

# Adoption of cloud services in Malaysia is at infancy stage

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The top five global cloud services providers are Amazon Web Services, Microsoft, Google, Alibaba Cloud and Tencent Cloud.

Of the five players, only Alibaba Cloud has set up cloud servers in Malaysia while Tencent Cloud will be the second to have local cloud presence.

Puan added that the economies of scale which Tencent Cloud would have with the network of cloud servers in Asia-Pacific would make it one of the fastest-growing cloud services providers, going forward.

At present, the adoption of cloud services in Malaysia is at its infancy stage, valued at an estimated US\$2bil in revenue.

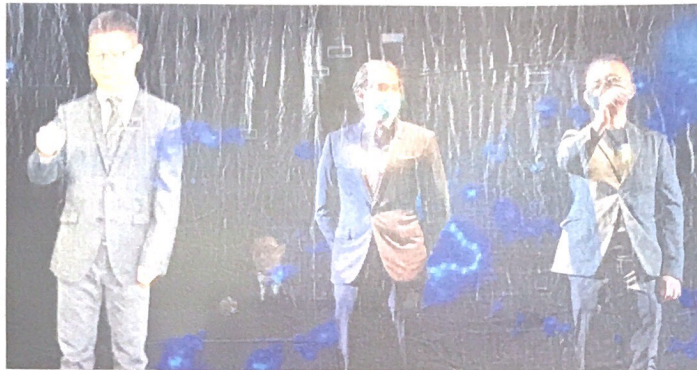
According to Puan, the cloud market in Malaysia is expected to grow at a compounded annual growth rate of 13% to 15% over the next five years.

The collaboration with Tencent Cloud brings Green Packet a step closer to achieving its ambition to be an all-inclusive digital financial institution.

"The few verticals that we will be focusing on to bring greater digitalisation are financial technology (fintech) and financial services, education as well as property development.

"We strive to make digital finance accessible to the masses by integrating our suite of offerings with the cloud and will be applying for a digital bank licence from Bank Negara.

"We are confident that Tencent Cloud will bring new innovative experiences that will develop the landscape for cloud innovation and artificial intelligence adoption in



**Smart partnership:** Khairy (centre) witnessing the digital signing ceremony between Puan (right) and Wu for the strategic collaboration.

Malaysia," Puan said.

The exclusive collaboration, which has a tenure of eight years with an additional option of two years, will be operated on a joint revenue sharing model.

The revenue contribution from this collaboration for the first 12 months is expected to be reflected in Green Packet's earnings in 2022, at an additional 30% to 40% in earnings before interest, tax, depreciation and amortisation (EBITDA).

Meanwhile, Tencent Cloud vice-president Flying Wu noted that Malaysia is a strategic

location for the deployment of Tencent Cloud Services, given the nation's progress in digital transformation within the private and public sectors.

"The collaboration will support our business partners to upgrade their capabilities, and jointly develop digital solutions for different verticals.

"Together, we can support businesses and enterprises' digital transformation and evolution to the industrial Internet," said Wu.

Science, Technology and Innovation Minister Khairy Jamaluddin, who was pres-

ent to witness the signing ceremony between Green Packet and Tencent Cloud, commended both parties' efforts to accelerate digital transformation in Malaysia.

Separately, Green Packet also launched KipleX, a co-creation innovation lab and early-stage venture capital for startups.

Green Packet will be allocating a RM50mil fund through KipleX for early startups dedicated to leverage on digital innovation to improve the lives of the people in Malaysia.

Ultimately, the objective of KipleX is to create a close ecosystem of technology providers, customers and partners to support the co-creation of new innovations.

"We will specifically seek out early startups that are tapping on new behaviours and trends with game-changing solutions and frontier technologies.

"KipleX will give ambitious and hungry startups access to funds that will enable them to be the next generation of unicorn companies that will shape the future of the nation," said Puan.

According to Khairy, Prime Minister Tan Sri Muhyiddin Yassin will be launching the National Technology and Innovation Sandbox today, aimed at facilitating researchers, innovators, startups and high-tech entrepreneurs to test their products, services, business models and delivery mechanisms in a live environment.

The government has allocated RM100mil for the sandbox, which is expected to be a game-changer, bringing workable solutions to some of the most pressing government policies that will directly impact everyone.