



**PIKOM SAYS SMEs, INCLUDING TELCOS AND DATA CENTRES SHOULD ALSO BE EXEMPTED FROM ELECTRICITY TARIFF HIKE, TO PROTECT CONSUMERS AND MAINTAIN COMPETITIVENESS**

**PETALING JAYA, 22 December 2022:** Following the recent announcement by the Government on imposing electricity tariff hikes to large companies and MNCs, PIKOM has expressed its views that this should not include SMEs, telecommunication companies and data centres.

According to PIKOM Chairman, Mr Ong Chin Seong, "After the announcement was made, we consulted our members. Collectively, we feel that imposing the electricity hike will start to discourage potential MNCs from operating in Malaysia and could also encourage existing MNCs to look elsewhere. At the same time, many companies are still struggling to rebuild their businesses post pandemic. Furthermore, the electricity price hike will contribute to inflation."

PIKOM is the largest digital and tech association in Malaysia representing more than 1000 members that include tech SMEs, cloud hyperscalers, software developers, telecommunications companies, data centres, cybersecurity companies and shared services companies.

While PIKOM supports the Government's efforts in its economic recovery and looking into the interests of the Rakyat, it hopes the same will be treated for the small but key players of the industry. SMEs, Telcos and Data Centres are essential as they support the growth of domestic market while driving the digitalization initiatives of the country.

"The government may want to consider phasing out a subsidy plan or raise the hike with more strategic phases such as put in place a timeframe threshold including tax rebates for companies paying higher tariffs. Government can also see this as an approach to level the playing field for SMEs, large companies and MNCs can compete. We also need to consider investors such as cloud hyperscalers who are employing a lot of our highly skilled local workforce. The price hike will encourage them to move and look elsewhere.," concluded Ong.