



Microsoft announces US\$2.2 billion investment to fuel Malaysia's cloud and AI transformation

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Microsoft Chairman and CEO Satya Nadella announces a \$2.2 billion investment to advance new cloud and AI infrastructure in Malaysia during the Microsoft Build: AI Day on May 02, 2024 in Kuala Lumpur, Malaysia. Photo by Graham Denholm/Getty Images for Microsoft.

Read this in [Bahasa Malaysia \(https://news.microsoft.com/en-my/2024/05/02/microsoft-umum-pelaburan-us2-2-bilion-untuk-pacu-transformasi-awan-dan-ai-malaysia/\)](https://news.microsoft.com/en-my/2024/05/02/microsoft-umum-pelaburan-us2-2-bilion-untuk-pacu-transformasi-awan-dan-ai-malaysia/) and [Mandarin \(https://news.microsoft.com/en-my/2024/05/02/%e5%be%ae%e8%bd%af%e5%ae%a3%e5%b8%{](https://news.microsoft.com/en-my/2024/05/02/%e5%be%ae%e8%bd%af%e5%ae%a3%e5%b8%{)

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Kuala Lumpur, May 2, 2024 – Today, Microsoft announced it will invest US\$2.2 billion over the next four years to support Malaysia's digital transformation – the single largest investment in its 32-year history in the country.

Microsoft's investment includes:

- building cloud and AI infrastructure in Malaysia
- creating AI skilling opportunities for an additional 200,000 people in Malaysia
- strengthening its partnership with the Government of Malaysia to establish a national AI Centre of Excellence and enhance the nation's cybersecurity capabilities
- supporting the growth of Malaysia's developer community.

The investment demonstrates Microsoft's commitment to developing Malaysia as a hub for cloud computing and related advanced technologies, including generative AI. This will support the nation's productivity, competitiveness, resilience, and economic growth.

"We are committed to supporting Malaysia's AI transformation and ensure it benefits all Malaysians," said Satya Nadella, Chairman and CEO, Microsoft. "Our investments in digital infrastructure and skilling will help Malaysian businesses, communities, and developers apply the latest technology to drive inclusive economic growth and innovation across the country."

YB Senator Tengku Datuk Seri Utama Zafrul Abdul Aziz, Malaysia's Minister of Investment, Trade & Industry said, "Microsoft's 32-year presence in Malaysia showcases a deep partnership built on trust. Indeed, Malaysia's position as a vibrant tech investment destination is increasingly being recognized by world-recognized names due to our well-established semiconductor ecosystem, underscored by our value proposition that 'this is where global starts'."

"Microsoft's development of essential cloud and AI infrastructure, together with AI skilling opportunities, will significantly enhance Malaysia's digital capacity and further elevate our position in the global tech landscape. Together with Microsoft, we look forward to creating more opportunities for our SMEs and better-paying jobs for our people, as we ride the AI revolution to fast-track Malaysia's digitally empowered growth journey."

"We are honored to collaborate with the government to support their National AI Framework, which enhances the country's global competitiveness. This strategic emphasis on AI not only boosts economic growth but also promotes inclusivity by bridging the digital divide and ensuring everyone gets a seat at the table, so every Malaysian can thrive in this new digital world. As a result, Malaysia is steadily establishing itself as a regional hub for digital innovation and smart technologies, embodying a forward-thinking approach that prioritizes sustainable development and societal well-being through digital transformation," said Andrea Della Mattea, President of Microsoft ASEAN.



(<https://news.microsoft.com/wp-content/uploads/prod/sites/43/2024/05/Satya-and-MY-PM-scaled.jpg>)

Microsoft Chairman and CEO Satya Nadella (L) meets with YAB Dato' Seri Anwar Ibrahim, Prime Minister of Malaysia at Perdana Putra, Putrajaya in Malaysia on May 02, 2024. (Photo by Annice Lyn/Getty Images for Microsoft)

Expanding Malaysia's digital capacity to seize AI opportunities

The digital infrastructure investment builds on Microsoft's [Bersama Malaysia \(Together with Malaysia\) initiative](https://news.microsoft.com/en-my/2021/04/19/microsoft-announces-plans-to-establish-its-first-datacenter-region-in-malaysia-as-part-of-bersama-malaysia-initiative-to-support-inclusive-economic-growth/) (<https://news.microsoft.com/en-my/2021/04/19/microsoft-announces-plans-to-establish-its-first-datacenter-region-in-malaysia-as-part-of-bersama-malaysia-initiative-to-support-inclusive-economic-growth/>), announced in April 2021, to support inclusive economic growth. This included plans to establish the company's first datacenter region in the country.

The investment announced today will enable Microsoft to meet the growing demand for cloud computing services in Malaysia. It will also allow Malaysia to capitalize on the significant economic and productivity opportunities presented by the latest AI technology.

According to [research by Kearney](https://www.kearney.com/service/digital-analytics/digital/article/-/insights/racing-toward-the-future-artificial-intelligence-in-southeast-asia) (<https://www.kearney.com/service/digital-analytics/digital/article/-/insights/racing-toward-the-future-artificial-intelligence-in-southeast-asia>), AI could contribute nearly US\$1 trillion to Southeast Asia's gross domestic product (GDP) by 2030, with Malaysia poised to capture US\$115 billion of this amount.

Equipping people with skills to thrive in the AI era

On Tuesday, Microsoft announced a [broader commitment](https://aka.ms/AAq8dax) (<https://aka.ms/AAq8dax>) to provide AI skilling opportunities for 2.5 million people in the Association of Southeast Asian Nations (ASEAN) member states by 2025. This training and support will be delivered in partnership with governments, nonprofit and business organizations, and communities in Malaysia, Indonesia, the Philippines, Thailand, and Vietnam.

Microsoft's skilling commitment is expected to benefit 200,000 people in Malaysia by providing:

- technical and vocational education and training students with AI skills through the [AI TEACH Malaysia program](https://news.microsoft.com/en-my/2024/02/08/asean-foundation-biji-biji-initiative-and-microsoft-collaborate-to-shape-an-ai-enabled-economy-for-malaysia-through-ai-teach-malaysia-program/) (<https://news.microsoft.com/en-my/2024/02/08/asean-foundation-biji-biji-initiative-and-microsoft-collaborate-to-shape-an-ai-enabled-economy-for-malaysia-through-ai-teach-malaysia-program/>).
- women with opportunities and support to build careers in cybersecurity via the [Ready4AI&Security program](https://iwfcimaysia.net/launch-of-ready4aisecurity-malaysia/) (<https://iwfcimaysia.net/launch-of-ready4aisecurity-malaysia/>).
- young people with AI fluency training to enhance the employability and work readiness of those from underserved and underrepresented communities
- employees of non-profit organizations with knowledge of, and skills in, AI and digital technologies.

The commitment builds on Microsoft's other recent skilling activities in Malaysia, including its success in providing digital skills to more than 1.53 million Malaysians as part of the Bersama Malaysia initiative.

Partnering with government to strengthen AI and cybersecurity capabilities

Microsoft will continue to partner with the Government of Malaysia to enhance the nation's digital ecosystem through several initiatives. These include establishing a national AI Centre of Excellence in collaboration with agencies in Malaysia's Ministry of Digital to drive AI adoption across key industries, while ensuring AI governance and regulatory compliance. They also include pioneering AI adoption in the public sector through projects with:

- the Ministry of Investment, Trade and Industry (MITI) to better analyze economic trajectories of different negotiating partners in international trade negotiations
- Cradle, an agency under Malaysia's Ministry of Science, Technology and Innovation, which is leveraging Azure OpenAI Service to develop a virtual information assistant for its MYStartup platform, the 'Single Window' to Malaysia's startup ecosystem, launched at the KL20 Summit recently

- the Malaysia Digital Economy Corporation (MDEC) and the Malaysia Energy Commission, which will adopt Copilot for Microsoft 365 to enhance workplace productivity.

Microsoft will also collaborate with the National Cyber Security Agency of Malaysia (NACSA) through the Perisai Siber (Cyber Shield) initiative to enhance the country's cybersecurity capabilities. The collaboration will focus on promoting security and resilience in the public sector through security assessments and capacity building.

In addition, Microsoft will look to support NACSA in its role as Malaysia's lead agency for cybersecurity matters, as it formulates the next stage of the nation's cybersecurity strategy. The two organizations will also explore deeper collaborations in developing cybersecurity skills through initiatives such as Microsoft's Ready4AI&Security program.

Empowering developers to harness AI's potential

Microsoft will continue to help foster the growth of Malaysia's developer community through new initiatives such as [AI Odyssey \(https://www.microsoft.com/en-my/AIOdyssey/\)](https://www.microsoft.com/en-my/AIOdyssey/), which is expected to help 2,000 Malaysian developers become AI subject matter experts by learning new skills and earning Microsoft credentials.

Malaysia is a rapidly growing market on GitHub, the Microsoft-owned software development, collaboration, and innovation platform. Almost [680,000 of the nation's developers used GitHub in 2023 \(https://innovationgraph.github.com/economies/my/\)](https://innovationgraph.github.com/economies/my/), representing 28 percent year-on-year growth.

Furthermore, many Malaysian organizations are boosting their productivity and accelerating innovation using Microsoft's generative AI-powered solutions. For example:

- **Agroz** is a Malaysian agriculture tech company that designs and operates controlled environment indoor vertical farms in Malaysia with the aim of growing more nutrient-rich food in less space without the use of pesticides and other chemicals. It built the Agroz Copilot for Farmers using Azure OpenAI Service, which helps farmers query Agroz's farming system using their natural

language or images and get recommendations on what daily tasks they should do to improve crop productivity and farm efficiency.

- **Doctor2U**, one of Malaysia's leading healthcare super apps, is using GitHub Copilot to expedite development, with tasks that previously took two hours now being completed in 30 minutes. In addition, the implementation of Azure AI Search has sped up the record retrieval process, reducing the time it takes to return results from a multi-million patient data set from one minute to one second.
- **Pandai** helps more than 800,000 students learn, practice, and improve their academic performance via an app. It recently deployed a personalized study bot called Pbot using Azure OpenAI Service, which monitors students' progress and provides academic support. Pandai's aim is for the bot to be a "personal friend and tutor" in each student's educational experience.
- **PETRONAS**, Malaysia's fully integrated global energy provider, is leading the AI wave by transforming the future of its global workforce through the adoption of Copilot for Microsoft 365 to enhance employee productivity and creativity. The company is also leveraging Azure OpenAI Service to create AI-powered solutions that help improve operational efficiency, reliability, and employee safety.
- **Perumahan Rakyat 1Malaysia (PR1MA)**, the main housing agency under Malaysia's Ministry of Housing and Local Government, has deployed Copilot for Microsoft 365 across its information technology, human resources, finance, and legal departments. PR1MA has already seen a 30 percent reduction in time spent on routine administrative tasks, allowing employees to focus more on strategic initiatives and value-adding activities.
- **Prudential**, a leading life and health insurer in Malaysia, has embedded an in-house AI tool in its call center using Azure OpenAI Service. The tool reduces the time it takes for Prudential's servicing team to gather product information for agents from four minutes to less than 30 seconds, allowing them to respond to customers faster. The company anticipates expanding the tool for additional use cases soon.

To learn more about Satya Nadella's visit and how Microsoft is empowering organizations in the ASEAN region with AI, visit news.microsoft.com/malaysia-visit-2024 (<https://news.microsoft.com/malaysia-visit-2024>).

Leadership statements

YB Rafizi Ramli, Minister of Economy

"The advent of ChatGPT created a new vertical in the startup world. As more companies embrace the power of AI, having the right digital infrastructure in Malaysia is key to future-proofing our nation's economy. Microsoft's investment will help accelerate the adoption of generative AI, building a pipeline of AI-driven startups, and benefitting our economy through increased productivity and higher wages."

YB Gobind Singh Deo, Minister of Digital

"As a nation, we are focused on accelerating digitalization and fostering a culture of innovation alongside technological advancement to level the playing field for all Malaysians to prosper in an inclusive digital economy. Microsoft's investment is a significant step in our journey towards becoming a digitally inclusive society. It underscores the importance of partnership in driving nationwide digital transformation and reinforces our commitment to equipping Malaysians with the infrastructure, advanced tools, and skills they need to thrive in the digital age."

YB Fahmi Fadzil, Minister of Communications

"Microsoft's significant investment in Malaysia recognises and supports the government's efforts in building an inclusive digital ecosystem for the country. We are excited to continue partnering with technology leaders like Microsoft to foster a space where Malaysians can seamlessly connect, learn, and benefit from our nation's digital transformation."

YB Chang Lih Kang, Minister of Science, Technology & Innovation

"Today's investment by Microsoft exemplifies a dynamic public-private partnership aimed at enhancing the socio-economic status and quality of life in Malaysian communities. As we embrace AI's potential, we commend Microsoft's commitment to responsible AI, which aligns with our vision for advancing technology in Malaysia responsibly and inclusively."

Laurence Si, Managing Director, Microsoft Malaysia

"With rising demand for Cloud and AI, Microsoft's investment announced today underscores our commitment to building a robust digital ecosystem in the country. From driving more innovations born in Malaysia, to fostering an ecosystem of skilled talents and enhancing cybersecurity capabilities for Malaysian organizations, we are dedicated to our role as a trusted technology partner to the nation."

Mr. Sikh Shamsul Ibrahim Sikh Abdul Majid, Chief Executive Officer, Malaysian Investment Development Authority (MIDA)

"We are excited to deepen our partnership with Microsoft as they strengthen their commitment by establishing a cloud and AI infrastructure and supporting our vibrant developer community in Malaysia. This strategic collaboration underscores our dedication to innovation and regional industry growth. By leveraging Microsoft's expertise, we aim to accelerate economic development, create jobs, and enhance industry competitiveness through digital transformation. We believe we can achieve more together and further advance our partnership. This investment not only reinforces Malaysia's position as a leading digital hub but also marks a promising start in attracting more companies to embark on this digital journey with us, promoting inclusive growth and prosperity nationwide."

Ir. Dr. Megat Zuhairy Megat Tajuddin, Chief Executive Officer, National Cyber Security Agency (NACSA)

"Microsoft's collaboration with NACSA on "Perisai Siber" is pivotal as one of our strategic partnerships with industry players in establishing a secure digital infrastructure for our nation. Together, our goal is to bolster security and resilience, beginning with the public sector, to ultimately strengthen the nation's cybersecurity capabilities."

Ts. Mahadhir Aziz, Chief Executive Officer, Malaysia Digital Economy Corporation (MDEC)

"Microsoft's commitment to Malaysia demonstrates confidence in our nation's digital future. Through this investment in cloud and AI infrastructure, local organizations can tap into more opportunities to upscale and innovate, further propelling Malaysia's aspirations for regional leadership in the digital economy."

About Microsoft

Microsoft (Nasdaq "MSFT" @microsoft) creates platforms and tools powered by AI to deliver innovative solutions that meet the evolving needs of our customers. The technology company is committed to making AI available broadly and doing so responsibly, with a mission to empower every person and every organization on the planet to achieve more.

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