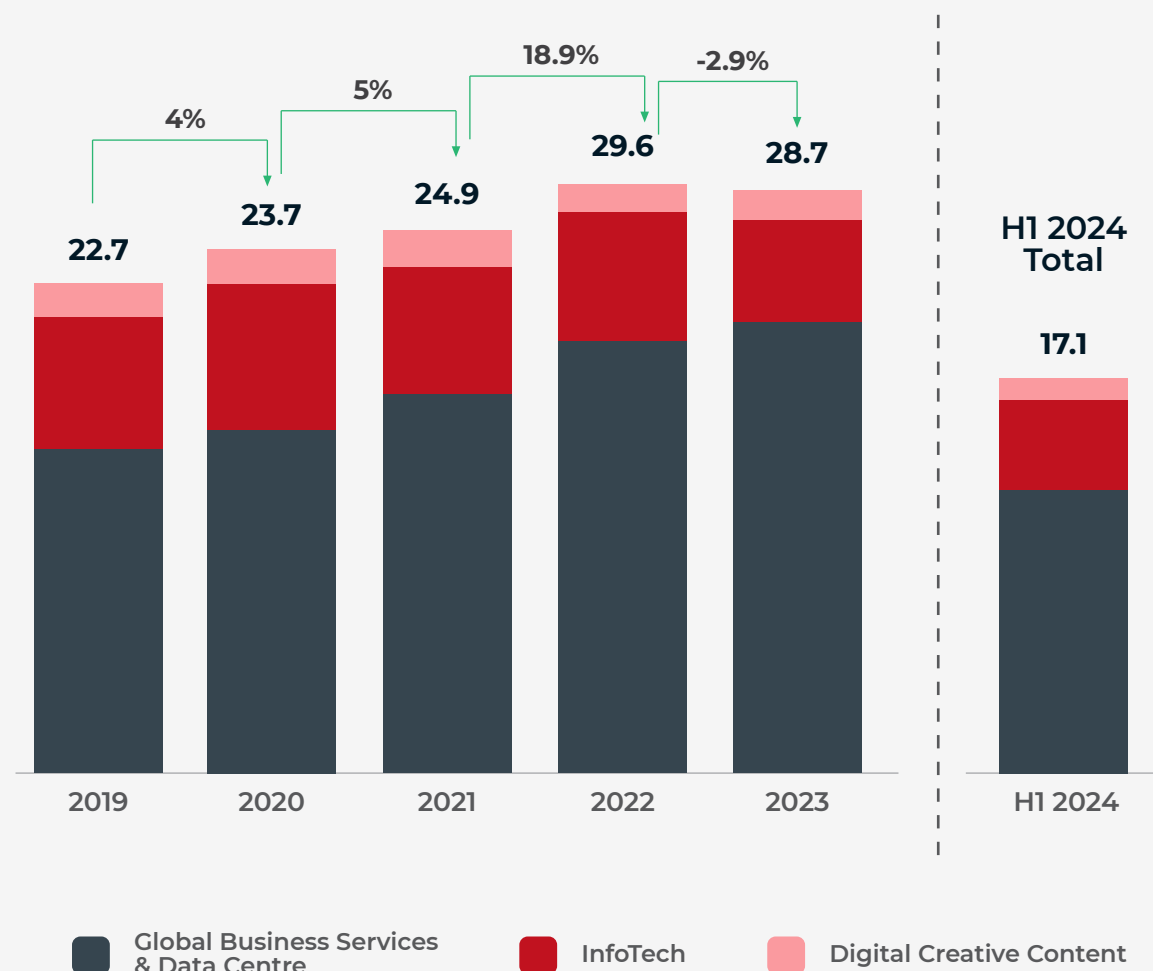
There is sustained job creation for both local and foreign talents. The steady growth for local talent reflects a sustained demand for Malaysian professionals.

Foreign talent employment reached a record high in H1 2024, which suggests an increasing demand for niche expertise not yet readily available domestically, possibly in areas such as AI engineering or advanced cloud solutions.

The growth in both foreign and talent hiring suggests that companies are adopting a dual-talent strategy, by leveraging local workforce depth and foreign specialist skills to meet rapid growth and evolving digital needs.

Exports

Exports by industry cluster, RM billion (%), 2019-H1 2024



Exports recorded in H1 2024 reached RM 17.1 bil, around 59.5% of 2023's full-year total (RM 28.7 bil).

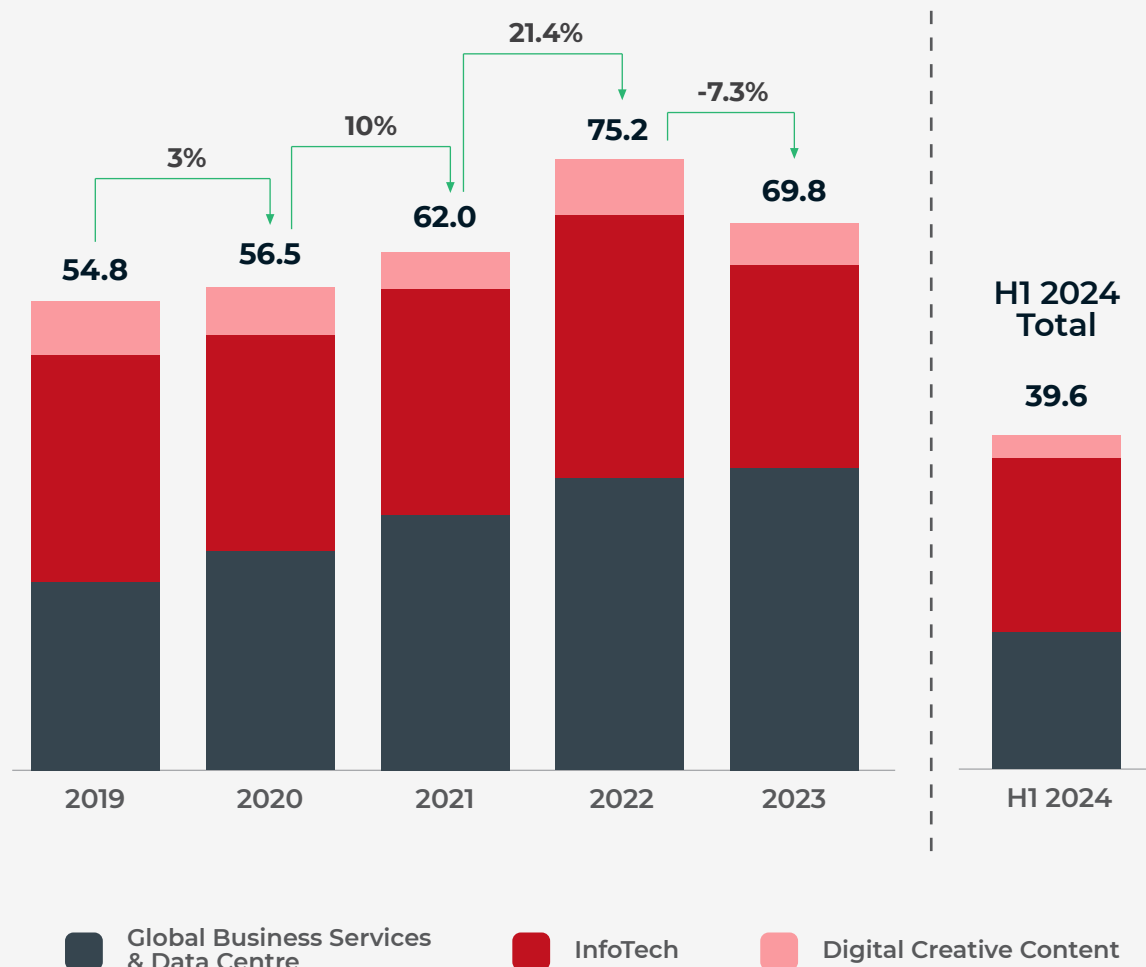
Overall exports have grown from RM 22.7 bil in 2019 to RM 28.7 bil in 2023, reflecting gradual strengthening of Malaysia's digital export capabilities, especially in business services and tech solutions.

Export performance has historically been led by GBS & DC, but Infotech is emerging as a high-growth contributor, particularly in 2024. DCC exports remain low, with limited growth over the past five years.

H1 2024 shows positive momentum, driven by a rebound in Infotech exports and sustained performance in GBS & DC, suggesting a strong export outlook if trends continue in the second half.

Revenue

Revenue by industry cluster, RM billion (%), 2019-H1 2024



Revenue recorded in H1 2024 reached RM 39.6 bil, already 56.8% of 2023's full-year total (RM 69.8 bil).

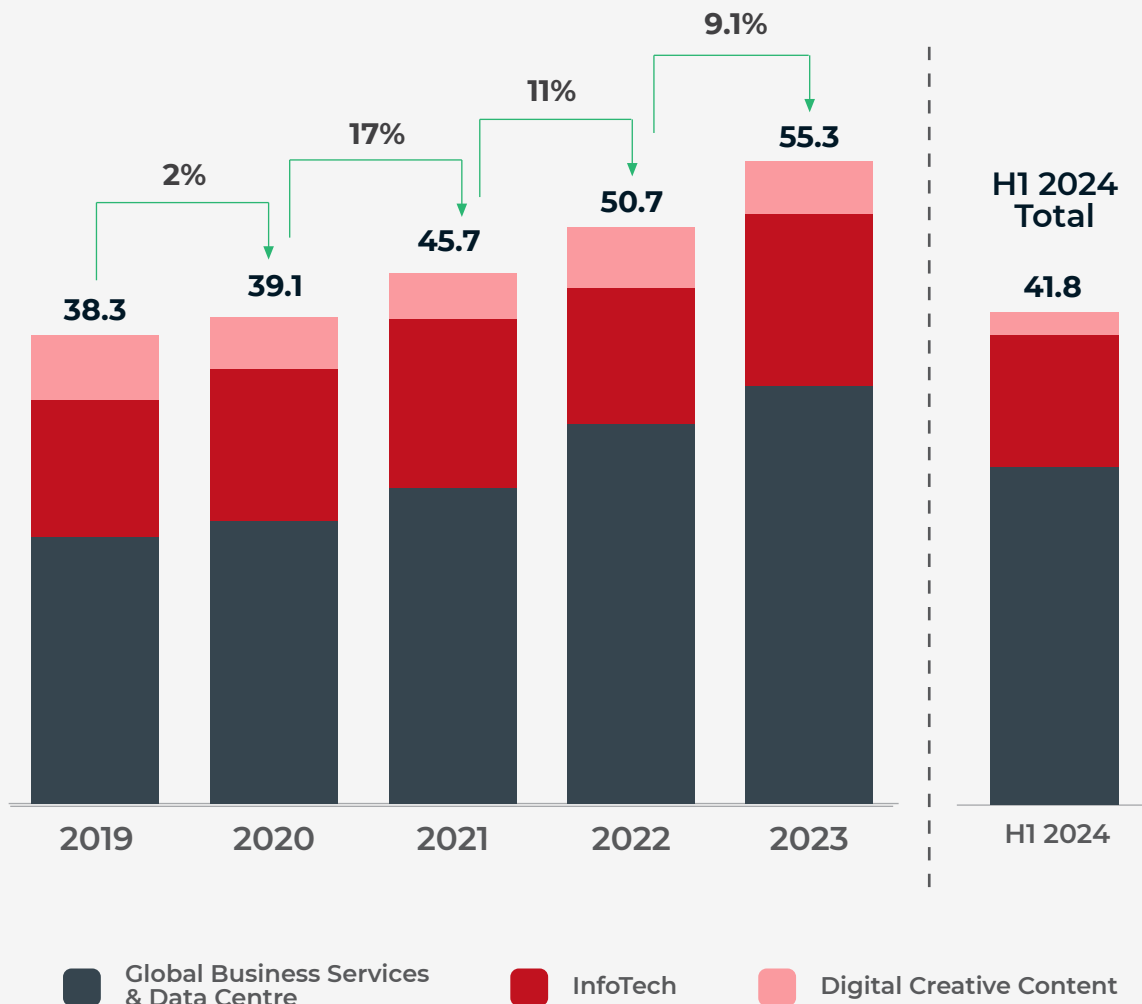
Overall revenue has grown from RM 54.8 bil in 2019 to RM 69.8 bil in 2023, driven by steady expansion in digital services and increasing demand for exportable tech solutions.

Infotech remains the leading contributor to revenue among MD companies, but GBS & DC has been slightly gaining ground with a 6.3% CAGR compared to 6.1% for InfoTech (refer to pages 17 and 18).

H1 2024 signals a stable rebound, and if the trend holds, total revenue for 2024 may return to or surpass 2022 peak levels.

Investments

Investments by industry cluster, RM billion (%), 2019-H1 2024



Investments recorded in H1 2024 are already 75.5% of 2023's full-year total (RM 55.3 bil).

Overall investments have grown steadily from RM 38.4 bil in 2019 to RM 55.3 bil in 2023, reflecting rising confidence in Malaysia's digital economy.

The investment landscape has shifted from broad growth to infrastructure-led surges, especially in data centres and tech services.

H1 2024 marks the strongest first-half performance on record for investments, suggesting 2024 could become a new peak year for realised digital investments.

Historical Performance

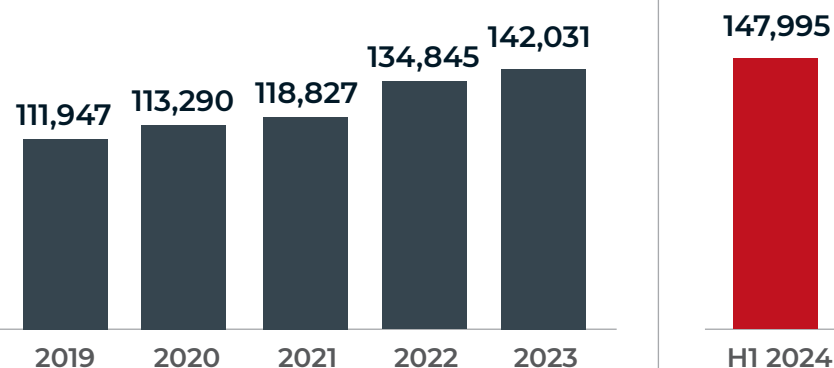
By Cluster



Global Business Services & Data Centre (GBS & DC) Historical Performance

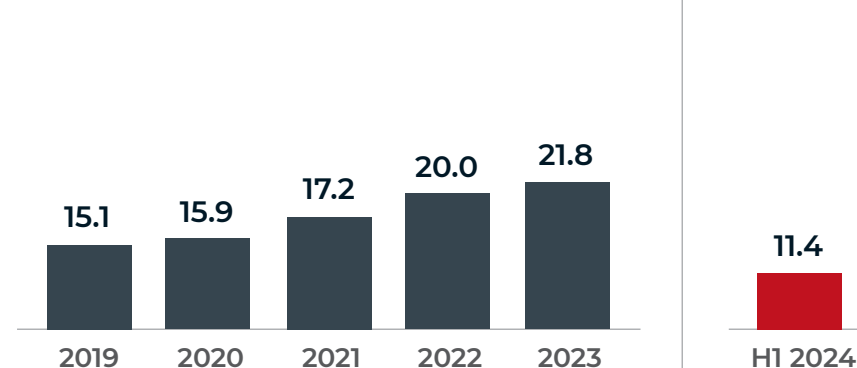
Jobs (number of jobs)

CAGR 2019-2023 4.9%



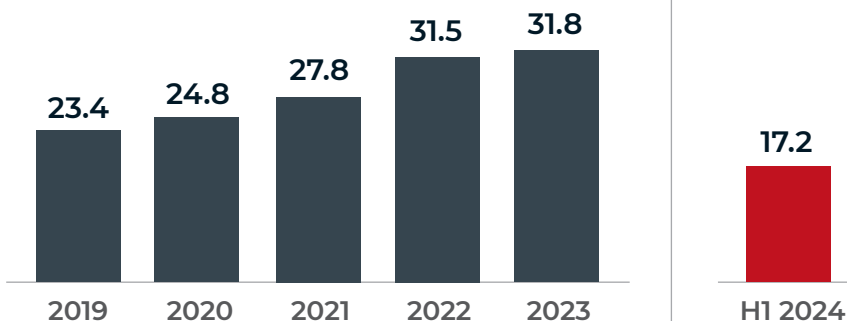
Exports (RM billion)

CAGR 2019-2023 7.6%



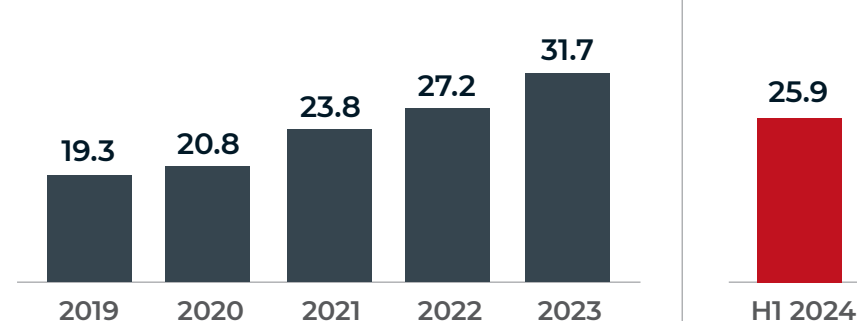
Revenue (RM billion)

CAGR 2019-2023 6.3%



Investments (RM billion)

CAGR 2019-2023 10.4%

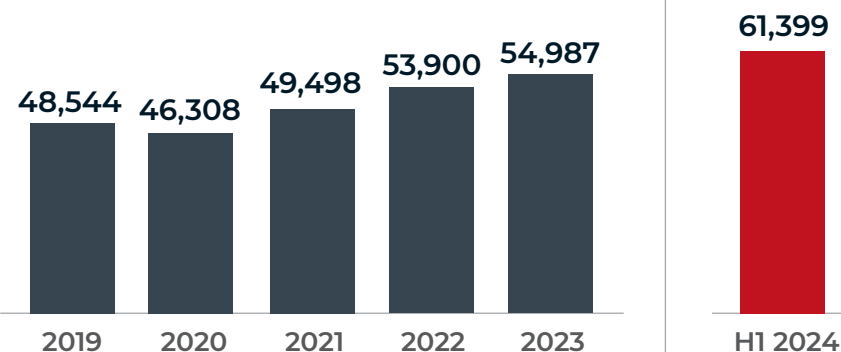




Information Tech (InfoTech) Historical Performance

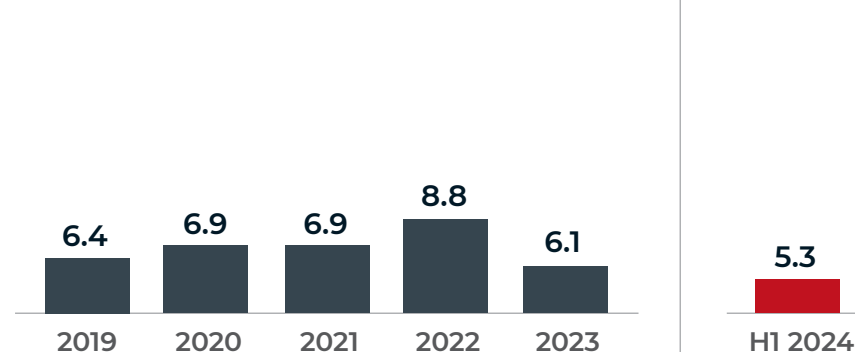
Jobs (number of jobs)

CAGR 2019-2023 2.5%



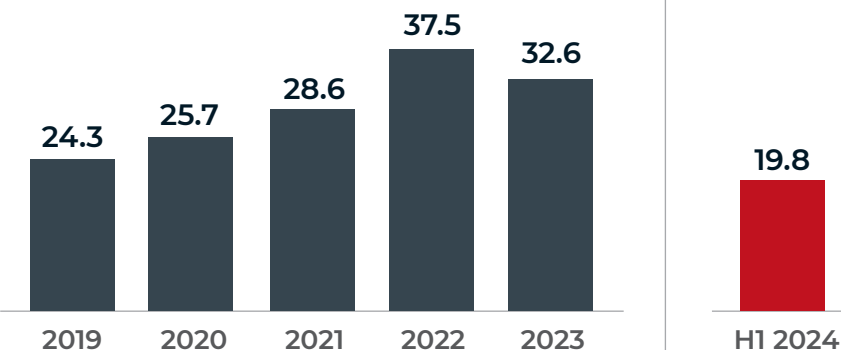
Exports (RM billion)

CAGR 2019-2023 -0.9%



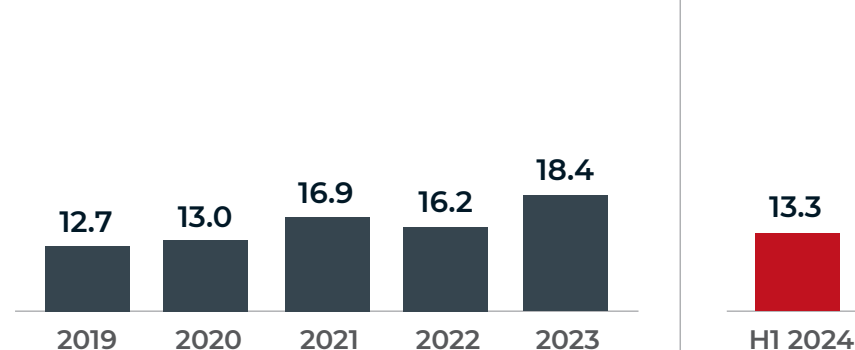
Revenue (RM billion)

CAGR 2019-2023 6.1%



Investments (RM billion)

CAGR 2019-2023 7.7%

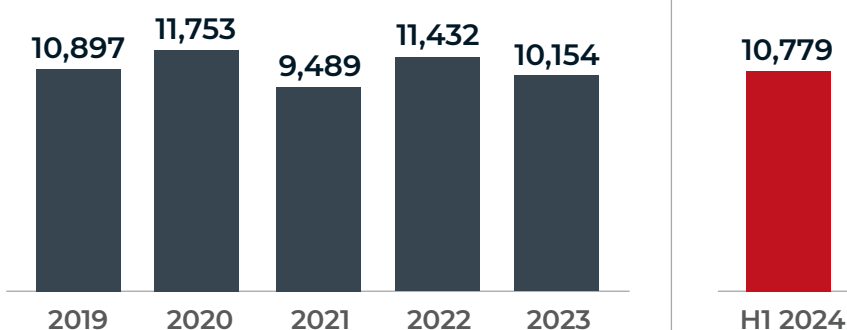




Digital Creative Content (DCC) Historical Performance

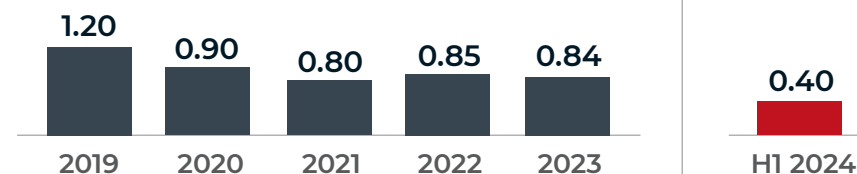
Jobs (number of jobs)

CAGR 2019-2023 -1.4%



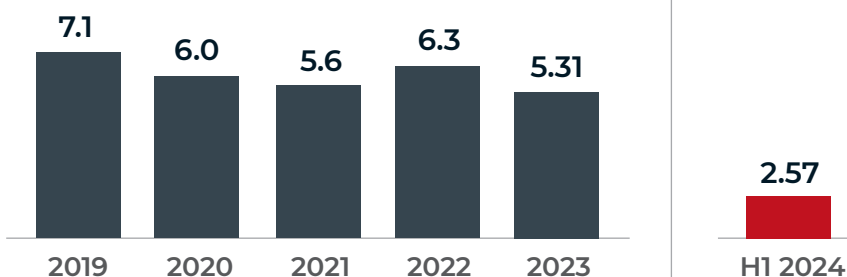
Exports (RM billion)

CAGR 2019-2023 -6.9%



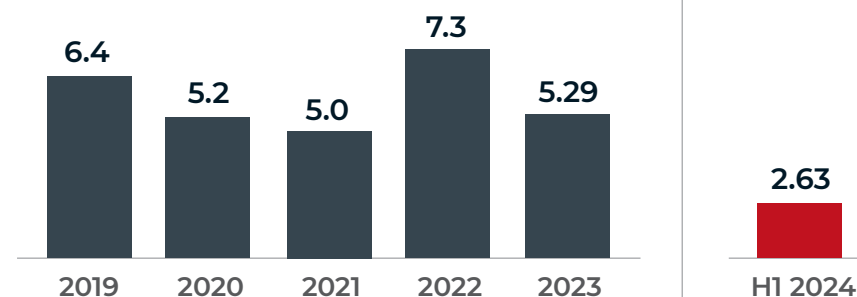
Revenue (RM billion)

CAGR 2019-2023 -5.6%



Investments (RM billion)

CAGR 2019-2023 -3.7%



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