

## Penang's BPO-ITO HUB

Penang has achieved yet another milestone with the recent launching of the 'first in Malaysia' Business Processing Outsourcing- Information Technology Outsourcing (BPO-ITO) Hub on 1<sup>st</sup> March 2014. The RM3.3 Billion BPO-ITO hub comprises of 74 acres at Bayan Lepas, known as the BPO Park; another 6.8 acres of BPO Prime at Bayan Baru and a 100,000 square feet for the Creative Animation Triggers (CAT) within the George Town Heritage Enclave. The net floor area for this BPO-ITO hub is 4.3 million square feet.



### BPO-ITO HUB

The State Government has proposed to develop the BPO-ITO hub into MSC office cluster incorporating creative multimedia and animation clusters, education, research and training, entertainment and wellness clusters, financial and convenience outlets, restaurants, cafes and alfresco dining and Small-Office Home-Office (SOHO)/Service apartment with tropical garden green building certification.



The establishment of the BPO-ITO Hub is indicative that Penang no longer relies solely on the manufacturing industry for its economic growth. Instead, Penang will empower its services industry especially the Shared Services Outsourcing (SSO) sector which has emerged as a new linchpin to support the state's economy.

The demand for global outsourcing is expected to grow from USD 458 billion to USD 625 billion by 2017. Malaysia's outsourcing industry is growing in tandem with this global trend. Malaysia's outsourcing industry has reached approximately US\$1.7 billion in 2012 and is expected to double-up by 2017 in term of its market worth. The growth of the SSO sector in Penang is in line with the growing global and Malaysian outsourcing industry as well.

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Malaysia is ranked as the 3<sup>rd</sup> most preferred outsourcing destination after India and China. Malaysia's strong *infrastructure, availability of ICT & high-end financial service expertise's* and *multilingual talents* are the key factors that contribute to the emerging outsourcing industry.

Penang is recognised by KPMG Exploring Global Frontiers Report to be the top 31 emerging cities for BPO (Business Process Outsourcing) operations. Penang is advancing to a higher level to support the growth of its Shared Service Outsourcing (SSO) through Knowledge Process Outsourcing (KPO), Business Process Outsourcing (BPO) and Information Technology Outsourcing (ITO).

There are over 200 MSC status companies in Penang. Recent SSO companies set up in Penang included Air Asia, Atmel, Citigroup, First Solar, IHS, Toll Forwarding Group and Wilmar. These SSO companies have generated over 7,000 employment opportunities and served clients globally across Asia Pacific, European Union and United States of America.

The plus point for this BPO-ITO hub is that the location of the hub is strategic and it is located within a fast developing, high technology catchment of prime MNCs central business area. The BPO-ITO hub is also surrounded by public amenities & facilities and the car park is ample for business community.

The establishment of this BPO-ITO Hub aims to create a new cluster of economic development, opens up Penang as an attractive location with great opportunities to live, work, learn and play in a sustainable and innovative urban environment. In terms of job creation, the new BPO-ITO hub is expected to generate 21,000 high paying, knowledge-intensive and high-value jobs over the next five years.



Malaysia is ranked 3<sup>rd</sup> most preferred outsourcing destination



Penang is ranked top 31 BPO location of the future



### Creative Animation Triggers (CAT)



Creative Animation Triggers (CAT) is located within the UNESCO World heritage Site with 100,000 sq. ft. of Heritage Building Space. The timeline for CAT to completion is 2016. The CAT will be providing the creative animation services, e.g. post-production, animation, game development, E-learning, mobile and interactive content based services. The Creative Industry Outlook (2011 – 2014) study done by PricewaterhouseCoopers has given global industry value for Creative Multimedia amounts up to RM4.2 trillion. These revenue are brought in from 4 major industries which are Feature Films, Animated Content, Video Games and also Mobile Application.