

FSR@S3 | SECOND EDITION
E-BULLETIN
OCTOBER 2024

FACULTY OF SPORTS SCIENCE AND RECREATION



In conjunction with student association



The Rise of The eSports Industry in Malaysia

Dr. Hazira Mohd Nasir¹, Noor Azila Mohd Zaid¹, Aini Hayati Musa,¹ and Dr. Raja Mayang Delima Mohd Beta¹

¹Faculty of Business Management

“The rise of eSports in Malaysia marks a new era in our digital and cultural landscape.”

The recent surge in electronic sports, or eSports, globally has transformed gaming into a dynamic new industry, merging technology, entertainment, and sport in unprecedented ways. This exciting trend has taken off in earnest across Malaysia as it has elsewhere. This article delves into the development of the eSports industry in Malaysia, exploring both its challenges and opportunities.

The Development of the eSports Industry in Malaysia

The cultural phenomenon of eSports has its roots in the late 1970s and early 1980s, but competitive gaming reached a turning point in the early 21st century with faster internet connections and gaming technologies. In the global context, Malaysia entered the eSports scene in the late 1990s when local cyber cafes served as hubs for competitive format with top-rated eSports



The Rise of the eSports Industry in Malaysia

tournaments and leagues multiplayer gaming and became breeding grounds for multiplayer games. However, in the late 2010s, Malaysian eSports experienced a significant positive transformation, evolving into a highly

In recent years, Malaysia has been actively working to establish itself as an eSports destination that appeals to a wider audience in Southeast Asia [1].

During the Annual Budget presentation in 2019, eSports was allocated RM 10 million, followed by RM 20 million in 2020 to accelerate the progress of hosting eSports events in Malaysia [2].

Also in 2020, Malaysia generated a gross gaming revenue of RM 586.7 million, ranking 21st globally [3]. Significantly, the establishment of the Malaysia Digital Economy Corporation (MDEC) accelerated progress by offering programs that encourage the gaming or eSports industry.

eSports Industry: The Challenges and Opportunities

While the eSports scene in Malaysia is brimming with creative potential, it also faces certain limitations. One of the key barriers is the lack of comprehensive growth initiatives and training centers to

nurture young talent [4]. Similar to other sports, children aspiring to play eSports often lack structured pathways for coaching or training. Additionally, there is a need for stricter and more expansive regulations to address issues such as cheating, prize pool distribution, and contracts [5] [6]. Despite these challenges, the prospects for eSports in Malaysia offer significant economic opportunities.

The eSports industry has the potential to significantly boost employment rates in fields such as event management, broadcasting, content creation, and game development. With increased investment in infrastructure and human capital, Malaysia can position itself as a leading eSports country in Southeast Asia, attracting international tournaments and companies.



Malaysia emerged as a leading eSports country in the Southeast Asia region

Concluding Remarks

The rise of eSports in Malaysia marks the beginning of a new era within our digital and cultural landscape. While the industry is still in its pilot stages, the rapid global growth of eSports events indicates its immense potential. As the Malaysian ecosystem evolves, it will need to navigate

The Rise of the eSports Industry in Malaysia

the dichotomy between economic growth and the well-being of our youth as the business matures responsibly. With its youthful demographic and enthusiasm, Malaysia is strategically positioned to play a significant role in the development of eSports both regionally and within Southeast Asia.

References

- [1] C. N. Lim, et al. A Bibliometric Review on Esports Participation: View from Malaysia. *Journal of Entrepreneurship, Business and Economics*, 10(2), 139-171, Oct. 2022. ISSN 2345-4695.
- [2] KBS Strategic Plan for Esports Development 2020-2025. (2020). KBS MALAYSIA.
- [3] Newzoo. Global Games Market Report 2020. (2020). <https://newzoo.com/resources/trend-reports/newzoo-global-esports-market-report-2020-light-version>
- [4] Y. H. Kim, J. Nauright, & C. Suveatwatanakul. The rise of E-Sports and potential for Post-COVID continued growth. *Taylor & Francis*, 23(11), 1861-1871. 2020. <https://doi.org/10.1080/17430437.2020.1819695>
- [5] Q. Peng, G. Dickson, N. Scelles, J. Grix, & P. M. Brannagan. Esports Governance: Exploring Stakeholder Dynamics. *Multidisciplinary Digital Publishing Institute*, 12(19), 8270-8270. 2020. <https://doi.org/10.3390/su12198270>
- [6] J. T. Holden, A. Kaburakis, & R. M. Rodenberg. The Future Is Now: Esports Policy Considerations and Potential Litigation. *Sport and Recreation Law Association*, 27(1), 46-78. 2017. <https://doi.org/10.1123/jlas.2016-0018>