

For Immediate Release

MSC Malaysia continues strong growth with RM33.53 billion in revenue

Double-digit growth in export sales and GDP contribution despite tough market conditions

KUALA LUMPUR, MAY 21, 2013 – The Multimedia Development Corporation (MDeC) today announced that MSC Malaysia’s 2012 performance surpassed the previous year, which was its best year ever, with double-digit growth.

In 2012, MSC Malaysia revenue came in at RM 33.53 billion which was an increase of 5.7% from 2011, while exports grew to RM 11.6 billion which reflected a 14% rise from the previous year. This resulted in MSC Malaysia’s contribution to Gross Domestic Product (GDP) standing at 11.3 billion, recording a significant double digit growth of 18% from 2011.

In the area of job creation, 9,700 jobs were created in 2012 which represented a 28% growth over 2011 bringing the total number of jobs created since inception to 128,850.

“2012 was another very good year for MDeC with growth across the board. This is especially significant when you consider that 2011 had been our best year ever”, said Datuk Badlisham Ghazali, Chief Executive Officer of MDeC.

The InfoTech Cluster accounted for 44% of the total revenue of MSC Malaysia Status companies amounting to RM14.66 billion, while the Shared Services and Outsourcing (SSO) cluster saw 31% revenue which translated to RM10.45 billion. This was followed by the Creative Multimedia cluster and Institutions of Higher Learning (IHLs) and Incubators which recorded revenues of RM6.99 billion (21%) RM1.44 billion (4%) respectively.

Investments also recorded steady growth coming in at RM2.92 billion, which represented a 17% increase over 2011. In terms of distribution, 76% of this was Domestic Direct Investment (DDI) while 24% was Foreign Direct Investment (FDI).

71% of total Investments in 2012 were driven by the Infotech cluster amounting to RM2.1 billion while the Shared Services and Outsourcing (SSO) cluster constituted 17% of total investment translating into RM0.5 billion. The Creative Multimedia cluster on the other hand represented 12% of the investment which amounted to RM0.34 billion.

The Shared Services & Outsourcing Cluster led job creation in 2012 with 7,388 new jobs, accounting for 76% of total new jobs, followed by the Creative Multimedia Cluster which contributed 19.4% or 1,887 new jobs, while IHLs and Incubators accounted for 7.9% with 766 new jobs.

Badlisham attributed the good showing to strategy, focus and Malaysia’s growing status as a SSO player. “The strong performance in 2012 can be attributed to several factors including MSC Malaysia’s strategy of continuing to look at key emerging South East Asian markets, improving market access, acceleration of channel development programmes and the formation of new go-to-market stacks that offered flexible product portfolios, thus meeting industry demands”, he said.

“In addition, MSC Malaysia’s sustained attractiveness as a destination for Knowledge Process Outsourcing (KPO) has also contributed to the positive growth. Our strategic move to enhance the delivery capability of our companies from pure play Business Process Outsourcing (BPO) services to KPO and now integrated solutions in specific verticals such as Finance and Accounting and Oil and Gas has resulted in a clear competitive advantage”, he added.

Moving forward, the agency says that driving adoption of cloud computing in the domestic front and increasing customer-centricity in regional markets via Channel Development or “superbuyers” and Solution Stacking are some of the growth strategies it will be adopting to enable MSC Malaysia to accelerate growth.

“MDeC is confident of continued growth and believes that there will be even more opportunities in the coming year. We feel that MSC Malaysia will continue on this growth trajectory as more companies venture out to seize the opportunities that are mushrooming in the region while our firm footing in the SSO sector will mean more high value jobs and strategic investments, both local and international”, said Badlisham.

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For media enquiries, please contact:

Nadiah Syed Nahar

PR Manager

Corporate Communications & Marketing Division

Multimedia Development Corporation (MDeC)

Tel: +603-8315-1820

Email: s.nadiah@mdec.com.my

About MDeC, MSC Malaysia & Digital Malaysia

The Multimedia Development Corporation (MDeC) was incorporated in 1996 to strategically drive the Malaysian Government on legislation, policies and standards for ICT and multimedia operations as well as to oversee the development of the Malaysian Multimedia Super Corridor (now MSC Malaysia). MSC Malaysia became the platform to nurture the growth of Malaysian Small and Medium Enterprises (SMEs) in the IT industry whilst attracting participation from global ICT companies to invest and develop cutting-edge digital and creative solutions in Malaysia.

In 2011, 15 years after the introduction and successful implementation of MSC Malaysia, MDeC’s mandate was broadened by the Prime Minister to include driving Malaysia’s transition towards a developed digital economy by 2020 through Digital Malaysia. Following this, in 2012, Digital Malaysia was officially unveiled as the national transformation programme to achieve this aim.

Founded on three strategic thrusts, Digital Malaysia is a natural progression to harness the building blocks already laid by MSC Malaysia. It will drive wealth creation, stimulate efficiency and enhance quality-of-life by harnessing and building upon Malaysia’s varied ICT initiatives, resulting in a nation that connects and empowers government, businesses and citizens through a vibrant and demand-focused digital ecosystem.