

KERATAN AKHBAR

TARIKH : 13 OGOS 2024
AKHBAR : UTUSAN MALAYSIA
MUKA SURAT : 36

Johor govt wants SFZ part of special economic zone

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JOHOR BARU: The Johor government wants the Forest City Special Financial Zone (SFZ) to be part of the Johor-Singapore Special Economic Zone (JS-SEZ) initiative.

Johor investment, trade, consumer affairs and human resources committee chairman Lee Ting Han said the matter has been discussed internally.

"A proposal will be put forward to the JS-SEZ working group for discussion.

"If SFZ can be placed under JS-SEZ, it will make the cooperation between both sides more formal and allow Malaysia to work on more concrete collaborations with Singapore in future," he said in a statement yesterday.

Based on the Forest City masterplan launched in 2016, the target was to develop the area into an integrated zone for medical, tourism, education and real estate, he

said, adding that the plan back then was to turn the island into a duty-free zone.

"With assistance from the Federal Government, we got the amendment to make Forest City Island One into a duty-free island.

"The announcement on the SFZ was then made by Prime Minister Datuk Seri Anwar Ibrahim about a year ago and works have been ongoing since then," he said.

Lee said Forest City was chosen for the SFZ due to its strategic location and close proximity to Singapore, an international financial and logistics hub in the region.

"As such, one more sector has been added to the Forest City development – the financial sector. Our focus is to assist investors into the SFZ and, in order to do that, we will have to also strengthen our talent and connectivity," he added.

Lee said the majority of Johor's financial industry is still conventional so the state government is committed to improving the

economic landscape by involving more modern banking systems.

This, he said, will allow Johor to complement Singapore's financial industry.

"We expect to hear more announcements on incentives for the SFZ by the end of the month, which is before the signing of a definitive agreement for the JS-SEZ between Malaysia and Singapore.

"We have proposed for the Forest City SFZ to be part of the JS-SEZ initiative so that whatever incentives announced for the special economic zone could also be enjoyed by the former," he said.

Lee added that since SFZ was announced, many keen financial companies, including foreign and domestic banks, have enquired about the incentives offered by the government as well as the special products they could offer to consumers.

He said the state wants the interested parties to use Forest City as a place to launch their products and tap into the

international market.

"Once the announcements are made, the financial industry players will likely want to invest in the SFZ immediately," he said.

The JS-SEZ will be located in the Iskandar Malaysia region in Johor, covering an area of more than 3,000sq km, about four times the size of Singapore.

Neighbouring countries signed a memorandum of understanding on Jan 11 this year to work on developing the JS-SEZ to strengthen economic connectivity between them.

Among the targeted sectors are those related to electronics, financial services, business-related services and healthcare.

Following that, a joint committee co-led by Malaysia's Economy Ministry and Singapore's Trade and Industry Ministry was established with the aim of having a definitive JS-SEZ agreement towards the end of the year.