

Malaysian ICT Industry 2006

PIKOM forecasts that the information and communications technology industry to experience about 12 per cent growth in 2006. This compares with a growth of 10% in 2005.

According to Digital Planet, a publication of the World IT and Services Alliance (WITSA), Malaysia's total ICT spending reached RM 31.92 billion (USD 8.4 billion) in 2005. PIKOM is a member of WITSA.

The bulk of ICT spending falls in the Communications sector with RM 21.66 billion (USD 5.7 billion) in 2005, followed by hardware spending about RM 5.7 billion (USD 1.5 billion), software RM 2.66 billion (USD 700 million) and IT Services RM 1.9 billion (USD 500 million).

The economic indicators point to a higher overall growth for the national economy in 2006. This augurs well for the ICT industry.

In particular, the outsourcing and shared services industry are high growth sectors due to the positioning of Malaysia as a shared services hub and the aggressive promotion of Malaysia as a choice location.

IDC predicted that the information systems outsourcing market will grow by 22.5 per cent over a 5 year period. While lower than initially estimated, this still represents one of the fastest growing segments of the industry. The other sectors, systems integration, consulting, retail and distribution are expected to perform inline with the average growth of the industry, between 10 to 15 per cent growth.