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PETALING JAYA: Malaysia's total foreign direct investment (FDI) position crossed RM1 trillion for the first time by the end of 2025 - a threshold that would have seemed ambitious just five years ago.

Malaysia's international investment position shifted to net liability as its cumulative FDI position reached RM1.069 trillion at the end of the fourth quarter of 2025, a number that reflects sustained international confidence in where the country is headed.

Microsoft announced a US\$2.2 billion (RM8.7 billion) investment to fuel Malaysia's cloud and artificial intelligence transformation.

Google followed with a US\$2 billion investment in Malaysia, including the first data centre in the country and Google Cloud Region.

These are long-term infrastructure commitments from companies that model risk carefully - and their presence signals that Malaysia is no longer simply an emerging market on the global radar, but an active destination for enterprise-grade digital investment.

"Malaysia represents one of the most dynamic digital growth markets in Southeast Asia," said Antoine Veillon, group CEO of IEC Telecom, a satellite telecommunications company with more than 30 years of global experience that recently established operations here as part of its regional expansion.

"The combination of strong investment momentum, supportive government policies, and increasing demand for reliable connectivity creates a compelling environment for long-term infrastructure development. As connectivity becomes central to economic competitiveness, markets such as Malaysia stand out for their potential."

Malaysia is the fastest-growing digital economy in Southeast Asia, posting 19% year-on-year growth.

Policy direction reinforces the

Digital investments rolling in – now comes the **hard part**

➤ As Malaysia's profile rises, reliable connectivity will determine whether existing projects deliver returns and whether future commitments materialise

ambition - Malaysia is targeting leadership in digital services, advanced manufacturing and technology-driven growth as set out in the Malaysia Digital Economy Blueprint, which is supported by the MyDIGITAL initiative.

Digital connectivity in Malaysia has improved substantially, with internet coverage reaching nearly 99% nationwide and 5G expanding to 82% of populated areas.

The MSME sector contributed 39.5% to Malaysia's gross domestic product and accounted for 48.7% of total employment in 2024. These businesses increasingly run on cloud accounting platforms, integrated logistics systems, digital payments and cross-border e-commerce.

In Malaysia, Starlink received regulatory approval from the Malaysian Communications and Multimedia Commission in July 2023, enabling Low Earth Orbit (LEO) services within national borders and opening the door for enterprise adoption at scale.

It is precisely this convergence - strong FDI momentum, clear policy framework and an evolving satellite landscape - that led to IEC

Telecom's decision to establish a presence in Malaysia.

"Malaysia has set an ambitious goal for digital transformation. Operational continuity is key to success," said Hisham Ghaffar, managing director of IEC Telecom Malaysia, an authorised Starlink reseller in the country.

"As a primary or back-up network, LEO connectivity has proven its efficiency and cemented an integral place in Malaysian telecom infrastructure."

Hybrid network architectures - combining terrestrial infrastructure such as fibre and cellular with satellite connectivity - are gaining momentum across multiple sectors. For the public sector, this approach helps close coverage gaps, enabling more consistent and equitable access nationwide. For critical infrastructure, it ensures resilience and continuity in times of disruption. In logistics and transportation, it enables seamless coordination across entire supply chains. For SMEs, it provides the flexibility to operate and scale regardless of location.

As Malaysia's profile as a digital investment destination continues



Veillon: Malaysia one of the most dynamic digital growth markets in Southeast Asia.



Hisham: Operational continuity is key to Malaysia's ambitious goal for digital transformation.

to rise, dependable connectivity is emerging not merely as a supporting factor but as a foundational condition - one that determines whether existing projects deliver returns and whether future commitments materialise.

Foreign investors evaluating long-term infrastructure developments do not only assess market size and policy stability. They assess operational risk. A market where connectivity is fragile or unevenly distributed introduces execution risk that affects project timelines, productivity bench-

marks and, ultimately, return on investment.

Hybrid connectivity models directly address that risk. By integrating LEO connectivity alongside terrestrial networks, Malaysia can achieve more consistent performance and broader nationwide coverage, particularly in areas where traditional infrastructure remains limited. This creates the conditions for complex digital projects to be rolled out at scale, in line with the MyDIGITAL roadmap and the ambitions it represents.