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## Penang taps into the potential of global business services

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Admin

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THE Penang Development Corporation (PDC) is planning to set up two more Global Business Services (GBS) buildings in the state to meet the growing needs of the GBS market.

One of them will be located near the existing GBS@Mayang, while the other will be situated in the Bayan Lepas industrial area.

Chief Minister Chow Kon Yeow said the total area, combining both buildings, is about 600,000sq ft. Each GBS facility is set to provide 300,000sq ft of space.

“There was already a plan to set up these two GBS buildings, but it was postponed due to the market situation.

“Now that the demand is here, PDC will reactivate the plan. We hope to get the two GBS facilities ready in two to three years,” Chow told reporters after opening GBS@Mahsuri today.



*GBS@Mahsuri.*

PDC has established its first GBS space at the former Mayang Mall, a MSC-status building renamed as GBS@Mayang. The corporation later set up the GBS@Mahsuri.

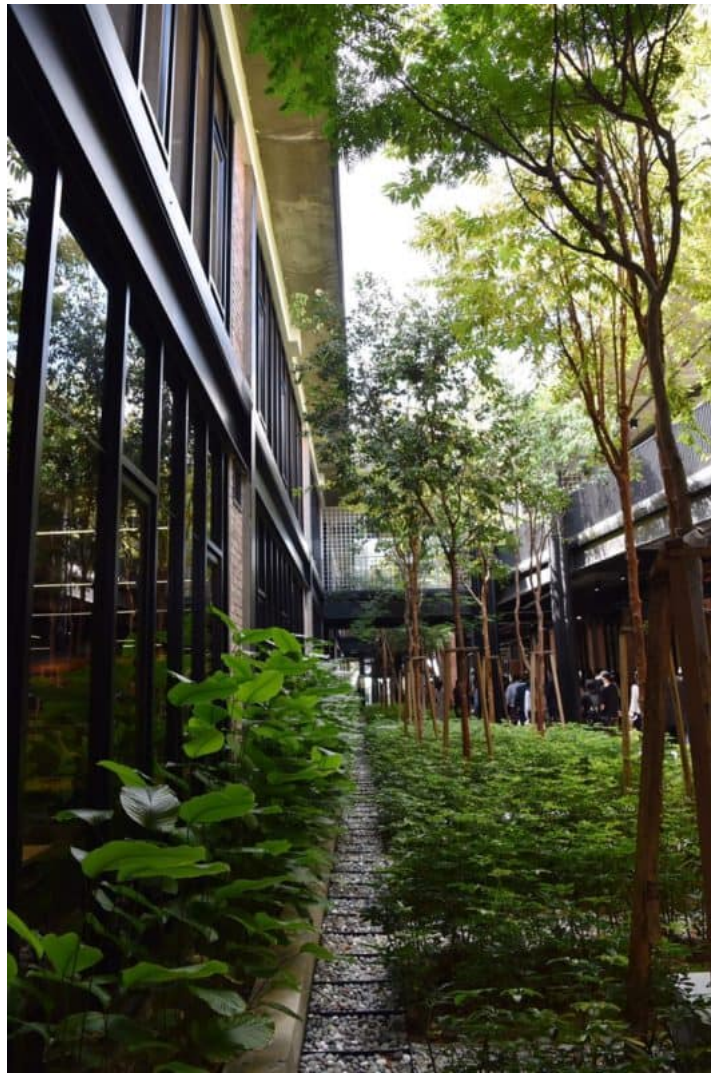
GBS@Mahsuri, which sits on a 3.1-acre land, was completed on Oct 1 last year at a cost of about RM21 million. It is a two-storey building with a gross area of 102,452sq ft. It has a net lettable area of 80,116sq ft.

Chow said when GBS@Mahsuri (the latest GBS building by PDC) was built, the corporation had thought that 80,000sq ft of space was sufficient.

“However, before the building was completed, the entire space had been taken up,” he said.

Four prominent multinational corporations fully occupied GBS@Mahsuri. They are Cisco Systems (M) Sdn Bhd, Clarivate (M) Sdn Bhd, Emerald Global Services Sdn Bhd, and Teleperformance Malaysia Sdn Bhd.





*A nice working environment at GBS@Mahsuri.*

Chow said currently, the state houses more than 60 GBS companies.

“GBS is the evolution of Shared Services and Business Process Outsourcing (BPO) – both of which are focused on improving process efficiency and lowering costs.

“The Digital Global Business Services (DGBS) industry is one of the key contributors to our country’s digital economy.

“About 20% of active GBS companies account for the total active MNC Malaysia companies. It is the largest contributor to the overall performance of MNC Malaysia, accounting up to 50% of investments, 66% of exports and 61% of jobs created.

“According to a recent report from Global Data Findings, Malaysia’s GBS market is expected to grow from US\$1.3 billion in 2019 to US\$1.5 billion by the end of 2024,” he said.

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*Chow (wearing a red tie, forefront) and the VIPs visit the GBS@Mahsuri after the opening ceremony.*

He added that the effort to improve the GBS ecosystem in Penang has resulted in the formation of GBS Focus Group Penang.

"The focus group is represented by Penang's industry players in the GBS sector and key stakeholders from Malaysia Digital Economy Corporation (MDEC) and Outsourcing Malaysia (OM), with InvestPenang serving as the lead agency.

"GBS Focus Group Penang provides a platform for various stakeholders to share industry-related information, ideas, and concerns," Chow said.

He also said that GBS office space is still relevant despite some companies practice 'work from home'.

"Take Teleperformance as an example. The company took up 40,000sq ft at GBS@Mahsuri, and the company still practices 'work from home' for some of its staff," he said.

Chow added that some property developers were also looking at establishing these 'Grade A' offices.

Also present were Deputy Chief Minister II Prof Dr P. Ramasamy, state Entrepreneurial Development, Trade and Industry Committee chairman Datuk Abdul Halim Hussain, state Financial Officer Datuk Dr Mohamad Farazi Johari, the Chief Minister's special investment adviser Datuk Seri Lee Kah Choon, Deputy State Secretary Datuk Azhar Arshad, Penang Island City Council mayor Datuk Yew Tung Seang,

