Malaysia needs to get serious about A.I

Zaim Mohzani
Senior Director of External Affairs

Now, everyone is an AI expert. Artificial intelligence has become the buzzword in practically every circle since ChatGPT took the world by storm in November 2022. It took a while for the generative AI wave to hit Malaysia, but it did in mid-2023.

Artificial intelligence is no longer a distant frontier. It is already reshaping how governments deliver services, how businesses compete and how societies function. Countries that take AI seriously are building the infrastructure, talent pipelines and governance systems needed to lead. Those that delay will be left adapting to technologies they do not control, built on terms they did not set.

My master's dissertation at the London School of Economics (LSE) in 2020, was on the intersection of AI and international relations, in particular exploring the AI arms race between the United States and China. That race has since evolved into a full-blown civil and military competition.

I'll admit that I haven't been closely following the AI development news in Malaysia. It wasn't until a recent episode of the popular Keluar Sekejap podcast by former politicians Khairy Jamaluddin and Shahril Hamdan that I realised the scale of the problem. They laid bare how unprepared we really are.

Malaysia is not behind in conversation but we are behind in execution. The infrastructure is missing. Policy leadership is unclear. Adoption across government ministries is slow. AI is not yet treated as a national priority. That needs to change.

Artificial Progress

Malaysia has made some progress. The National AI Office (NAIO) was launched in December 2024 under the Ministry of Digital (Reuters, 2024). Ethics guidelines are in place (Ministry of Science, Technology and Innovation, 2024). A public-sector adaptation framework has been introduced. A five-year strategy is being drafted. Global tech giants have committed billions to Malaysia's digital infrastructure (AP News, 2024; Reuters, 2024a). These efforts are disconnected; the NAIO has no statutory authority and no Cabinet-level mandate. Responsibility is split across ministries with overlapping remits and unclear roles. Policy coordination depends on individual initiative rather than institutional structure.

Critically, Malaysia lacks sovereign AI infrastructure. There is no national computing capacity. There is no locally trained Bahasa Malaysia large language model. Public sector use of AI is minimal. Outside of pilot programmes, AI adoption in government remains cosmetic. As highlighted by an AI thought leader Ghee Leng Ooi at a KSI-organised Malaysia Economic Forum 2025, Malaysia urgently needs a "Sovereign AI Grid". It is a national platform combining computing infrastructure, data sovereignty, equitable access and federated governance. He likened its significance to the North–South Expressway, which transformed Malaysia's physical economy in the last generation. Without such a grid, we risk becoming a passive "digital offshore" shaped by foreign technologies and dependent on external computing power.

Public understanding of AI is also limited. On that *Keluar Sekejap* podcast episode I mentioned earlier released on 20th June 2025, they pointed out that most Malaysians still associate AI with basic chatbots. AI is only expected to enter the national curriculum in 2027, and even that came as a reply in Parliament rather than a proactive move by the Ministry of Education. They also criticised the lack of legal clarity on accountability, fairness and risk. In sectors like healthcare, no one can say with certainty who is liable if an AI tool causes harm. The absence of proper legislation only adds to the confusion. Most concerning of all, they warned of national security vulnerabilities, from deepfakes to infrastructure sabotage, in a landscape where no single agency is clearly in charge.

Look (Middle) East Policy

The United Arab Emirates (UAE) took AI seriously before it was fashionable. In 2017, it became the first country in the world to appoint a Minister of State for Artificial Intelligence. This wasn't a token title because it came with a mandate to integrate AI across sectors of government, economy and society. The ministry was later expanded to include digital economy and remote work, reflecting a broader strategy to future-proof the UAE's governance model (UAE Government, 2025).

Rather than just focusing on AI adoption, the UAE is positioning itself as a producer and owner of AI infrastructure. Through the Advanced Technology Research Council and the Technology Innovation Institute in Abu Dhabi, the country developed Falcon, its own open-source large language model, rivalling offerings from the West and China. The UAE also built Condor Galaxy, one of the world's largest AI supercomputers, to support training and deployment of models on its terms (Guardian, 2025).

This sovereignty-first approach extends to data and talent. The UAE has moved quickly to draft AI laws, build national datasets, attract top-tier researchers, and establish AI faculties in leading universities.

All of this is backed by political will at the highest levels. AI is regularly cited in Cabinet statements, international economic deals, and education reforms. Even civil service recruitment has begun to include AI competencies.

The results are clear. AI is not just being tested in the UAE. It is being deployed everywhere: in court systems, immigration, municipal planning and healthcare diagnostics. More importantly, it is being governed in a way that reflects national interests. The UAE's model may not be fully replicable, but its clarity of direction and institutional coherence are instructive.

UAE understands what Malaysia has yet to internalise – AI is not just a tool. It is infrastructure. If we do not build it, someone else will, and we will end up paying to access models we do not own, trained on data we cannot inspect, regulated by laws we did not write.

What Can Malaysia (Realistically) Do?

Malaysia does not need to create a new ministry but **the National AI Office (NAIO) must be repositioned under the Prime Minister's Department.** This gives it the institutional authority to coordinate across ministries and report directly to national leadership. A Special Adviser or Minister in the Prime Minister's Department should be tasked with steering the AI agenda, while implementation remains with the Ministry of Digital and its agencies.

Malaysia must invest in a Sovereign AI Grid, anchored in local infrastructure and data governance, and backed by public funding and regulatory clarity. This goes beyond having access to cloud credits or hyperscaler infrastructure. It means owning the hardware, setting the protocols, and deciding who has access and under what terms.

We need to build our own Bahasa Malaysia foundation model. This is not just about language. A local large language model trained on Malaysian legal texts, education syllabi, media content and civil service forms would enable more effective public service tools, strengthen digital inclusion and support local application development. Small and medium-sized enterprises, government agencies and educators could all benefit.

The government must be the lead adopter of AI. Immigration, tax processing, procurement and licensing are all high-volume, rule-based processes that can be enhanced by AI. Rather than relying on foreign pilots or vendor-driven tools, the government should lead by deploying AI systems that serve public needs while respecting ethical safeguards.

We need AI legislation, not just guidelines. Malaysia's current frameworks are voluntary and lack enforcement power. A risk-based legal structure should be introduced, distinguishing between low-risk and high-risk use cases. This will give clarity to regulators, companies and the public. It must also address liability, bias and data protection explicitly.

AI education must be accelerated, not delayed. Waiting until 2027 is too late. Malaysia should immediately roll out AI literacy modules in schools, train teachers and offer micro-credentials through MARA, polytechnics and public universities. Civil servants should also be upskilled, especially those in high-impact ministries.

Finally, we need to communicate clearly. Malaysians need to understand why AI matters, what it does and how it will affect their jobs, services and future. Without a national narrative, AI risks being seen as hype, not infrastructure.

Malaysia is not starting from zero, but the window for meaningful leadership is closing. Countries that act now will shape the rules, own the infrastructure and export their solutions. Those that hesitate will remain buyers of someone else's technology. We do not need more consultation papers or roadmaps. We need a decision and we need it soon.

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