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DRIVING INVESTMENTS

SIX BANKS PROVIDE BOOST FOR JS-SEZ

Letters of Intent inked with Economy Ministry to supercharge special economic zone

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MALAYSIA has partnered with six local and global financial institutions to drive investments and financing support for the special economic zone in Johor.

The banks are Malayan Banking Bhd (Maybank), CIMB Group Holdings Bhd, Bank of America, HSBC, Sumitomo Mitsui Banking Corp and CGS International Securities.

They inked Letters of Intent (LoIs) with the Economy Ministry yesterday, outlining interests in joint efforts to supercharge the Johor-Singapore Special Economic Zone (JS-SEZ).

Malaysia and Singapore established the JS-SEZ in January, looking to boost investment and ease the movement of goods and people between the neighbours.

Malaysia aims to get 30 high-value projects off the ground and create 20,000 high-skilled jobs in the zone within five years.

Economy Minister Datuk Seri Rafizi Ramli said talks were underway with a Europe-based bank as the country looked to rope in more partners to promote the cross-border initiative.

He said these partnerships, seized during the JS-SEZ Partners Dialogue here, underscored investors' growing confidence in the zone's potential to drive economic transformation in southern Johor and beyond.

Maybank is the first bank to come up with potential investments from its clients.

The bank supports up to RM2.35bn in potential investments through LoIs submitted by four Singapore-based firms.

The four are Alpine Renewables, Eddie Oils Pte Ltd, Centurion Corporation Ltd and Thomson Medical Group Ltd (TMG).

"These LoIs signal confidence in the JS-SEZ's strategic value," Maybank president and group chief executive officer Datuk Khairussaleh Ramli said.

"Maybank takes a long-term view of the zone's success and actively promotes broad-based participation from SGMEs to mid-to large-cap and multinational corporations in diverse sectors.

"We believe that inclusivity is fundamental to building a vibrant, integrated and resilient ecosystem within the JS-SEZ."

Alpine Renewables, through its Malaysian unit Alpine Assets Management Sdn Bhd, plans to invest about RM350 million over the next three years in a renewable energy feedstock pretreatment and biodiesel refinery facility at the Tanjung Langsat Industrial Port.

The facility is expected to process up to 600,000 tonnes of renewable feedstock oil annually, strengthening the port's role as a regional hub for marine biofuels.

Alpine currently supplies biofuel feedstocks to markets in Europe, China, South Korea and the United States.

Centurion Corporation, an Singapore Exchange (SGX)-listed provider of worker and student accommodation, intends to invest between RM300 million and RM600 million over the next five years to expand its bed capacity in the JS-SEZ.

The company's focus is on developing Centralised Living Quarters certified by the Peninsular Malaysia Labour Department and compliant with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990.

TMG, also listed on the SGX, plans to invest up to RM1.5 billion over the next decade to build Thomson Hospital Iskandarish on a 1.8ha hectare site in Stulang, Iskandar Malaysia.

The hospital is set to become a healthcare anchor within the JS-SEZ, operating under a public-private partnership model.

The project is expected to generate 1,500 jobs in clinical services, research, specialist care and healthcare technology.

Back Maximalist Malaysia Bhd chief economist Dr Mohd Afzanizam Abdul Rashid said the JS-SEZ will be the catalyst for Malaysia's growth as it enhances bilateral trade and investment relations with Singapore and across the globe.

"Already we have seen the construction of data centre which has contributed significantly to construction sector.

"The sector has been growing at double digit for multiple quarters in a row, especially data centre construction in Johor.

"The availability of land resources, energy, water and telecommunications, to name a few, would facilitate the growth mode in the state," he told Business Times.

Afzanizam said key factors that need to be addressed were bureaucracy between state and federal agencies to yield positive experience among the business and investing community.

He said United States tariff shocks suggested a dire needs for intra-Asean trade and investment linkages.

"The JS-SEZ can be a catalyst. It can be a conduit to integrate other SEZs in the Asean region to become major hubs for various industries, such as advanced manufacturing and electronics, logistics and warehousing, green energy, agri-food and halal industry, as well as healthcare and education."

Doris Liew, an economist specialising in Southeast Asian development, said there was strong interest in the JS-SEZ, driven by accommodative policies and a suite of investment incentives that were drawing anchor industries to the area.

The zone is also backed by enabling infrastructure to support business operations.

This is similar to industrial hubs like Kedah's Kulim Hi-Tech Park and Penang's Bayan Lepas Free Trade Zone, which have consistently attracted investment since their inception.

She said the JS-SEZ had the potential to replicate that success.

Liew cautioned that sustaining long-term momentum required more than just incentives.

"A consistently conducive business environment is key. This includes reliable infrastructure, such as electricity supply, land availability and connectivity to ports, availability and flexible labour as well as open and fair market policies.

"These foundational elements will ultimately determine whether the JS-SEZ thrives over time."

She said global experience showed that financial incentives alone were often insufficient.

"What matters more to investors is ease of doing business, dependable infrastructure, low transport and logistics costs, the ability to hire and relocate talent efficiently and the presence of an integrated ecosystem within or near the zone.

"These are the factors that will make the JS-SEZ a lasting and competitive investment destination."

Economy Minister Datuk Seri Rafizi Ramli (fourth from left) and Johor Menteri Besar Datuk Onn Hafiz Ghazi (fourth from right) with bank representatives after the signing of Letters of Intent between the Economy Ministry and six banks during the JS-SEZ Partner Dialogue: Advancing Facilitation event in Kuala Lumpur yesterday. BERNAMA PIC

COMPREHENSIVE ROADMAP

Rafizi: JS-SEZ blueprint by year end to drive long-term growth

KUALA LUMPUR: A blueprint for the Johor Singapore Special Economic Zone (JS-SEZ) will be launched by year end, said Economy Minister Rafizi Ramli.

This blueprint will offer a comprehensive roadmap outlining the zone's long-term development strategy, investment prospects and policy directions, he said.

"Think of it as a one-stop document for potential investors, policymakers and the public," he said during the JS-SEZ Strategic Partners' Dialogue: Advancing Facilitation yesterday.

"At every meeting I've had with sovereign wealth funds or analysts from global banks, JS-SEZ came up. There is a recognition that this could be a game-changer."

He said foreign direct investments (FDI) in the first quarter of the year had exceeded the FDI recorded in the first nine months of last year.

He said this puts the JS-SEZ on course to surpass the RM60 billion FDI target ahead of schedule.

Rafizi attributed the good momentum to close coordination between Johor authorities and the Investment, Trade and Industry Ministry, along with targeted efforts to attract high-value investments.

He said core structural and infrastructural developments in the zone were progressing steadily, laying a strong foundation for sustainable growth.

"If we can achieve RM60 billion in FDI before the launch of the SEZ, it's a great sign for Johor in the coming years."

Rafizi described the JS-SEZ as a strategic economic catalyst, leveraging Johor's proximity to Singapore and its capacity for high-impact development.

"We cannot sustain over five per cent economic growth without introducing a new growth engine. The JS-SEZ is designed to be that engine, benefiting not just Johor but the entire country," he said.

"When we inked the JS-SEZ agreement earlier this year, it may have seemed like a natural progression between two neighbouring countries with shared history. But the truth is far more complex."

He highlighted several key benefits of the initiative, including increased tax revenue, job creation and broad-based economic gains for both federal and state governments.

He said neighbouring areas would experience tangible benefits within two to three years, positioning the JS-SEZ as a major driver of sustainable national growth.

On long-term viability, Rafizi stressed the importance of continuity and commitment.

"Policy continuity should never depend solely on the sitting government, but must be guided by a shared vision and a strategic commitment to national progress."

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>
> RAFIZI RAMLI
> Economy minister

'INVESTMENT MAGNET'

Johor confident FDI will exceed RM50b in first half

KUALA LUMPUR: The Johor government is confident foreign direct investments (FDI) in the state in the first half of the year can exceed RM50 billion.

Menteri Besar Datuk Onn Hafiz Ghazi credited this positive outlook to the rising prominence of the Johor-Singapore Special Economic Zone (JS-SEZ), which he described as a major catalyst for investment inflows and economic transformation in the state.

"The JS-SEZ is not just a concept on paper, but has proven to be a convincing investment magnet. Investor confidence in Johor's future continues to strengthen."

He said Johor recorded approved investments totaling RM27.4 billion in the first quarter of the year, equivalent to what was achieved in the first nine months of the previous year.

He said RM23 billion in potential investments were expected to be finalised by the end of this quarter.

"If this momentum continues, I believe Johor can achieve between RM50 billion and RM60 billion in investments this year, placing the state among the top three investment destinations in the country," he said during the JS-SEZ Strategic Partners' Dialogue: Advancing Facilitation yesterday.

"I'm confident Johor can rival the Klang Valley in the next decade."

He said attracting investments went beyond opportunities, relying heavily on an efficient and strategic facilitation system.

"To this end, the state government, in collaboration with the Investment, Trade and Industry Ministry and related agencies, launched the Johor Malaysia Investment Facilitation Centre (IMFC-J) in February.

"This pioneering initiative serves as a one-stop centre jointly managed by the Iskandar Regional Development Authority, Invest Johor and Malaysian Investment Development Authority to expedite investment processes in the JS-SEZ."

IMFC-J has received more than 300 investor enquiries, including about 100 on the Forest City Special Financial Zone.

Onn Hafiz said IMFC-J had facilitated five major investment projects worth RM16.5 billion, with the approval process streamlined from three months to one to 35 days.

"Negotiations are underway with 47 investors from Singapore, China and South Korea, involving potential investments worth RM40.1 billion.

"IMFC-J is not just about attracting interest, but ensuring that this interest materialises into actual investments. And that is precisely what we are achieving now."

> *I'm confident Johor can rival the Klang Valley in the next decade.*
>
> DATUK ONN HAFIZ GHAZI
> Johor Menteri Besar

JURISDICTION

RON95 subsidy implementation handed over to Finance Ministry

KUALA LUMPUR: The Economy Ministry has handed over the implementation of the targeted RON95 fuel subsidy policy to the Finance Ministry.

Economy Minister Datuk Seri Rafizi Ramli said the policy was now no longer under the jurisdiction of his ministry.

He said responsibility over the targeted RON95 fuel subsidy policy had been transferred to the Finance Ministry, in line with the cabinet's wishes.

"The Economy Ministry discussed the policy with the cabinet four times.

"Now we wait for action from the Finance Ministry, which will manage the RON95 subsidy policy from now on."

He said this after officiating at the JS-SEZ Strategic Partners' Dialogue: Advancing Facilitation here yesterday.

Previously, Rafizi said the RON95 subsidy rationalisation plan would be implemented in two phases.

The first phase, the "front end", involves operational execution at petrol stations.

The second phase, the "back end", involves eligibility determination for recipients in the bottom 85 per cent income group.

Rafizi had said the "back-end" processes would be handled by his ministry.