

# KERATAN AKHBAR

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## JS-SEZ deal expected to be finalised by end-2024

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### Zone set to be pivotal driver of regional growth

#### INVESTMENT

**PETALING JAYA:** The Johor-Singapore Special Economic Zone (JS-SEZ) agreement is expected to be concluded by year-end, following extensive negotiations between the Malaysian and Singaporean governments.

In terms of the timeline, the governments of both nations will be finalising and refining the agreement during a workshop retreat scheduled from Aug 28 to Aug 30.

Following that, the Attorney-General's Chambers (AGC) is anticipated to finalise the draft in September, paving the way for the official signing of the agreement by year-end.

After engaging with industry leaders and government officials through the inaugural Invest Johor 2024 conference last week, RHB Research said that the JS-SEZ is poised to become a pivotal driver of economic growth in the region, with "unlimited potential".

"It is apparent the lengths that the Johor government has gone through to brainstorm, consult, engage, discuss and strategise plans to ensure that the JS-SEZ has every chance of success and to create opportunities for exponential growth for both Malaysia and Singapore," the research house noted in a report yesterday.

The JS-SEZ, designed to cover strategic areas in Johor, aims to leverage the close proximity and economic ties between Johor and Singapore.

The zone is expected to attract significant foreign direct investment, particularly in industries such as technology, finance, and advanced manufacturing.

According to RHB Research, key focus areas identified for Kulai include logistics, digital economy, manufacturing, and healthcare, whereas energy, food security, and healthcare have been identified for Pengerang.

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RHB Research

The research house said one of the critical components of the JS-SEZ is the infrastructure development that will support the zone's operations.

The Rapid Transit System Link (RTS) between Johor Baru and Singapore is a flagship project within the JS-SEZ.

Set to be operational by January 2026, the RTS is expected to facilitate the seamless movement of people and goods between the two cities, further integrating the economies of Johor and Singapore.

Moreover, highway expansions and improvements to local transportation networks within Johor are underway, aimed at supporting the increased traffic and economic activity anticipated in the JS-SEZ.

RHB Research also highlighted the importance of talent development as a key factor in the success of the JS-SEZ.

"The establishment of the Johor Talent Development Council reflects the government's commitment to addressing talent shortages," the research house said.

The council is expected to work closely with industries and educational institutions to ensure a steady pipeline of skilled professionals who can meet the demands of the industries that will be housed within the SEZ.

RHB Research said, during the Invest Johor 2024 conference last week, industry leaders pointed out several challenges that

need to be addressed to maximise the potential of the JS-SEZ.

Malaysian International Chamber of Commerce and Industry president Christina Tee noted difficulties in securing special permits and visas for skilled overseas professionals, which could hamper the zone's ability to attract top talent.

According to RHB Research, Tee pointed out that while companies are willing to pay for skilled engineers, the current regulatory framework needs to be more supportive.

The research house said the potential economic impact of the JS-SEZ is expected to be substantial, with the zone expected to create tens of thousands of jobs, drive up property values in the region, and boost local businesses.

The zone is built on three aspirations: enhancing mobility, cultivating a robust business ecosystem and attracting investments to the region.

The Invest Johor conference featured eight corporate breakout sessions conducted in a hybrid mode to maximise investor participation.

The eight corporations include Centurion Corp Ltd from Singapore, Johor Plantations Group Bhd, Tenaga Nasional Bhd, VS Industry Bhd, Sunway Bhd, Tiong Nam Logistics Holdings Bhd, Telekom Malaysia Bhd and UEM Sunrise Bhd.