A decade of vibrant growth.
This is Iskandar Malaysia.
Since the inauguration of Iskandar Malaysia in 2006, this region has seen and experienced tremendous growth and development in many different areas - an indication that it is well on its way to become the Strong and Sustainable Metropolis of International Standing that it was meant to be.

On 4 November 2016, Iskandar Malaysia will celebrate its 10th anniversary. It is already a bustling, vibrant metropolis that centres on quality living, business and entertainment amidst a pristine environment. Its strategic location in the heart of the booming Asian economy coupled with a range of fiscal and non-fiscal incentives from the government of Malaysia, makes it the ultimate destination to invest, work, live and play.

Iskandar Malaysia is a Smart City that emphasises on striking a balance between the economic, social and environmental aspects of its development through innovative use of information and communication technologies, spurring the region to be the fastest growing metropolis in Asia.

Be a part of this future. Find out more at www.iskandarmalaysia.com.my.
Rhizophora Ventures is committed to modernising the creative and media sector in Iskandar Malaysia, and the wider region, via an extensive and long-term investment programme.

The CDPii spells out in detail the holistic and multifaceted strategies devised for the next decade of Iskandar Malaysia’s exciting journey.

The momentum of growth in the state of Johor is aiding development in Iskandar Malaysia, backed by the state’s rising investment in manufacturing and increasing investor confidence.

Sunway Iskandar is pursuing responsible property development and constructing world-class infrastructure in Iskandar Malaysia via an innovative sustainability framework.
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International Investor’s summary of the key data and quantitative dynamics in the Iskandar Malaysia regional development corridor. Please contact International Investor for more detailed information.

**KEY ISKANDAR MALAYSIA STATISTICS**

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (MYR in billions)</td>
<td>65.4</td>
</tr>
<tr>
<td>Projected GDP by 2025 (MYR in billions)</td>
<td>120.4</td>
</tr>
<tr>
<td>GDP per capita (MYR)</td>
<td>33,634</td>
</tr>
<tr>
<td>Projected GDP per capita by 2025 (MYR)</td>
<td>42,631</td>
</tr>
<tr>
<td>Cumulative committed investment (MYR in billions)</td>
<td>218.84</td>
</tr>
<tr>
<td>Realised cumulative committed investment</td>
<td>51%</td>
</tr>
<tr>
<td>Share of local investors contributing to cumulative committed investment</td>
<td>60%</td>
</tr>
<tr>
<td>Share of foreign investors contributing to cumulative committed investment</td>
<td>40%</td>
</tr>
<tr>
<td>Population (in millions)</td>
<td>1.95</td>
</tr>
<tr>
<td>Estimated population by 2025 (in millions)</td>
<td>3</td>
</tr>
<tr>
<td>No. of students in EduCity</td>
<td>916,700</td>
</tr>
<tr>
<td>No. of people in employment</td>
<td>4,100</td>
</tr>
<tr>
<td>Projected no. of jobs created by 2025</td>
<td>817,500</td>
</tr>
<tr>
<td>Workforce participation rate</td>
<td>67%</td>
</tr>
<tr>
<td>Share of highly skilled knowledge workers by 2025</td>
<td>45%</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>2.9%</td>
</tr>
<tr>
<td>Total land area (square kilometres)</td>
<td>2,217</td>
</tr>
<tr>
<td>No. of international airports</td>
<td>1</td>
</tr>
<tr>
<td>No. of passengers at Senai International airport (in millions)</td>
<td>2.58</td>
</tr>
<tr>
<td>Tonnes of cargo handled at Senai International Airport (tonnes)</td>
<td>5,272</td>
</tr>
<tr>
<td>No. of ports</td>
<td>3</td>
</tr>
<tr>
<td>Targeted reduction in greenhouse gas emissions by 2025</td>
<td>50%</td>
</tr>
<tr>
<td>Targeted share of green buildings in Iskandar Malaysia by 2025</td>
<td>70%</td>
</tr>
</tbody>
</table>

**CUMULATIVE COMMITTED INVESTMENT GROWTH, 2006-2016**

<table>
<thead>
<tr>
<th>Year</th>
<th>Cumulative Investment (MYR in Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>11.30</td>
</tr>
<tr>
<td>2007</td>
<td>25.80</td>
</tr>
<tr>
<td>2008</td>
<td>41.76</td>
</tr>
<tr>
<td>2009</td>
<td>55.56</td>
</tr>
<tr>
<td>2010</td>
<td>69.48</td>
</tr>
<tr>
<td>2011</td>
<td>84.74</td>
</tr>
<tr>
<td>2012</td>
<td>106.31</td>
</tr>
<tr>
<td>2013</td>
<td>131.36</td>
</tr>
<tr>
<td>2014</td>
<td>158.13</td>
</tr>
<tr>
<td>2015</td>
<td>190.29</td>
</tr>
<tr>
<td>09/2016</td>
<td>218.84</td>
</tr>
</tbody>
</table>

**Source:** Iskandar Regional Development Authority (IRDA); Malaysian Investment Development Authority (MIDA)
Iskandar Malaysia has achieved notable economic, social and environmental progress since its inception. Moving towards 2025, the economic region’s prime geographic location, strong institutional backing and long-term development planning are contributing to a growing sense of optimism about its long-term prospects.

A CATALYST FOR STRONG AND SUSTAINABLE GROWTH

HISTORICAL CONTEXT
Located at the tip of Peninsular Malaysia, and thus the southernmost point of Eurasia, south Johor has long played an important and strategic role in the history and development of Malaysia and the local region. Johor is the birthplace of the post-war Malay nationalism that led to independence in the 1950s and the state is commonly regarded as a bastion of that political tradition. It is also renowned for its liberal and cosmopolitan reputation unrivalled in the peninsula’s long and varied past.

In modern history, Islam was first introduced by Arab and Indian-Muslim merchants in the 14th century, before the Sultanate of Johor was officially founded by Sultan Alauddin Riayat Shah in 1528. Over the subsequent centuries, its international outlook never wavered. Often-hostile encounters with foreigners, such as Portuguese forces, were followed by an extensive period of commercial alliance building with the likes of the Dutch, Buginese and British, among others.

This broad international perspective helped to forge Johor into a dominant regional power and, significantly, a strategically important post along a popular trade route. Following national independence from Britain in 1957, growth and development abounded in the state of Johor, particularly in the transport and industrial sectors. The subsequent jobs created helped to attract growing numbers of migrants from across Malaysia and surrounding countries to the region.

Today, the southern Johor conurbation that comprises Johor Bahru, the modern-day capital of the state of Johor, and the surrounding localities of Johor Bahru District, Kulaijaya District and Pontian District, among others, represents one of the largest economic areas in the country. The local economy is diversified and consists of growing clusters that have emerged around the electrical and electronics, logistics, food and agroprocessing, tourism, and oil and petrochemical industries. Its strategic geographic position along one of the world’s busiest shipping routes, its proximity to the nearby international hub of Singapore and other large markets such as Indonesia, China and India, as well as its rich endowment of natural and human resources, have all underpinned southern Johor’s past successes and underscore its future potential.

It is with this context in mind that, following the proposal under the Malaysian Government’s Ninth Malaysia Plan 2006-2010 to develop five regional economic corridors to catalyse national growth, the South Johor Economic Region was earmarked as the southern development corridor. This economic region later became known as the Iskandar Development Region and, subsequently, Iskandar Malaysia.

In July 2005, the federal government appointed Khazanah Nasional Berhad (Khazanah) to conduct a feasibility study into the development of the economic corridor. Following the official launch of Iskandar Malaysia in 2006, the Iskandar Regional Development Authority (IRDA) was established by new legislation, the IRDA Act 2007 (Act 664), to facilitate the promotion, planning, processing and infrastructure development of the economic corridor. IRDA is supported in its mandate by the Malaysian Prime Minister as well as the Chief Minister of Johor, who act as co-chairs of the IRDA Advisory Council. Today, Iskandar Malaysia covers 2,217 square kilometres of land and continues to pursue the same open and outward-looking approach that has characterised southern Johor for centuries.

THE FIVE FLAGSHIP ZONES
The development and economic drivers of Iskandar Malaysia have been grouped into five separate physical areas, known as flagship zones. These zones include Johor Bahru City Center (A), Iskandar Puteri (B), the Western Gate Development (C), the Eastern Gate Development (D) and Senai-Skudai (E). Multiple projects have been carried out across
the flagship zones since 2006, and many others are under construction or in the planning phase (see fig. 1). Since 2006, these flagship zones have attracted large amounts of foreign investment from countries such as Singapore, China, Japan, the U.S., and Spain, as well as large-scale funds from within Malaysia.

**A STRONG AND SUSTAINABLE METROPOLIS**

The development of Iskandar Malaysia is both broad-based and strategic. Its implementation is founded on the Comprehensive Development Plan 2006-2025 (CDP), which was drawn up as the economic corridor’s developmental blueprint. The economic region encompasses nine key industrial clusters in services and manufacturing, known as the promoted sectors (see fig. 2). The ultimate vision is for these sectors to act as the engines of growth that drive Iskandar Malaysia to become ‘a strong and sustainable metropolis’. This vision was first introduced in the CDP and it continues to form an integral part of the Comprehensive Development Plan ii 2014-2025 (CDPi), which was devised to further elucidate the proposed action plan for the economic region. For a more detailed look at the CDPi, please see the Focus entitled ‘Strategic Directions: CDPi’ on page 40 of this report.

The CDPi envisages Iskandar Malaysia as a place in which living, entertainment and business seamlessly converge in a resilient and green urban area that is pre-eminent on the global stage. As such, a significant degree of planning has been undertaken to ensure that the development of the economic region is sustainable in the long term. A key part of this approach is what CDPi has defined as the Circle of Sustainability, which consists of three core elements: wealth generation; wealth sharing and inclusiveness; and resource optimisation and low carbon. Essentially, this strategy was designed to make sure that all facets of sustainability are integrated in strong, dynamic linkages. As a consequence, the CDPi aims to incorporate the direct and indirect needs of the initiative’s multiple stakeholders to drive long-term development to the benefit of all, regardless of socioeconomic status. The Focus article, ‘Equitable Wealth Distribution’ on page 54 provides more information about the topic of equitable growth.

The application of CDP and CDPi has resulted in rapid growth and critical mass being established since Iskandar Malaysia’s inauguration. The first and second phases of development, from 2006 to 2010 and 2011 to 2015, respectively, oversaw the timely delivery of major infrastructure projects and several iconic initiatives. The economic region is now in its third and final phase of development in which the priority is ‘sustaining and innovating’ to 2025 and beyond.

These concepts of sustainability and innovation will be particularly important as Iskandar Malaysia confronts rising urbanisation in the 21st century. While the United Nations projects that two out of every three people on Earth will be living in urban settings by 2050, the trend is even more acute in Malaysia, where four out of every five people are expected to be residing in an urban environment by 2030. Iskandar Malaysia is well placed to take advantage of this trend by implementing a host of measures to boost local and international connectivity in order to drive growth. As a consequence, there is clear potential for the economic region to become even more dynamic and vibrant than initially planned.

**CATALYTIC DEVELOPMENTS**

The continued growth of Iskandar Malaysia will be multifaceted and long term. Future success necessitates ongoing collaboration between all stakeholders in relation to business planning and regulatory management on the supply side, and catalytic and commercial development on the demand side, across all nine promoted sectors. On the demand side, this involves the development of multiple commercial clusters and initiatives in the five flagship zones, as part of wider efforts to build on existing capabilities, commercial processes and activities.

Moving forward, one priority for stakeholders will be to continue to identify targeted growth sectors and drive investment in commercial developments. To date, this has been achieved via targeted infrastructure projects, collaboration with the most appropriate investment vehicles, and establishing alliances, investment and co-investment with global parties and multinational organisations across the promoted sectors. A key factor in this approach will be to ensure that commercial initiatives are sensitive to the needs of other industrial developments and to prioritise a balanced clustering of the nine central industries.

Regarding catalytic developments, improvements to general infrastructure are critical for boosting ongoing local and international
investment in Iskandar Malaysia. Accordingly, the primary focus during the third phase of development is to attract increasing foreign demand and forge new partnerships with global enterprises through joint ventures or other strategic alliances.

Part of the drive to enhance infrastructure involves overseeing the construction of an efficient and integrated transport network to facilitate the flow of goods and people within and beyond Iskandar Malaysia. With its strategic location and the ongoing development of its infrastructural links, the economic region is easily accessible to and from the rest of Malaysia and Singapore. For example, the opening of the Coastal Highway (Phase 2) in 2012, which links Johor Bahru City Center with Iskandar Puteri, has greatly enhanced accessibility to and from Singapore.

The importance of enhanced infrastructure is evident when considering real estate sector development. Improvements to transport links between Johor and Singapore have, for example, been hailed as a key contributing factor in drawing international actors to invest in the Iskandar Malaysia property market. The proposed completion of the Kuala Lumpur-Singapore High-speed Rail network, which will include a transit station in Iskandar Puteri, in 2026 will further facilitate travel between the two countries and provide an additional stimulus for future investment.

THE RIPPLE EFFECT
Active and ongoing support and investment from international and local actors since 2006 has helped to fast track growth in the economic region. The majority of developments therein have been undertaken concurrently with the completion of several catalytic projects, including the construction of highways, education facilities and tourist destinations. Moving towards 2025, the objective of the Malaysian Government and its key strategic partners in Iskandar Malaysia, including IRDA and Khazanah, is to continue to attract foreign direct investment while taking different steps to enhance the competitiveness of the country as a whole.
As of September 2016, Iskandar Malaysia has secured total cumulative committed investment of MYR218.84 billion, which represents 52 per cent of the overall investment target to 2025. Local investors accounted for 60 per cent of this investment, while foreign investors from a diverse range of countries contributed the remaining 40 per cent. These figures are testament to the confidence of not only national, but also international investors in Iskandar Malaysia.

Regarding sector-by-sector investment in the economic region, the retail/mixed development industry has attracted the largest share to date, with 27 per cent. The manufacturing sector has secured 26 per cent of all investment, followed by residential property, which has secured 20 per cent.

Robust investment is a positive sign for future growth in the economic region. During the initiative’s first phase, the foundations were laid and gross domestic product (GDP) in Iskandar Malaysia grew at 4.1 per cent per annum to reach MYR42.6 billion by 2010. From 2011 to 2014, GDP growth rose to 7.0 per cent per annum, thanks largely to a number of catalytic projects coming on-stream, including Johor Premium Outlets, LEGOLAND® Malaysia, Puteri Harbour Family Theme Park and EduCity, among others.

In terms of its physical landscape, the population of Iskandar Malaysia grew by 11.8 per cent between 2011 and 2014. In tandem with strong GDP growth during the same period, GDP per capita also increased markedly, from MYR24,722 in 2011 to MYR33,634 in 2015. This growth is significant because it relates directly to the objective of raising the living standards of the local population through quality and sustainable economic growth.

The vision of Iskandar Malaysia is gradually being transformed into a reality. The economic region is well placed, with a comprehensive master plan backed by numerous development components to ensure it remains self-sustaining. As such, its GDP growth rate in recent years has outstripped that of Malaysia as a whole, as well as the figure for the state of Johor. Part of this growth is linked to the new influx of foreign developers: a trend which is changing the domestic property landscape with the introduction of new launches that target higher income segments. In addition, large numbers of Chinese and Singaporean investors have purchased a significant proportion of this property type. As such, Iskandar Malaysia has firmly positioned itself as an attractive investment destination on the international market. Moves by the state government of Johor to limit the development of excessive numbers of serviced apartments by short-term speculators, in addition to federal lending guidelines and tighter minimum foreign purchase prices in recent years, represent additional steps towards ensuring that Iskandar Malaysia becomes a sound and sustainable investment destination.

THE FUTURE OUTLOOK

At the macro level, the future for Iskandar Malaysia is bright. IRDA has highlighted a number of historical trends and technical projections that show how the economic region is expected to achieve robust growth and progress in the social development and environmental spheres over the coming years. Furthermore, it is widely expected to achieve its growth targets by 2025 and its GDP is anticipated to almost double, from MYR61.37 billion in 2014 to MYR120.40 billion by 2025, which necessitates an annual average growth rate of 7.3 per cent over this period.

At the micro level, the overall share of the service sector in the Iskandar Malaysia economy is expected to increase from 58 per cent in 2010 to 60 per cent in 2025, while the contribution of the manufacturing sector is anticipated to decline slightly, from 42 per cent to 40 per cent. The share of the agricultural sector will remain low, in line with the broader goal to make Iskandar Malaysia an advanced, high value-added economy. With the growth of new sectors in the economic region, attracting sustained investment will be increasingly important for maintaining this forward momentum. Having secured just over half of the overall target of cumulative committed investment for the 20-year development initiative by September 2016, a further MYR166.16 billion will be required to support the growth of Iskandar Malaysia and meet the final goal of MYR383 billion invested by 2025. For more detailed information about cumulative investment totals, GDP growth and demographics, please refer to the ‘Iskandar Malaysia In Numbers’ section on page 4.

In order to drive new agendas and transformation in the next phase of development in Iskandar Malaysia, five ‘Big Moves’ have been devised, which consist of 16 key projects worth a total of MYR173 billion. These projects are set to boost wealth generation, wealth distribution and resource optimisation, as well as to provide impetus to the performance of strategic sectors and overall economic growth in Iskandar Malaysia. Investment will be secured from public and private stakeholders, although the push will be primarily driven by private investors, who are expected to contribute 98 per cent of total investment. By 2025, these projects are expected to have generated 310,625 direct job opportunities.

The overall vision for Iskandar Malaysia is to help propel the economic expansion of Malaysia as a whole to 2025 and beyond. This expansion will be fostered by industrialisation and the continued growth of small and medium-sized enterprises through knowledge, innovation and high-tech manufacturing. For its part, the Malaysian Government has committed to ongoing support for the development of education, healthcare and creative sectors, business and financial services and logistics. The objective is for these particular industries to create spin-offs that will impact inter-related sectors, including wholesale and retail trade services, hospitality, and food and beverage subdivisions. In conjunction, all nine of the promoted sectors are set to drive the growth of Iskandar Malaysia to 2025, helping to consolidate sustainable development throughout the life cycle of the initiative and further into the future.
IIB - A Catalyst of Change

Iskandar Investment Berhad is a strategic developer of catalytic projects with innovative, sustainable solutions to raise the quality of lives of local communities.

We are focused on the transformation of Iskandar Puteri as a world-class liveable city and Iskandar Malaysia into a vibrant metropolis of international standing.

Discover how we influence change www.iskandarinvestment.com
Iskandar Malaysia was launched to bring about a prosperous, inclusive and innovative metropolis from which all stakeholders would benefit. As the initiative moves into its final stage of development, increased communication and collaboration will help to achieve this goal.

AGENDA

- The Iskandar Malaysia story
  - Solid foundations, lessons learned
  - Identifying existing gaps
  - Relations with Singapore
  - Bridging the divide
  - Learning from historical examples
  - Image perception: focusing on the positives
  - Improving public transport and connectivity
  - How can SMEs share in the growth?

- Stakeholder collaboration
  - The importance of communication: shaping collective communication strategies
  - Talent development and job creation
  - The future is young
  - Engaging universities and local communities
  - Measuring economic, social and environmental impact
  - Investing in policy consistency
  - Incentivising and enabling
  - Increasing the role of non-State actors

- Identifying a common vision to 2025
  - Striving for inclusiveness
  - Innovation and entrepreneurship
  - Tapping youthful energy
  - The role of the digital space
  - How can start-ups be accelerated?
  - Prioritising a people-centric approach
  - Promoted sectors: the hubs of the future
  - Attractiveness: towards sustainability
Nor Mohamed has an MBA from the Catholic University of Leuven, Belgium. Before joining Khazanah, he served as the Minister of Finance II from 2004 to 2009 and Minister for the Prime Minister’s Department responsible for the Economic Planning Unit from 2009 to 2013. He played a key role in mitigating the effects of the 1998 Asian Financial Crisis, as well as the development of Islamic Finance in Malaysia during his years with the nation’s Central Bank between 1968 to 1994.

Azman holds a master of philosophy in development studies from Darwin College at the University of Cambridge, United Kingdom, as well as a postgraduate diploma in Islamic Studies from the International Islamic University Malaysia. He formerly served as the managing director and co-founder of Bina Fikir Sdn Bhd, Head of Country Research at Salomon Smith Barney Malaysia, and Director/Head of Research at Union Bank of Switzerland in Malaysia.

Khairil has been involved in the development of Iskandar Malaysia for almost a decade, and has 30 years of experience in construction, engineering and property development. He holds a degree in civil and environmental engineering from the University of Wisconsin-Madison, U.S., and an MBA from the University of Strathclyde, United Kingdom. *At the time of the strategic review, Khairil was the Managing Director and Chief Executive Officer of Medini Iskandar Malaysia Sdn Bhd.

Sarena was named managing director of the Property Development Division, Malaysia and Singapore in 2013. She has prior experience in departments including internal audit and business development and served as the Director of Strategy & Corporate Development in 2009. Sarena has a degree in accounting and finance from the University of Western Australia and an MBA from Melbourne Business School. She is a member of the Association of Chartered Certified Accountants.

Wahid was appointed as the Vice-Chancellor of UTM in September 2013. He is also a fellow of the Institution of Engineers Malaysia and a registered professional engineer with the Board of Engineers Malaysia. Wahid obtained his PhD in structural engineering from the University of Birmingham, a masters in bridge engineering from the University of Surrey, and a degree in civil engineering from the University of Strathclyde, United Kingdom.

Christian has considerable experience in key leadership roles including CEO, COO and CFO. He is currently responsible for the IKEA franchisee that owns and operates stores and shopping centres in Southeast Asia. Under his leadership, the franchisee has tripled its visitor base and doubled top-line turnovers while maintaining IKEA’s lowest prices and reducing environmental impact. Christian holds an MBA from Henley Business School at the University of Reading, United Kingdom.
Ismail has over 30 years of professional experience in the public and private sectors, mainly in the field of urban and regional planning, development and governance. He was appointed as Chief Executive of the Iskandar Regional Development Authority in 2010. Prior to his current position, Ismail served as Director of National Physical Planning at the Federal Town and Country Planning Department, as well as Director of the State Town and Country Department Penang, among other roles.

Michael has 50 years of experience in the international film and television industry. He has held executive positions in Australia and the U.S., including Executive VP World Wide Production for Village Roadshow Pictures and President of WWE Films Inc. In 2010 he was appointed CEO of Pinewood Iskandar Malaysia Studios and in July 2014 he became Group Managing Director of Rhizophora Ventures, the holding company for Khazanah Nasional Berhad’s investment in content and media.

Anwar holds a degree in mechanical engineering from Imperial College London, and an MBA from the University of Salford, United Kingdom. He is also a fellow of the Institute of Chartered Accountants in England and Wales, and a member of the Malaysian Institute of Accountants. Anwar gained considerable experience at MMC Corporation Berhad, Arthur Andersen and Ernst & Young and has served as Managing Director / CEO at UEM Sunrise Berhad since September 2014.

Tony turned to university management and leadership after 20 years as a mainstream academic lawyer. He was appointed Provost and CEO of the University of Reading Malaysia in 2012, while also serving as a professor of law. Tony began his career as a lecturer in law at Durham University, United Kingdom, before joining the University of Reading as Reader in European Law in 1990. Tony holds a bachelor of civil law from the University of Oxford, United Kingdom.

Prior to joining Johor Port, Shahrull served as Deputy CEO of Senai Airport Terminal Services Sdn Bhd, and Senior General Manager, Corporate Division for the Port of Tanjung Pelepas. He also held key positions at the Department of Fisheries and the National Security Council. Shahrull holds a degree in fisheries and marine science from the University of Agriculture Malaysia and a Certificate of Exclusive Economic Zone Management from the International Ocean Institute of Malta.

Akmal has been with the Iskandar Investment Berhad Group since December 2007. He has served in various capacities within the group and currently holds two positions: COO of IIB and CEO of Iskandar Development Management Services Sdn Bhd, IIB’s project management arm. He has 25 years of experience in areas of property development, and project and facilities management. Akmal has participated in major infrastructure projects across Johor Bahru.
Nor Mohamed Yakcop, Khazanah Nasional Berhad (Khazanah) : Welcome to the first International Investor: Iskandar Malaysia Strategic Review roundtable, which has been convened to mark the ten-year anniversary of the development initiative. While a great deal has been achieved over the past decade, much remains to be done and this particular milestone provides a perfect opportunity to pause and reassess the progress made and the lessons learned.

With that in mind, the main objective of this meeting is twofold: to establish consensus on industry-wide priorities and actions in support of existing strategic plans and common goals; and to jointly identify ways in which all stakeholders can bolster sustainable growth and talent development to 2025 and beyond.

The first part of the debate will focus on defining the position and role of Iskandar Malaysia in the global economy. Let’s get the ball rolling with a brief overview of the economic region, from its origins, to its value proposition and perspectives on how to consolidate progress moving forward. Ismail, I would like to start with you.

Ismail Ibrahim, Iskandar Regional Development Authority (IRDA):

Iskandar Malaysia was initially conceived as the South Johor Economic Region, as part of a wider plan devised by former Prime Minister Abdullah Ahmad Badawi to develop five regional economic corridors under the Ninth Malaysia Plan 2006-2010. The goal was to promote balanced regional development and accelerate growth in these five geographic areas.

Ismail Ibrahim, Iskandar Regional Development Authority (IRDA): Iskandar Malaysia was initially conceived as the South Johor Economic Region, as part of a wider plan devised by former Prime Minister Abdullah Ahmad Badawi to develop five regional economic corridors under the Ninth Malaysia Plan 2006-2010. The goal was to promote balanced regional development and accelerate growth in these five geographic areas.

Under the 2010 Economic Transformation Programme, which aims to ensure the country reaches developed-nation status by 2020, Iskandar Malaysia was identified as a key driver of future growth. Consequently, it was envisioned to become a high-income economic corridor to provide impetus to this wider national goal.

In terms of where Iskandar Malaysia stands at the ten-year mark, much of the focus since 2006 has been on attracting foreign and domestic investment. However, state and federal authorities have also prioritised the generation of sustainable wealth from within, in order to ensure inclusive development for all inhabitants of the economic region, not just the few.

Clearly, investment and inclusiveness are interlinked. For example, the development of the economic region’s nine promoted economic sectors is helping to create distinct clusters that are, in turn, giving rise to new employment opportunities for local people. Furthermore, this is generating an improved quality of life by enriching economic as well as physical and mental wellbeing opportunities for everyone in the economic region.

One key idea in this regard is that dialogues, such as this roundtable, will help to facilitate the consolidation of IRDA’s efforts in this direction by enabling thought leaders to identify common priorities and put them into practice going forward.

Azman Mokhtar, Khazanah:

One of the priorities of the Ninth Malaysia Plan was for the private sector to take the lead in the development of the five regional corridors mentioned by Ismail. In particular, emphasis was given to government-linked companies (GLCs), as part of the efforts to overcome traditional reliance on conventional command and control structures of the State. Accordingly, the government entrusted Khazanah to drive the development of what was to become Iskandar Malaysia, together with IRDA, while other selected GLCs were tasked with performing similar functions in the four remaining corridors.

The initial brief was to position Iskandar Malaysia as a strong and sustainable metropolis of international standing and this remains the mission at its ten-year anniversary. The vision was based on three key tenets: wealth generation, wealth sharing and inclusiveness, plus ensuring sustainability via resource optimisation.

Over the course of the first ten years, Iskandar Malaysia has successfully withstood significant global changes, including decreased investment following the 2008 Financial Crisis and slow growth in China and India. This robustness has been a critical factor in the impressive growth achieved to date in relation to initial investment targets, catalytic developments and social endeavours. Despite ongoing challenges, the outlook re-
mains promising and Khazanah is confident that Iskandar Malaysia will continue to meet its goals and targets over the next ten years.

**Shahrull Allam Shah Abdul Halim, Johor Port:** From the perspective of logistics services and related areas, Iskandar Malaysia has made steady progress during its first ten years. However, greater advancements are required over the next decade if the logistics sector is to maximise its potential by 2025.

For example, Azman mentioned China and India and it is certain that these two markets present a number of opportunities for Malaysia. For example, the Chinese are actively seeking new maritime routes for the movement of their goods and this includes a desire to expand their strategic landing points in Malaysia. As a consequence, a comprehensive plan of action is needed to ensure that the economic region continues to grow and attract additional investment in the logistics sector, not only from China, but also other countries. It is essential that part of this plan focuses specifically on the continued development of Johor Port, in line with the wider goal to boost wealth generation and inclusivity in Iskandar Malaysia and rival Singapore in terms of logistical infrastructure expansion.

**“The presence of prominent universities... has resulted in the creation of a deep and expanding local talent pool”**

**Khairil Anwar Ahmad, Iskandar Investment Bhd (IIb):** I see two notable achievements of Iskandar Malaysia over the last ten years. The first has been the joint implementation of what was, in 2006, a highly ambitious development initiative. The coming together of different parties, including the federal government, the state government of Johor, His Royal Highness The Sultan of Johor and a number of private and local stakeholders, can serve as an edifying example to other regions that plan to undertake something similar. Significantly, the maintenance of open channels of communication, such as this roundtable event for example, has been a key contributor to this success. In fact, I contend that the public-private partnership (PPP) model adopted could be used as a case study for business schools as an example of successful stakeholder management in action.

The second achievement that will contribute to the long-term success of the economic region is the focus on nurturing talent. Initially, it was necessary to bring in talent from further afield, including Kuala Lumpur, in order to provide professional and technical expertise to the Iskandar Malaysia initiative. However, the presence of prominent universities such as Universiti Teknologi Malaysia and, from 2012 onwards, the various Institutions at EduCity, has resulted in the creation of a deep and expanding local talent pool. The creation of this local talent cannot be overestimated in terms of ensuring the sustainability of the entire initiative; it is simply unfeasible to bring people in from the outside, whether Kuala Lumpur or further afield, on a continual basis. Thus, ongoing efforts to nurture talent in this way are something that must be prioritised.

**Prof. Tony Downes, University of Reading Malaysia (UoRM):** The first reason for the success of Iskandar Malaysia to date has been the people involved. Generally, individuals who choose to become part of a large-scale project such as this have two traits in common: they are optimists and they are not unduly risk averse. From my experience, start-ups and successful businesses need optimists at the helm, in order to take the necessary risks. This is precisely what has happened with Iskandar Malaysia.

Second, the bilateral relationship with Singapore has been, and will continue to be, crucial, although it needs to be clarified somewhat, in terms of business, economics and other respects. There are a number of issues that remain outstanding, particularly the need to improve the negative perception of the economic region in Singapore and, specifically, about Johor Bahru. This kind of perception is incredibly detrimental since it indirectly informs a range of opinions about the relationship from the Singapore side by portraying Johor in an inaccurate light.

Third, to follow up on the point made by Azman about the private sector driving Iskandar Malaysia, it is vital to find ways of making market forces work if this approach
is to be successful in the long term. This requires collaboration with the government in thinking about how market forces operate. This will help to avoid a situation in which, for example, one part of the government is trying to use market forces to boost development via the encouragement of inward investment, while another is focusing on tighter regulations and closed markets.

Sarena Cheah, Sunway Group: From a property development standpoint, Sunway Group became part of Iskandar Malaysia in 2011 when it entered into a joint venture with Medini Iskandar Malaysia to oversee the construction of the Sunway Iskandar township development. One of the crucial factors leading to our initial involvement was the potential shown by Iskandar Malaysia, in particular, the prospect of developing a township of international standing at the heart of one of the country’s largest economic corridors.

Sunway continues to see the huge potential of this economic region moving forward, which is why we are placing a sharp focus on the Sunway Iskandar initiative, having entered into a further joint venture with Khazanah and Iskandar Investment Berhad to that end. This takes the total land area under development by Sunway to 1,800 acres; testament to our belief in the continuing promise shown by Iskandar Malaysia.

In addition, in order to develop Iskandar Malaysia into an economic region of international standing, we expect to see more catalytic project developments in the next ten years; from housing, to schools, to entertainment destinations, such as theme parks. It is important to note that these types of developments depend on a positive economic performance at the national level. Therefore, in agreement with previous remarks, State engagement of the private sector is crucial. This could include the introduction of certain new incentives. For example, additional exemptions for businesses and individuals from the entertainment tax, as defined under the Income Tax Act, in order to boost tourism. Since the latter is a core promoted sector under the Comprehensive Development Plan II 2014-2025, it is crucial that this kind of policy shift is considered.

Prof. Dr Wahid Omar, Universiti Teknologi Malaysia (UTM): As highlighted previously, the ten-year presence of Iskandar Malaysia in Johor has been notable, with significant outcomes. Nevertheless, very few people are probably aware of the achievements made. It is thus essential for stakeholders to continue communicating to the local community, especially in a more effective and widespread manner, the impact of the projects on their livelihoods, including the improved opportunities, rising income growth and enhanced socio-economic development. This process could be facilitated, for example, by conducting additional investigations, including more in-depth qualitative and quantitative analyses. Measuring the real impact of the large quantities of new investment and infrastructure development for local inhabitants is an integral part of consolidating the initiative as it moves forward.

At UTM, we work in close collaboration with IRDA in relation to research, consultation services, community engagement and human capital development in Iskandar Malaysia, and we are looking to expand alliances in these areas over the coming years. In particular, we have identified tremendous potential in the area of talent management, in which we operate both direct and indirect leadership and support roles, to ensure that future talent in the economic region continues to be vibrant and promising. This aspect, in conjunction with communicating the Iskandar Malaysia message, is

Sunway continues to see the huge potential of this economic region moving forward

In terms of consolidating the success of Iskandar Malaysia moving forward, I would like to raise a number of points. First, to pick up from what Tony said about image perception, it is essential that all stakeholders identify ways to understand and rectify the negative light in which the Johor region is seen in Singapore. Second, on talent development, Sunway has experienced difficulties in attracting human capital to the economic region for a number of reasons, including the Johor attractiveness factor. As Khairil commented, amplifying the talent pool in Iskandar Malaysia is one of the most pressing challenges to 2025.
a fundamental part of boosting the development of the economic region into its second ten-year period.

**Michael Lake, Rhizophora Ventures:** Growth in Iskandar Malaysia has been exponential since 2006. Nevertheless, it is important that new industries are developed as we move into the second half of the project lifecycle. This will involve job creation, which, in turn, is directly related to talent development.

> It is important that new industries are developed as we move into the second half of the project lifecycle

Accordingly, the initial focus of Rhizophora Ventures was on attracting international production talent to Johor. However, it has been evident for the past few years that greater emphasis needs to be placed on the development of local skills. That is why Multimedia University (MMU) opened its third national campus in EduCity in January 2016. The Johor campus offers a cinematic arts degree course run in collaboration with the world-renowned film school, the School of Cinematic Arts at the University of Southern California (USC). This has resulted in increasing numbers of Johorian students signing up for courses at MMU, with expectation that a job will be available at the end of their programme. Thus, it is vital that these jobs are actually created.

The overall aim of these kinds of initiatives is to reduce film studio dependency on international talent and foster the creation of local production and, in the long term, transform Johor into an entertainment hub in ASEAN. Given MMU’s collaborative relationship with USC, as well as the presence of Pinewood Iskandar Malaysia Studios and our growing experience at Rhizophora Ventures, the Johor creative arts industry is in a strong position and making solid progress towards that goal.

**Akmal Ahmad, IIB:** When IIB first became involved in the Iskandar Malaysia story in November 2006, the economic region was simply an idea and its success was based on selling a dream. Over the years, all relevant stakeholders have come together and turned that dream into a tangible reality. It is very important that this is not forgotten moving forward.

As part of IIB’s mission is to ensure Iskandar Malaysia embodies an attractive investment destination with a focus on developing catalytic or high impact projects in the education, tourism and leisure, creative, and health and wellness sectors. An interrelated goal is to transform the economic region into a vibrant and liveable area in which a healthy population is fully engaged with a dynamic and sustainable ecosystem. Consequently, as we look ahead to 2025, it is time for stakeholders to consider building a new dream. To use an information technology metaphor, it is vital this new dream is based not on the hardware, which is largely already in place in terms of the large-scale infrastructure development, but rather on the software. This includes looking beyond job creation to encourage the growth of social enterprises and the emergence of communities in harmony with the environment.

Community initiatives, such as the recently initiated urban farm in southern Johor, which involves dozens of volunteers who grow and trade organic produce with local businesses, are helping to create a holistic community linked in a mutually supportive framework. This is precisely the type of scheme Iskandar Malaysia should focus on as it moves forward. These communities help to engage people, promote social inclusiveness and encourage innovative and sustainable social enterprises. The creation of these kinds of communities also becomes a foundation on which to build distinct lifestyle options, which are invaluable in stimulating the local population and attracting increasing numbers of people to relocate to the area.

**Christian Rojkjaer, IKEA Southeast Asia:** The IKEA perspective of Iskandar Malaysia is very positive in terms of what has been achieved so far. One of the crucial factors in its success to date has been the clarity and transparency of decision-making. From our point of view, this has helped IKEA to understand what is required of us in relation to the logistics and regulations involved in opening a new store in Johor. In fact, it would be nice if the process were this straightforward everywhere!

For any new initiative or project in any country, attracting capital and investors is difficult, although
it is always possible. Clearly, Iskandar Malaysia has been very successful in this regard and is set to experience a prosperous second ten-year period as a result. Nevertheless, in order for the economic region to truly succeed in the long term it is now vital that stakeholders switch their attention to focus on elements such as better living standards and quality of life.

Akmal mentioned seeking out a new dream or vision for Iskandar Malaysia, and this is important. It is essential that any such move places people at the heart of its strategy; a vibrant and diversified society will help to generate long-term, sustainable success because people will choose to either return home to southern Johor or to make it their new home, precisely due to the benefits provided by this type of environment.

Furthermore, it is important for this new vision to emphasise a diverse range of issues, I call them hygiene and attractiveness factors, relating to safety concerns, to health and education opportunities, and transport links, including alternatives to car travel. This is now happening in Iskandar Malaysia, which is why, after buying a piece of land in the economic region many years ago, we will be opening our first store in Iskandar Malaysia in 2017 in Tebrau, Johor Bahru.

However, this is just the beginning and more can be done to boost efforts in this people-centric direction in order to genuinely entrenched long-term sustainability to 2025 and beyond.

NMY, Khazanah: The arrival of a global brand like IKEA helps to validate the success and future prospects of Iskandar Malaysia. It is a very welcome development.

“The arrival of a global brand like IKEA helps to validate the success and future prospects of Iskandar Malaysia”

One aspect that has not been mentioned in great detail is the relationship with Singapore. One of the original ‘selling points’ of the Iskandar Malaysia initiative was its geographical proximity to that global hub, with emphasis placed on how the economic region could maximise opportunities from the price differential between the two.

With that in mind, in what ways can this relationship be strengthened and what examples are there from other geographical regions that may be of use in this regard?

CR, IKEA Southeast Asia: One possible example is the model created between Copenhagen in Denmark and Malmo in Sweden, whereby the Oresund Bridge and tunnel that connect the Oresund Straight unify the two cities. The success of this relationship is due to the respective authorities’ identification of ways to reduce distance, break down existing barriers and increase the critical mass needed to forge a joint project between two separate administrative regions.

Moreover, the kind of thinking prevalent in bilateral relations between Denmark and Sweden go beyond just shared transport infrastructure. They include not only the movement of goods and people, in line with European Union regulations, but also the deeper integration of their respective tax systems, in an effort to increase and facilitate cross-border employment. Similar moves by authorities in Malaysia and Singapore have the potential to be a tremendous fillip for the development of Iskandar Malaysia.

AM, Khazanah: Another example is the Shenzhen-Hong Kong story. Although I am not too keen on the analogy between Iskandar Malaysia and Shenzhen, the latter has clearly benefitted from close proximity and open economic policies with an advanced economy. Instead, I prefer to highlight the parallels between Iskandar Malaysia and the ‘historical Shenzhen’, which was able to produce a demonstrative effect in China to make the possibilities of reform and development a reality.

In that regard, I believe we must position Iskandar Malaysia in terms of what it can do for Malaysia and how its success can demonstrate what this country can achieve. This involves finding the right balance between business and social development and showing the numerous advantages of collaboration.

Anwar Syahrin Abdul Ajib, UEM Sunrise: In general terms, the UEM Sunrise perspective is to view the metaphorical Iskandar Malaysia glass as half full at the ten-year mark. For example, we have launched approximately 14,000 units to date and delivered approximately
Rhizophora Ventures Sdn. Bhd. is an Iskandar Puteri based investment holding company established to invest in the Creative and Media sector. Its vision is to catalyse and contribute towards the development of the creative and media industry and eco-system with a specific focus on the development and commercialization of Malaysian content.
10,000 keys: a combination of residential, commercial and mixed-use developments. Significantly, the period between 2006 and 2016 saw greater market willingness to purchase more expensive products. In fact, demand for these kinds of units in Johor has been high and top-end townships have been very successful.

Therefore, people have been willing to engage with the development initiative and spend more for a better quality of life. In terms of the original question about Singapore, a large number of purchases have come from property buyers in the city-state, and so the bilateral relationship is of particular interest to us. At the Iskandar Malaysia level, challenges still exist in this relationship, and frustrations are evident in terms of cross-border accessibility between the two. In fact, our findings show that potential customers have been dissuaded due to this issue.

I know from personal experience that it takes a long time to cross from Malaysia to Singapore via car. Similarly, ferry travel is limited between the two, although UEM Sunrise is playing its part with its catalytic development of Puteri Harbour International Ferry Terminal, which offers international ferry services to Singapore. Nevertheless, if authorities are serious about wanting to attract more Singaporeans to Iskandar Malaysia, for work or residential reasons, both national governments need to jointly identify ways to improve accessibility, especially in regard to bottlenecks that form on the causeways across the Straits of Johor, particularly on the Malaysian side.

If we are able to resolve the issue it will certainly help to boost property demand. It can also help to augment development in other industries, such as the increased investment arising from Singaporean companies relocating their production plants in Iskandar Malaysia.

Indeed, something similar is already happening in our 1,300-acre Southern Industrial and Logistics Clusters (SiLC) Phase 1 and Phase 2 projects, where foreign companies are purchasing land to construct their industrial premises in the economic region. The potential to attract Singaporean companies to industrial parks, such as SiLC, is tremendous, given its close proximity.

However, the ability to address the outstanding issues between the two countries in regard to accessibility, among others, is vital to future long-term growth.

AM, Khazanah: Improving accessibility between Johor and Singapore is crucial and the key is to break the existing mould. There are a number of possibilities, from improving ferry services between the two countries to ‘outside the box’ alternatives, for instance, by introducing innovative schemes such as a car sharing service on either side of the Straits of Johor to help ease congestion on the two causeways linking Iskandar Malaysia and Singapore. In fact, devising increasing numbers of innovative ideas to overcome all existing challenges is something the stakeholders must bear in mind over the next ten-year period.

NMY, Khazanah: There is consensus that Iskandar Malaysia has been highly successful in certain areas over the past ten years, in addition to the need to redouble efforts to drive growth over the next decade. With that in mind, what are the most important lessons learned at the halfway stage and how can these lessons help collective efforts to entrench the economic region as an attractive, sustainable and thriving global metropolis? Azman, let’s start with you.

AM, Khazanah: One key lesson learned is the positive role of GLCs, including Khazanah, UEM Sunrise Berhad and IIB in helping to provide the platform to realise the growth of Iskandar Malaysia. The strength of GLCs is their focus on and expertise in developing catalytic projects, by providing increased investment in infrastructure while simultaneously facilitating the involvement of other private sector players, both domestic and international. Furthermore, the holding power of investors in Iskandar Malaysia has enabled them to withstand market volatility and remain strong. This provides increased security to the economic region and enhances its long-term sustainability.

In terms of efforts to make Iskandar Malaysia more attractive and sustainable, much will depend on relationships with foreign partners, including those with all ASEAN countries, not just Singapore.

Ultimately, the process of creating a thriving global metropolis in southern Johor will be a long-term undertaking, and the presence of strong investors with a long-term orientation and holding power will help to generate the value and stability required.
WO, UTM: One important lesson that must be communicated in conceptualising the path forward is the importance of open discussion and engagement between the main stakeholders, such as this roundtable. It is rare for a university to be invited to participate in a platform such as this in Malaysia and I see the opportunity as having a two-way benefit. As an institution, on one hand UTM can listen to the debate and take up the challenge of devising our own plans in response to what is being highlighted. On the other, it provides us with the chance to put forward our own ideas in an attempt to influence proceedings.

Therefore, to ensure that Iskandar Malaysia becomes an attractive, sustainable and thriving global metropolis, first it is important to recognise that the process is not a straight line and things will change. Second, it is essential to involve the world of academia in this process. At UTM, for example, there are approximately 1,500 PhD holders who could be engaged in related projects to identify ways in which this particular goal can be realised. The key, therefore, is for all Iskandar Malaysia stakeholders to regularly meet and communicate with one another to ensure that ideas continue to flow. Only then can the remaining challenges be overcome as we move towards 2025.

AM, Khazanah: Khazanah is aware of the strengths of the universities and the part they can play in developing ideas, innovation, research and data. I agree that ongoing collaboration between universities and the public and private sector at events like this are an essential part of devising ways to put mapping and research findings into practice.

We must identify new and exciting ways to stimulate and encourage innovation and entrepreneurship as part of efforts to ensure that the economic region thrives. With that in mind, one possible idea is to create an industrial design award that involves local universities or companies, such as UTM and UoRM, or Sunway and IKEA. The competition should stipulate that products must be manufactured here and built by local communities, as a way of involving the latter within production processes and supply chains.

CR, IKEA Southeast Asia: That is a fantastic idea. I would be very interested in working together with other stakeholders in Iskandar Malaysia to move a project like this forward.

NMY, Khazanah: This is a good example of how these kinds of meetings can facilitate progress. What about other concrete areas in which actions can help to bridge existing gaps between the initial aspiration and the materialisation of Iskandar Malaysia’s goals?

That is a fantastic idea. I would be very interested in working together with other stakeholders in Iskandar Malaysia to move a project like this forward

ML, Rhizophora Ventures: One thing we must not forget is that Iskandar Malaysia is not just Iskandar Puteri; to ensure long-term sustainability, the other four flagship zones must not be overlooked. Thus, in terms of concrete actions to bridge gaps, while some efforts are already being made in this respect, constructing a strong and thriving city centre in Johor Bahru will contribute greatly to development efforts across the other flagship zones and help the economic region to gain further recognition as a global metropolis.

One specific area that requires further attention is connecting the distinct nodes of Iskandar Malaysia in an effective manner by integrating the geographically disparate flagship zones. I know many people who live and work in Iskandar Puteri that very rarely come to Johor City, for example.

The main challenge is the lack of a really strong public transport system; currently, the only way to travel between these places is by car. In my opinion, this all relates to the need for a more holistic view, particularly if we are aiming for sustainable development.

AM, Khazanah: Public transport is a classic example of a physical enabler that provides a network linking all the separate parts in an urban setting. Accordingly, a high-speed rail network connecting Kuala Lumpur and Johor Bahru with Singapore is due to begin construction in 2017, with completion expected in 2026.
Similarly, under the Transportation Blueprint 2010-2030 for Iskandar Malaysia, a Bus Rapid Transit system (BRT) has been earmarked for construction, which when completed, will represent a huge step towards an integrated connectivity system that serves the entire local region. Therefore, steps are being taken by institutional stakeholders and the realisation of these transport networks will be a tremendous boost to southern Johor.

“A high-speed rail network connecting Kuala Lumpur and Johor Bahru with Singapore is due to begin construction in 2017”

The key to public transport development is finding a workable funding model and facilitating private-public coordination with long-term, sustainable players who understand what is required. The government has been working since 2006 to lay the foundations for public transport in Iskandar Malaysia; during the next stage of development, we must increase PPP initiatives to progress further.

TD, UoRM: A new, efficient public transport system is certainly one of the development gaps in Iskandar Malaysia. The main challenge in the development of such a system is always cost. In this regard, it is important that stakeholders strike a balance between improving infrastructure in such a way that is not financially detrimental to its inhabitants, while creating an ecosystem conducive to the arrival of new people who want to live and work in the economic region.

Following Michael’s call for a more holistic vision, higher education in Iskandar Malaysia would certainly benefit from more joined-up thinking. Most of our students come from Johor and from my perspective, additional work is required to homogenise efforts to ensure that universities such as ours create a real link between what we are doing and the actual needs and desires of students. In particular, this relates to students from defined population centres, such as Johor.

In turn, this is directly related to the chain that links people from school, through university, to employment and family life in Johor, and the challenge for Iskandar Malaysia is to unite all these separate aspects. Steps are being taken in this regard. At UoRM, for example, we are reaching out to local schools, but more needs to be done by all actors to help join the dots.

KAA, IIB: A further serious challenge is to increase the size of the working population in Iskandar Malaysia. For example, a large number of residential units have been or are being built in Iskandar Puteri, but the population is not growing because there are limited employment opportunities in the area.

Progress is ongoing and increasing numbers of small and medium-sized enterprises (SMEs) are arriving to the area, most of which pertain to the light industrial sector. However, growth has been slow in the services and financial service industries, while a moderate rise has been detected in the creative, education and health sectors. Undoubtedly, these areas require additional expansion as soon as possible.

ML, Rhizophora Ventures: The attractiveness factor is one of the key challenges for any new development. As Khairil suggested, part of this includes building additional industries in Iskandar Malaysia that will give rise to new job opportunities. They do not have to be big or high-tech industries, but they do need to cater to the entrepreneurial spirit of young graduates, particularly those coming out of MMU. Millennials want to create jobs for themselves and it needs to be made easier for them to do so.

AM, Khazanah: Regarding SMEs, certain economic development theories state that once big catalytic projects involving large companies from the private sector have been established, there will be a knock-on effect on SMEs. Inevitably, market inefficiencies or setbacks will emerge along the way and that is why industrial policy and coordination are so important.

Similarly, while the working population can certainly be expanded and diversified, significant progress has been achieved since 2006, with thousands of jobs created in the construction, leisure and tourism, creative, education and healthcare sectors to date. Nevertheless, it is certainly important to tap into
the younger, entrepreneurial side of things in order to ensure Iskandar Malaysia is genuinely attractive to other young talent. The priority moving forward should be more coordination and joined-up thinking between all players, including the government, IRDA and the private sector. The adoption of a common approach will facilitate the process of bridging the identified gaps related to public transport, SME market penetration, a growing working population, as well as other areas of development.

**KAA, IIB:** In order to bridge these gaps, I think that the strategic communications plan should be reviewed. Following my extensive efforts to promote Iskandar Malaysia, I have come to the conclusion that there is a lack of awareness about the development corridor itself, particularly on the international stage.

To date, much of the promotional work has perhaps been carried out in isolated pockets, where individual groups have promoted themselves, first and foremost. The joint development of a stakeholder communication strategy based on a set time period, whether a year or three years, for example, will help players to pool their resources and avoid a situation in which efforts are duplicated. This will be a tremendous benefit in terms of communicating the success story of Iskandar Malaysia and go some way towards resolving the issues we have been discussing.

**II, IRDA:** What this roundtable discussion has clearly reflected so far is the need to address the communications gap. The practice mentioned by Khairil in regard to stakeholders shaping their communication strategies from an individual rather than collective perspective is impeding efforts to promote the benefits and success stories from the economic region among domestic and international audiences. This behaviour is understandable, but, I agree, moving forward it is important to coordinate and integrate efforts to devise a common communications plan.

**TD, UoRM:** In terms of collectively promoting Iskandar Malaysia abroad, certain governments are good at involving the wider business community in their foreign trade missions. These trips consist of a diverse group of representatives from the public and private sector who travel together to a particular country or region to promote the collective benefits of their home nation or area of operations. This kind of collective trade mission involving Iskandar Malaysia representatives is one potential way to enhance our communication efforts.

**SC, Sunway Group:** Identifying ways to ensure long-term momentum and commitment are fundamental to the sustainability of Iskandar Malaysia as a place in which people want to live, work and enjoy recreational activities. From the perspective of property development, particularly in terms of sustainability, further gaps exist in relation to the actual process of project implementation. This includes the need to increase interaction with local communities to understand their requirements and aspirations.

For example, I know from personal experience that many young professionals choose to go to Singapore at the weekend because there are not enough recreational opportunities in the area. Clearly, a number of malls, as well as other leisure and entertainment projects, are under development in Iskandar Malaysia. However, stakeholders can do more to pre-empt future demand and speed up these kinds of initiatives, from baseline research to looking at the approvals process, the readiness of infrastructure and how projects integrate together.

A related point, as highlighted by Michael and Azman, is the importance of engaging young talent in the economic region to pursue entrepreneurial instincts. More communication and collaboration between the universities would help to introduce a new generation of talented people and raise Iskandar Malaysia to the next level.

We must identify ways to engage members of the younger generation and offer them opportunities to flourish. This can be done not only through universities, but also at the institutional level via the provision of assistance to start-ups and young entrepreneurs that want to become meaningful stakeholders in Iskandar Malaysia.

**SASAH, Johor Port:** The arrival of world-class multinational corporations (MNCs) to Iskandar Malaysia will certainly help drive the emergence of new start-ups and SMEs. It is the duty of stakeholders in Iskandar Malaysia...
to aid the integration of SMEs following the entrance of big players; success will depend on enabling participation to some degree.

One opportunity is to attract original equipment manufacturers and distribution centres here, for example in car manufacturing. Significantly, we are in talks with Volkswagen about this matter and BMW has already broken ground on the new BMW Group Parts Distribution Centre Malaysia at Senai International Airport.

Additionally, it is important to entice recognised brand names. One positive development in this domain is that U.S. chocolate maker Hershey is building a production plant in the economic corridor. These kinds of notable developments will create favourable conditions for local SMEs to tap into the value chain.

Policy is a critical factor that helps to attract MNCs and, thus, generate rising numbers of SMEs. To this end, there must be greater incentives put in place by the authorities. The presence of free zones is one incentive and there are a number in Iskandar Malaysia, including the free zone area at Johor Port.

However, certain issues need to be resolved in this regard, including an unintended consequence of the 2015 Goods and Services Tax (GST) whereby free zones were recognised as part of Malaysian territory and, thus, subject to associated duties. This is diminishing the incentive offerings in relation to the transfer of goods. The Ministry of Finance and the Malaysian Investment Development Authority are looking into this situation and we expect it to be resolved. Nevertheless, this exemplifies the importance of policy decision-making in helping SMEs, and Iskandar Malaysia itself, to become sustainable and conducive to long-term growth.

There are a number [of free zones] in Iskandar Malaysia, including the free zone area at Johor Port

Policy is a critical factor that helps to attract MNCs and, thus, generate rising numbers of SMEs. To this end, there must be greater incentives put in place by the authorities. The presence of free zones is one incentive and there are a number in Iskandar Malaysia, including the free zone area at Johor Port.

However, certain issues need to be resolved in this regard, including an unintended consequence of the 2015 Goods and Services Tax (GST) whereby free zones were recognised as part of Malaysian territory and, thus, subject to associated duties. This is diminishing the incentive offerings in relation to the transfer of goods. The Ministry of Finance and the Malaysian Investment Development Authority are looking into this situation and we expect it to be resolved. Nevertheless, it exemplifies the importance of policy decision-making in helping SMEs, and Iskandar Malaysia itself, to become sustainable and conducive to long-term growth.

NMY, Khazanah: This issue about unintended consequences of certain policies is highly pertinent. Therefore, and related to what has been discussed about bridging the gaps in distinct areas, what can be done to ensure more effective coordination between all players moving forward?

II, IRDA: The priority is to follow a clear communication strategy and hold ongoing discussions in which all levels of stakeholders are involved. These conversations must include the people who will be directly affected by the decisions being made. The government cannot just talk among itself. Since IRDA acts as the focal point that unites all parties within Iskandar Malaysia, from high-level decision-making processes, to maintaining close relations with the local population, we are well positioned to act as the conduit for communication.

Another related point about coordination is that Iskandar Malaysia must transcend concerns solely about economic growth; it must also be about inclusiveness, and this requires balance. That is why the goals of IRDA often take time to materialise. For example, our aim is to create pools of local SMEs to cluster around a specific catalytic project, but this organic approach takes longer than, for instance, attracting foreign SMEs.

This is due to the time required to create the right opportunities and work with the appropriate agencies in order to help form highly skilled businesses capable of reaching a globally recognised level. IRDA is working with specialist organisations, including SME Corporation Malaysia and the Ministry of International Trade and Industry, to streamline this process, with an emphasis on how policy decisions can be most effectively translated at the local level. Replicating this approach across other sectors and institutions would help to ensure that coordination efforts are conducted more effectively in the final phase of the initiative.

AM, Khazanah: Effective coordination between constituent stakeholders is essential to the success of Iskandar Malaysia over the next ten years. I agree with Ismail that too much top-down is unhealthy; effective PPPs must be arranged and play an increasing role, particularly in light of fiscal constraints. Accordingly, one priority is to harness the energy and ideas of the younger generation by embracing the ‘indie economy’. It is vital to understand the increasing reluctance of younger generations to fully engage with the ‘capital economy’, which has seemingly lost touch with the
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ordinary citizen. If we can facilitate this 'indie' phenomenon, which is global, it will help ‘future-proof’ development in Iskandar Malaysia.

NMY, Khazanah: We have covered a lot of ground in this discussion. What are participants’ key takeaways so far? What are going to be the low-hanging fruit and key priorities as the project moves into its second ten-year period?

CR, IKEA Southeast Asia: The first of my three takeaways is communication. Clear and accurate communication is crucial to the success of Iskandar Malaysia, in particular on the issue of safety here and addressing the negative perception in Singapore. Much of this sentiment is simply inherited rumour and it is important to shape communication campaigns with this in mind.

Second, improving access to Singapore from the Malaysian side would make Iskandar Malaysia an even more attractive place to live and work. This includes enhancing the physical links and reducing the time it takes to cross the Straits of Johor, as well as facilitating the immigration procedure. The key point is to provide people with the choice to travel or commute between the two areas in a hassle-free manner.

Third is to improve existing public transport infrastructure. Although creating an inter-connected and efficient public transport system linking all the key areas of Iskandar Malaysia is a large undertaking, it is essential that a firm commitment and careful planning begin to become a reality.

The latter issue takes us back to communication. Once these commitments and plans are disseminated effectively, people are generally patient and will be satisfied to invest or relocate.

TD, UoRM: Rather than the low-hanging fruit, my background in academia makes me more inclined to focus on the fruit that is harder to pick! In addition to my comment about the importance of market forces playing their part in Iskandar Malaysia, it is vital that political forces continue to contribute to the wider development process. For example, we have been talking about public transport, but Malaysians are very attached to their cars. We have to ensure that a ‘public transport culture’ is created to ensure there is demand for these infrastructure projects.

“ It is vital that political forces continue to contribute to the development process”

Another of these political issues is the English language. While it may be politically difficult to reintroduce English as the language of instruction in schools, it is essential to identify ways to ensure that all Johorians, who aspire to the kinds of education and income levels espoused by the Iskandar Malaysia initiative, are fully equipped with the necessary tools to do so. Inevitably, this will include an advanced level of English.

In my view, the hardest fruit to pick relates to the questions surrounding what kind of economy Iskandar Malaysia wants to become. For example, the CDPI identifies nine ‘promoted sectors’, which will form a solid base for development. However, to move forward effectively, the changing local, national and international realities must be embedded into the growth plans and value proposition of this economic region. For example, growth in the Singaporean economy is expected to decline in the medium term and so it is vital that Iskandar Malaysia is positioned to take advantage of these changing circumstances. Overall, flexibility and adaptability are essential in terms of strategic planning because a proposal devised, for example, 10 to 15 years ago will not necessarily be the most suitable plan in 10 to 15 years’ time.

SC, Sunway Group: My takeaway is the need to adopt a different strategy moving forward; one that moves from being capital-centric to people-centric. It is important to identify ways to engage young people and attract them to live and work in Iskandar Malaysia in order to help secure long-term success and sustainability.

In addition, Tony’s point about broader stakeholder involvement in decisions relating to what kind of economy Iskandar Malaysia should become would be a positive
move. A clear focus on what to expect over the short and medium term will help everyone to understand, for example, what kind of developments to introduce to the market. In turn, this will help to ensure that future growth is more sustainable for all in Iskandar Malaysia.

**II, IRDA:** My key takeaways fit into two categories: developments that can be described as above water and below water. Investment figures or number of SMEs and jobs created, for example, have been widely promoted and can be described as ‘above water’. However, there are issues ‘below water’ that do not receive as much attention, such as how the new regional wealth has been distributed equitably to ensure that economic development is shared equally among the local population, regardless of socioeconomic status. I would like to see more collective efforts to focus on the issues below water and increase their level of coverage as important facets of the Iskandar Malaysia story.

**NMY, Khazanah:** That being so, despite the solid progress achieved during the first ten years of Iskandar Malaysia, is there a feeling that more of the overall ‘pie’ has been distributed among higher-income segments of society, as opposed to being distributed among the general population in equal measure?

**II, IRDA:** To some extent, yes. However, it is important to understand Iskandar Malaysia as a 20-year journey in which the platform has been set during the first and second 5-year periods. The third phase that the initiative entered into in 2016, as outlined by the CDPII, concerns the pursuit of sustainability and innovation. Crucially, the long-term success of Iskandar Malaysia itself will depend on our collective ability as stakeholders to ensure inclusive and equitable growth.

**TD, UoRM:** Inclusivity is indeed a vital and often overlooked component of the Iskandar Malaysia narrative. For example, approximately 50 per cent of the staff at the UoRM are not knowledge workers, they are primarily Malaysian and, like the rest of us, they would like to live near their place of work, which is the campus at EduCity. However, they cannot afford to do so, and this illustrates a pertinent inclusiveness issue.

**ML, Rhizophora Ventures:** One of the priorities moving forward is to ensure that government policy is consistent and that investors are certain that what applies today will still apply tomorrow. Frequent changes to policy and how it is implemented will impede the growth of all sectors and precipitate an unfavourable perception from the international investor community.

One example of policy inconsistency in Malaysia is the Film in Malaysia Incentive. This scheme was established as a financial incentive for the production of creative content in the country by offering a 30 per cent cash rebate on all ‘Qualifying Malaysian Production Expenditure’. However, interpretation of the guidelines is rather inconsistent and some civil servants lack the necessary film industry experience to resolve problems that arise. This is having a knock-on effect on the creative work being undertaken in Malaysia. What all sectors of the economy want is a transparent system, and more needs to be done to ensure that this kind of system is developed.

**WO, UTM:** My takeaway is for stakeholders at all levels to place added emphasis on the creation of not only talent, but also entrepreneurs, particularly within the digital economy space and other promising and state-of-the-art fields, such as biotechnology.

There are many budding entrepreneurs with highly propitious ideas in the university sector who simply require financial support to get their developments off the ground. The goal for a number of universities, including UTM, is to contribute directly to the economic development of Iskandar Malaysia and beyond, and to play a relevant role in efforts to secure a sustainable and prosperous future for our students, as well as society as a whole.

Thus, part of our strategy to achieve this goal is to forge close working relations with authorities. For example, we are collaborating with the state government of Johor on a project in which our professors work in partnership with local community members to build their digital skills. The aim is to train them via a range of capacity-building initiatives and transform them into future engines of growth.

It is essential that more of these kinds of capacity-building projects between established stakeholders
and the local population are implemented in order to move Iskandar Malaysia, and the country, beyond its labour-intensive economic production to become truly economically viable in the digital economy.

ML, Rhizophora Ventures: It is important to take into account that the whole playing field has changed since the Iskandar Malaysia initiative was launched in 2006 due to the rise of the digital economy. It is therefore vital that all stakeholders embrace this development and switch their focus to setting up business incubators for the new digital segments, such as game development and short-form programming.

One way to attract new businesses to the area or to promote their continued development is to take advantage of existing institutions, including UTM, who are experts in this field. For example, lessons can be learned from the Imagineering Institute, a multi-disciplinary research lab and partnership between UTM, MMU, City University of London and Osaka University Japan. The institute includes a start-up acceleration programme within its premises aimed at providing entrepreneurs with access to advanced lab tools, machines for prototyping, and academic researchers. These kinds of initiatives are needed throughout Iskandar Malaysia to foster the growth of innovation and technological development.

KAA, IIB: A general takeaway of mine is that there are many lessons to learn after the first ten years in Iskandar Malaysia. One idea moving forward would be to solicit feedback from different investors and stakeholders about their experience here and the areas they believe could be improved.

I also see the importance of advancing and encouraging innovation and this requires the nurturing of young talent, as indicated by a number of other participants. Accordingly, the goal should be for all actors to promote this culture of innovation, individually and collectively, and to create an ecosystem that incubates the ideas of the younger generation and channels them to transform change, as suggested by Michael.

For example, various global companies are implementing initiatives to directly involve younger employees in their operations. I was told that the Accor Hotel Group has set up a shadow executive committee, populated by employees under 25 years of age, that is instructed to challenge the senior committee with ideas about future company direction. Furthermore, Nestlé is now utilising what it calls ‘Digital Acceleration Teams’, which are groups of young professionals that work closely with senior company staff to develop the company’s relationships with consumers online and maximise their social media footprint.

These types of initiatives should be replicated at the individual company level in Iskandar Malaysia. It would provide a valuable example that links directly to boosting innovation and, indeed, inclusiveness by engaging younger, digitally literate people in the Iskandar Malaysia initiative.

ASAA, UEM Sunrise: One key priority relates to how we create an environment where people want to come and live, learn, work and play. We have to provide good arguments that illuminate the kinds of lives that can be built in Iskandar Malaysia. We could learn a lot from the students that come here to study in that respect because they spend three or four years in Johor and should be able to provide good feedback.

“"In 2018 [UEM Sunrise] will be opening a 343-acre natural heritage park in Iskandar”

One aspect of this relates to Tony’s point about economic decision-making. It is important that stakeholders concentrate their efforts on ensuring that Iskandar Malaysia becomes a genuine hub in a small number of specific segments, rather than emphasising the development of a large number of different industries. For example, there is a population of approximately half a billion people within a four-hour flight radius of Johor. Given that Newcastle University Medicine Malaysia is churning out doctors and IHH Healthcare Berhad is already investing in Gleneagles Medini, there are tremendous opportunities to transform the economic corridor into a world-class destination for healthcare. This is just one possibility out of many.
Johor Corporation (JCorp) is a Johor State Conglomerate of diverse businesses including Palm Oils (KULIM); Specialist Healthcare; Food & Restaurant Services; Residential, Commercial and Industrial Property; Hospitality; Port Services and Oil & Gas.
At UEM Sunrise, we are committed to promoting the benefits of leisure and in 2018 we will be opening a 343-acre natural heritage park in Iskandar Puteri, in which residents and visitors will be able to enjoy a regenerated green space. Therefore, the key to success is for all stakeholders to work together in a complementary manner to implement projects. Thus, individual developments can be built in pursuit of the wider mission to transform Iskandar Malaysia. The key is ensuring ongoing dialogue and interaction.

AA, IIB: A 2015 study, compiled by the global market research firm Nielsen, found that 72 per cent of millennials are willing to pay more for products and services that come from companies who are committed to positive social and environmental impact. This compares to 55 per cent in 2014 and, therefore, indicates a rising trend. Consequently, this clearly supports the general consensus around this table that engaging the youth and channelling their ideas to strengthen the bottom-up approach is of increasing importance.

Stakeholders in Iskandar Malaysia must provide millennials with platforms from which their ideas can be put into practice, from start-up incubators, to other ideas including the creation of more co-working spaces. Beyond that, it is important to target the generation of an entire ecosystem in which entrepreneurs and innovators, from the graduate level up, receive suitable support and backing in order to grow.

My second takeaway concerns the availability of data and the so-called ‘fourth industrial revolution’, which is a fusion of technologies that is said to be blurring the lines between the physical, digital and biological spheres. Although the fourth industrial revolution is not expected to be fully interconnected for another 20 years, the key to its success is big data. To use an example from the manufacturing industry, the way in which this data is shared results in the combination of intelligent factories, machines, raw materials and products that communicate within an Internet of things and cooperatively drive production.

Importantly, big data and the Internet of things, in addition to aspects such as manufacturing, can be used to enhance the liveability of a particular area by connecting people, processes, data and things. Thus, continued efforts must be undertaken to ensure that Iskandar Malaysia benefits from this kind of technological advancement, as this will help to attract people looking for a modern and innovative setting in which to live and work.

An additional point, one which is equally important and that has not been discussed so far, relates to environmental concerns. The 2013 Low Carbon Society Blueprint for Iskandar Malaysia helped to set the tone and was followed by the commitment of the Malaysian Government at the 2015 Paris Climate Conference (COP21) to reduce carbon emissions intensity by 45 per cent by 2030. Accordingly, there is an opportunity for all parties to set concrete goals in this area, with the lead coming from the government in terms of an implementation plan to clarify how the climate targets will be met. Furthermore, it is important that any such plans emphasise the sustainability aspect. This includes attracting green technology industries to the economic region and promoting the emergence of a circular economy. The benefit of the latter is that it will help to ensure a positive development cycle that engenders sustainable economic growth and the creation of new jobs, in addition to helping to boost both local and global competitiveness.

Critically, the key to my two takeaways and additional point about the environment is, as everybody has stressed, clear and concise communication and regular coordination among stakeholders.

SASAH, Johor Port: Iskandar Malaysia has been particularly successful at attracting new industries to the area since its inauguration. Nevertheless, the long-term success of these industries, and the economic corridor in general, will depend on sustainability. Thus, I think the latter would be my main takeaway from this debate. As such, and to reiterate the sentiments of other roundtable participants, it is essential that stakeholders work together collaboratively to ensure the meaningful and sustainable development of talent and inclusiveness among the local population.

Moreover, consistent government policy is a crucial growth driver and I would add that additional enforcement and standardisation is very important in the port industry. There are a number of ports in Johor and so a
A standardised approach to how regulations are applied and interpreted, particularly in regard to the GST, is a fundamental part of avoiding potential double standards and creating a level-playing field conducive to sustainable growth.

In addition, and regarding policy, the Malaysian relationship with Singapore is highly relevant to the port industry. Malaysia’s border with Singapore is, of course, maritime and the latter controls the vast majority of the channel to the east of Johor Port, around the Singaporean island of Pulau Tekong. In light of this, and in addition to ongoing reclamation work being undertaken in this area, bilateral relations are incredibly important to the long-term prospects of Johorian ports in terms of maintaining open passage to ships travelling through the channel. Consequently, open dialogue and cooperation between the governments of Malaysia and Singapore, as well as stakeholders more generally, is fundamental to the success of the economic region over the coming years.

AM, Khazanah: In terms of the low-hanging fruit, efforts should focus specifically on a ‘do-no-harm’ basis and fulfil the promises that have been made since the inception of Iskandar Malaysia, before the ‘do-good’ approach can be applied across the board. This should include bridging the gaps we have discussed, from enhancing public transport, to improving accessibility to Singapore and ensuring ongoing talent development. A number of blueprints and plans have been devised by IRDA over the first ten years and that is perfectly natural; it was a planning phase. Moving forward, it is important that these plans are viewed as living, changeable proposals based on realism and which are able to evolve according to the particular circumstances of the time.

Regarding priorities to 2025, the Malaysian public and GLC sector, including IRDA and Khazanah, have achieved solid progress and laid the groundwork over the first ten years of Iskandar Malaysia’s development. However, similar to a large number of other governments around the world, the Malaysian Government is presently facing not only fiscal constraint, but also an increasingly demanding and fragmented society. Consequently, it is important that the impetus to execute ‘do-good’ programmes over the next ten years is shifted towards non-State stakeholders, including the private sector, civil society and academia.

It is critical that these players come together in non-State circles to address the major issues with a view to maximise both project potential and legitimacy. Within those circles, existing players, including Khazanah, can continue to play a facilitating role in linking the constituent parts. This may include for example, design, technology, start-up, environmental, NGO and English clusters from distinct institutions coming together to formulate industry and community-based strategies that will help to ensure sustainable growth and inclusiveness across Iskandar Malaysia.

Great possibilities lie ahead for Iskandar Malaysia and conversations at roundtable meetings such as this are exactly how these opportunities are transformed into reality. They afford stakeholders the chance to express their views and to create a workable platform moving forward, so more of these endeavours are required.

NMY, Khazanah: Moving on from key takeaways and priorities, what is the biggest potential threat to consolidating the success of Iskandar Malaysia over the next ten years?

II, IRDA: Iskandar Malaysia is positioning itself to become competitive on the global scale and, consequently, we are somewhat dependent on foreign markets and investors. Therefore, one potential threat is widespread uncertainty on the global stage. As a result, stakeholders need to be ready and the best way to mitigate this type of threat is twofold: one, to stick to our collective long-term vision and objectives; and two, ensure that our strategic planning is sufficiently flexible to adapt to changing circumstances.

ML, Rhizophora Ventures: A very serious threat is complacency. The real danger is that stakeholders start to become complacent and shift their focus away from the attitude that ‘today is the beginning’, which is a fundamental part of being able to come up with fresh and innovative ideas. If we are not wary of complacency and this risk, the objectives and ideas discussed at this roundtable will not be fulfilled and the next decade will not live up to its potential.
NMY, Khazanah: Adopting a long-term view is certainly important, as too is avoiding complacency, and so it is essential to continuously focus on what comes next. In truth, the ten-year anniversary marks only the beginning of the journey that may last far beyond 2025. Accordingly, it is crucial that this long-term view permeates from the top down, starting with the participants sitting around this table.

Moving on to the final topic, one of the first steps to constructing a new and meaningful community in Iskandar Malaysia is to create a distinguishable culture with which people can collectively identify. Clearly, this is not an easy task and will involve laying the appropriate foundations throughout all organisations, both large and small. A culture of excellence, of not taking things for granted, of commitment and passion: these are the kinds of things that will help to ensure the long-term success of the communities we hope and expect to foster. And as has been suggested, these efforts must continue to resist the temptation of complacency because complacency marks the beginning of decline.

With that in mind, what are the most important factors in efforts to encourage the development of a tangible Iskandar Malaysia culture over the next decade?

“A culture of excellence, of not taking things for granted, of commitment and passion: these are the kinds of things that will help to ensure the long-term success”

AM, Khazanah: One important aspect is to ensure that any culture arises naturally and is compatible with the local reality, rather than via imposition of a contrived way of life with no meaningful relevance to the area. Johor has a rich cultural tradition of its own and inevitably some of this will be absorbed into the new economic corridor, together with the traditions and customs of those stakeholders from other regions and countries.

II, IRDA: The most recent forecasts indicate that the population of this economic region will rise to 3 million by 2025, up from 1.5 million in 2005. Therefore, the ability to manage the development of this population growth will be a fundamental challenge in the creation of any new Iskandar Malaysia culture.

The projected increase will be attributable to three defined segments: that caused by natural growth; migration from other parts of Malaysia; and highly skilled foreign-born individuals who choose to work, live and retire in the area. Regarding the latter two segments in particular, the predicted rise highlights some of the positive achievements we have been discussing at this roundtable, including the pull factors of high economic growth and good quality of life. Consequently, it is important that steps are taken to envision how the current goals of creating modern, low carbon smart towns and cities are realised in such a way that continues to uphold Johorian history, culture and heritage.

ML, Rhizophora Ventures: One factor that must be preserved in this regard, and which, in fact, should help facilitate the creation of an Iskandar Malaysia culture and shared identity, is the rich tradition of ethnic and national inclusiveness in Johor. I frequently visit places where people from Malay, Chinese and Indian backgrounds, and from all walks of life, are happily mixing and talking to one another. It is crucial that this tradition is safeguarded.

NMY, Khazanah: That marks the conclusion of what has been a very positive discussion. We have discussed at length the key achievements and most important takeaways of Iskandar Malaysia at its ten-year anniversary and the economic region continues to go from strength to strength. One of the most important aspects that has arisen from this roundtable is the need for regular and open communication and ongoing coordination between the public and private sector moving forward, ideally in forums such as this roundtable meeting. Only through open, constructive dialogue can the major issues be confronted and overcome.

I look forward to reconvening to discuss progress on some of the issues raised and to identify further ways to improve our mission to transform Iskandar Malaysia into a strong and sustainable metropolis of international standing. Thank you very much.
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Rhizophora Ventures has committed itself to a significant investment programme in support of its aim to revolutionise the creative and media sector in Malaysia and the region.

**ADVANCING MALAYSIA’S CREATIVE AND MEDIA ECOSYSTEM**

Rhizophora Ventures Sdn. Bhd. (RVSB) is transforming Malaysia’s creative and media (CAM) sector through a number of investment initiatives across creative content, infrastructure and human capital development.

The investment holding company, wholly owned by Khazanah Nasional Berhad, seeks to catalyse the development of a local and regional CAM ecosystem and boost the commercialisation of Malaysian media content. RVSB’s participation in this sector enables the opportunity to build local capabilities, raise Malaysia’s profile as an international creative industry hub, and provide spillover economic benefits to the local tourism, financial and education industries. As part of RVSB’s wider strategy, the industry leader supports the development of an ASEAN filmmaking community. This process will allow CAM sector participants in ASEAN countries to collaborate more freely in creating content for the whole of the region.

The strategic aim behind RVSB’s decision to undertake such a significant investment programme is to transform Malaysia into a world-class player in the creative content industry. This investment, as well as the establishment of several wholly owned subsidiaries, characterises RVSB’s commitment to the long-term goal of transforming Malaysia into a regional hub for the creative content industry and bolstering development in Iskandar Malaysia.

**PROVIDING FINANCIAL SOLUTIONS**

The availability of financing is key to the growth of the creative content industry in Malaysia. As such, RVSB is spearheading the development of a financial community to support Malaysia as a creative content hub for the region and to address challenges faced in securing funding for CAM sector projects.

Despite generous incentives provided by the Malaysian government, the lack of a developed financial ecosystem to support the creative arts, combined with a limited knowledge base, pose a challenge for industry players seeking to secure funding for film and television projects. RVSB provides accessible financing solutions through its subsidiaries Rhizophora Capital (RC) and Sonneratia Capital (SC).

**RHIZOPHORA CAPITAL**

Rhizophora Capital (RC), in conjunction with the Film In Malaysia Incentive (FIMI), plays a critical role in fostering the development of the CAM sector and attracting new projects to the region. The funding vehicle for media content producers was established to respond to challenges associated with securing funding from the government-backed incentive programme by offering loans to film and television producers.

RC has provided FIMI rebate loans for the first two seasons of the television series Marco Polo, produced by The Weinstein Company, as well as for two other foreign productions and two local productions.

The FIMI financing mechanism is calculated according to the total amount of qualifying Malaysian production expenditure spent in-country and is disbursed following the completion of a particular project.

RC’s offering, secured against the FIMI rebate Provisional Certificate, provides producers with invaluable cash flow for production. Loans are subject to a discount based on the risk assessment of each individual project.

The FIMI scheme was approved in 2012 by the National Economic Advisory Council to support the growth of the country’s film and television industries and is available to both domestic and foreign national producers.

**SONNERATIA CAPITAL**

In addition to the provision of loans, RVSB offers co-financing options to the Malaysian film industry through its wholly-owned subsidiary, Sonneratia Capital (SC). The aim of this venture is to expand the country’s presence in the global film industry by facilitating the international distribution and commercialisation of Malaysian films. In order to enhance the production quality of projects coming out of the country, SC is co-financing Malaysian
The goals of this multi-disciplinary research endeavor are numerous: augment the creative and innovative ecosystem in Iskandar Malaysia; support national entrepreneurs; pursue the country’s strategic agenda; generate ideas for investment; and develop and boost the digital media industry in Malaysia. As part of these efforts, the institute employs top researchers and PhD students to conduct research to be published and disseminated across prestigious academic journals and at leading international academic conferences.

Moreover, by emulating an incubator startup programme, the institute is able to develop the local talent pool and support R&D efforts towards commercialisation. Participants of this programme stand to benefit greatly from the institute’s physical infrastructure and its extensive global network of academics, corporations and Malaysian government-linked companies. Likewise, the successful commercialisation of projects emerging from the institute, in conjunction with partnerships with renowned research laboratories and academic institutions, will allow the Imaginingering Institute and Iskandar Malaysia to enjoy global recognition, while simultaneously ensuring a sustainable pipeline of talent into both the IDM field and Malaysia in general.

THE IMAGINARIUM STUDIOS
Moreover, RVSB is seeking to innovate and enhance film-making techniques available to Malaysia and the region through its strategic investment in The Imaginarium.

Driving the next generation of storytelling capability across film, television, video games and digital applications, The Imaginarium Studios combines state-of-the-art technology with high standards of execution.

The production company and studio specialises in performance capture, a technology that utilises simulation software to transform the performance and movements of actors into digital characters.

Founded in London in 2011, the company is the brainchild of actor and director, Andy Serkis, and producer, Jonathan Cavendish, and has been involved in such high profile projects as the Star Wars and Avengers movies series. To date, it has successfully brought together leading technicians in the field to provide the highest level of character creation and storytelling across multiple media formats.

As a result of RVSB’s partnership, The Imaginarium Studios Asia Pacific was officially incorporated within Pinewood Iskandar Malaysia Studios in December 2015 with the purpose of establishing a central hub of production excellence. Training has been provided to the Malaysian team both on site and at the studios in London. Through this endeavour, RVSB is capitalising on the expe-
experience of The Imaginarium to enhance film-making techniques and improve opportunities available to Malaysia and the region.

**FOSTERING TALENT AND CAPABILITIES DEVELOPMENT**

RVSB is expanding Malaysia’s global footprint on the film and television industry through the generation of exciting new creative content for international audiences and the development of new talent.

Excellence in production, the generation of original content and human capital growth are fundamental components to expanding the Malaysian creative content industry and developing the country as a CAM sector hub.

Excellence in production, the generation of original content and human capital growth are fundamental components to expanding the Malaysian creative content industry and developing the country as a CAM sector hub.

In addition to developing, producing and commercialising high-quality content for global audiences across a range of multiple formats and genres, Ideate Media searches for talent and stories that are capable of engaging global audiences, with a specific focus on the incorporation of Asian elements, settings and themes.

For example, the production company purchased the rights to works written by Malaysian novelist Ramlee Awang Murshid, including the bestselling novel Tombiruo. Ideate Media, in association with the Karangkraf Media Group, intends to develop a shared universe or franchise from Ramlee’s work that will include feature films, TV shows, animated shows, comics and mobile products.

**MMU CINEMATIC ARTS PROGRAMME**

As a major financial supporter of the Iskandar-based Multimedia University (MMU) and its Faculty of Cinematic Arts, RVSB seeks to foster the development of Malaysian human capital in the CAM sector, in line with its goals for industry expansion. As such, it is providing students with the opportunity to gain important experience working in the creative arts, as well as offering financial assistance through the Cinematic Arts Programme (CAP).

CAP enables students to explore a wide range of cinematic art forms, in addition to the social and industrial contexts in which they are produced and consumed. CAP was co-developed with the University of Southern California School of Cinematic Arts and is held at MMU’s purpose-built campus, which is equipped with state-of-the-art production and post-production facilities.

**Rhizophora Ventures SDN BHD**

**Michael Peter Lake**
Group Managing Director

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**Rhizophora Ventures**

- **Rhizophora Capital**
  - Providing loan advances to film producers for production of FIMI qualified content

- **Sunomaretta Capital**
  - Offering financing solutions for local film productions

- **IDM Lab**
  - Creating and commercialising rough the Imagineering Institute

- **Ideate Media**
  - Developing, producing and commercialising high-quality content for global audience across multiple formats and genres

- **Faculty of Cinematic Arts**
  - Providing scholarship support for students of MMU-USC Cinematic Arts Program

**Rhizophora Ventures**

- **Pinewood Iskandar Malaysia Studios**
  - 1 Persiaran Layar Perak
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  - Johor, Malaysia

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CASE STUDY:
IKEA SOUTHEAST ASIA

International Investor provides an insight into the experience of multinational companies that have chosen to locate their operations in Iskandar Malaysia. This case study was produced in collaboration with IKEA Southeast Asia.

<table>
<thead>
<tr>
<th>KEY INFO:</th>
<th>KEY TAKEAWAY:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry</strong></td>
<td>Home Furnishing, Retail</td>
</tr>
<tr>
<td><strong>Global HQ</strong></td>
<td>Delft, Holland*</td>
</tr>
<tr>
<td><strong>Year operations established in Iskandar Malaysia (IM)</strong></td>
<td>End-2017**</td>
</tr>
<tr>
<td><strong>Location in IM</strong></td>
<td>Flagship A, Johor Bahru</td>
</tr>
<tr>
<td><strong>Investment in IM (US$)</strong></td>
<td>140 million (MYR592 million)</td>
</tr>
<tr>
<td><strong>No. of company employees in IM</strong></td>
<td>Over 400**</td>
</tr>
</tbody>
</table>

* The IKEA franchisor, Inter IKEA Systems B.V., is based in Delft, Holland. IKEA Southeast Asia is based in Singapore, and was incorporated as Ikano Pte. Ltd. It is part of the Ikano Group, owned by the family that founded IKEA.

** Projected

ISKANDAR MALAYSIA: THE BUSINESS CASE

Our decision to enter the market in Johor Bahru (JB) was based on the business potential we saw there to further our vision of improving day-to-day life by providing well designed, functional home furnishing products at highly accessible prices.

IKEA was already making a strong impact in Kuala Lumpur when we purchased land in Tebrau in 2006. We saw that Malaysians appreciated our products, and we put JB on our list of potential new markets from where we could build a sound and sustainable business early on.

The business case for IKEA in Tebrau has gained strength over the years as we have watched the market’s impressive development, in terms of population, public infrastructure, service industries and gross domestic product. Iskandar Malaysia’s mega projects, especially in the residential sector, have steadily contributed to job creation, population migration to the city, as well as the overall household income of Johorians.

Additionally, the open business climate has attracted investment from both foreign and local companies, which has underpinned rapid development and population growth in the area. We want to meet the needs of people who reside here and provide them with home furnishing solutions.

CURRENT AND LONG-TERM OBJECTIVES

IKEA Tebrau is now under construction and scheduled to open at the end of 2017. We are recruiting locally, and the future IKEA Tebrau team is now working in our store in Kuala Lumpur to gain experience and prepare for the store’s opening. Moving forward, our long-term ambition is to build a shopping centre in Iskandar Malaysia that will be anchored by IKEA Tebrau and become a meeting point where people of all ages can shop, dine and play under one roof.

LOCAL PARTNERS AND THEIR ROLE

IKEA Southeast Asia fully owns the land and will be operating the store and centre independently. We have a local and very diligent workforce at our construction site that is maintaining high standards.

We are now preparing to build relationships with local service providers to support many aspects of our operation, from security and cleaning to home delivery and assembly. We will mainly partner with the people of Iskandar Malaysia for human resources and to develop our future client base.

EXPERIENCE IN ISKANDAR MALAYSIA

There has been an enthusiastic and welcoming attitude towards our new development and we have been really pleased to find a high level of excitement for our new IKEA store. We have procured key components of our construction from local suppliers, something we are keen to continue, and the procurement process has been seamless. Companies have provided excellent service. In addition, the region is well connected and perfectly positioned to lead the company’s growth in Asia.

Sustainable waste management is an area that needs improvement. We hope to resolve this issue with local partners that share our vision to increase recycling rates. We also see huge potential and gaps among service providers in the field of renewable energy sourcing.
FOCUS: STRATEGIC DIRECTIONS: CDPii

The CDPii establishes the core framework and key initiatives for Iskandar Malaysia. This comprehensive development plan is helping the economic region to become a holistic and resilient ecosystem in the long term.

A GUIDE FOR FUTURE GROWTH
Iskandar Malaysia has become a strategic economic region, drawing in MYR218.84 billion in committed investment as of September 2016, according to Iskandar Regional Development Authority (IRDA).

Iskandar Malaysia covers a total area of 2,217 square kilometres, approximately three times the size of Singapore, and the overall goal is to transform the economic region into a strong and sustainable metropolis of international standing by 2025. Clearly, the plethora of development strands that must be undertaken to achieve this objective require extremely diligent strategising, planning and management to effectively and sustainably encompass all of the project’s components, including business, industry, technology and innovation, commerce, and foreign investment. The first iteration of the Comprehensive Development Plan 2006-2025 (CDP) served as an overarching development framework for Iskandar Malaysia, enabling it to successfully drive forward incipient growth in the economic region. The latest version of the plan, the Comprehensive Development Plan ii 2014-2025 (CDPii) will enable the economic region’s stakeholders to effectively realise Iskandar Malaysia’s vision for future growth.

CDPii AT A GLANCE
The CDPii aims to expound the strategic direction for Iskandar Malaysia, together with the structural framework and multiple development thrusts. The plan encompasses economic, social and physical development, as well as a legal, statutory and commercial framework, with the goal of shaping Iskandar Malaysia into ‘a strong and sustainable metropolis of international standing’. It requires the cooperation and commitment of the federal, state and local governments, as well as local communities and global industry players.

Under the first CDP, several instrumental investment initiatives were secured and are now showing results, such as LEGOLAND® Malaysia, Pinewood Iskandar Malaysia Studios, EduCity and Puteri Harbour. In light of both local and global transformations that have taken place since 2006, including technological innovation, rising carbon emissions and growing demand for skilled labour, IRDA developed the CDPii. This updated plan placed the prior strategy under review and assessed the performance of the economic region in order to evaluate the success of earlier strategies and initiatives and better comprehend the impact of the changing global and local economic scenario on Iskandar Malaysia. As a result, the CDPii places greater emphasis on sustainability, social development and inclusiveness, aiming to sustain healthy growth rates into the third and final stage of development and complement existing plans to stimulate the economy. The CDPii also integrates the national development agenda and local implementation blueprints prepared by IRDA subsequent to the CDP.

CIRCLE OF SUSTAINABILITY
A key component of CDPii is the Circle of Sustainability, which refers to the development of a holistic and resilient ecosystem anchored by three facets of sustainability: wealth generation, wealth sharing and inclusiveness, and
resource optimisation and low carbon initiatives. This dynamic concept works to demonstrate the strong linkages between these elements, whereby the optimal use of regional resources through low carbon emissions serves as a foundation for generating wealth, while bridging inequality between ecology and economy. Subsequently, wealth generation will render wealth sharing among the economic region’s communities, resulting in an improved quality of life among locals.

To effectively spur sustainable wealth generation, the CDPII proposes 15 key directions, 42 initiatives and 148 programmes. These efforts will each work towards fulfilling one of the three identified strategic thrusts: deepening linkages between promoted economic clusters to ensure integrated and consolidated growth; increasing skilled job opportunities and labour productivity; and mainstreaming the green economy to support low carbon initiatives.

To stimulate wealth sharing and inclusiveness, the plan lays out 10 key directions, 23 initiatives and 75 programmes. These efforts will aim to fulfil one of the following three identified strategic thrusts: increasing economic participation through knowledgeable and skilled human capital; reducing inequality and improving access to higher income and capital gain; and providing social connectivity to build a well-informed and self-driven society.

Finally, to improve resource optimisation and lower carbon emissions, CDPII proposes 20 key directions, 48 initiatives and 101 programmes. These efforts will be fulfilled by means of the five identified strategic thrusts, which include: promoting balanced regional growth; protecting and enhancing natural ecology and green areas; planning and managing the built environment; enhancing urban connectivity and mobility within the economic region; and finally, promoting integrated infrastructure and resources.

**FRAMEWORK FOR A HOLISTIC ECOSYSTEM**

The CDPII framework is built around the principles outlined in the Circle of Sustainability, and will work towards generating a holistic ecosystem by executing key projects and programmes that aim to realise the aforementioned strategic thrusts.

An important driver of this framework is the implementation of five ‘Big Moves’, which outline 16 key projects and transformational programmes that work to create a paradigm shift across the economy, society, environment, regulatory and spatial planning, as well as the physical development of Iskandar Malaysia (see fig. 1). These projects are expected to derive a total investment value of MYR173 billion and create 310,625 jobs.

The Big Moves are results-oriented plans that are intended to drive new agendas and transformation in the next phase of Iskandar Malaysia’s development. They encompass catalytic projects that will serve to raise the performance of strategic clusters and drive the growth of Iskandar Malaysia, as well as engender inclusiveness and resilience within the region. These moves incorporate the concerns of the community obtained through public engagements with non-governmental organisations, local communities, as well as government agencies and the private sector.

Also included in the CDPII framework is the Spatial Management Plan. This initiative aims to translate economic, social and environmental initiatives into a spatial context in order to manage and guide the development of Iskandar Malaysia in a sustainable fashion. This plan will focus efforts on the following areas: five flagship zones; environmentally sensitive areas; a zoning plan and land use framework; regional development intensity; and finally, transit-oriented developments.

Lastly, under this framework IRDA has developed the governance and implementation plan. The focus of this initiative is to organise programmes and projects according to their priorities and development phasing, and to propose an appropriate organisational structure and smart partnership initiatives between the programmes’ stakeholders, with the goal of ensuring that CDPII is successfully implemented.

**DEVELOPMENT TARGETS**

Successful implementation of the proposed strategic thrusts under this framework will have a significant impact on the economic region’s development. To effectively monitor the successful implementation of CDPII, several ambitious development targets have been outlined for 2025. The key performance indicators (KPI) established in the CDPII encompass GDP, employment, population, investment, household income, housing, the environment, as well as public transport and greenhouse gas emissions.

The KPI established for Iskandar Malaysia’s GDP is growth of approximately 130 per cent by 2025, from MYR52.1 billion in 2013 to MYR120.4 billion in 2025, with an average annual growth rate of 8 per cent by 2025.

Additionally, by 2025, the population is targeted to reach three million people as a result of newly created jobs and an improved living environment, the equivalent of nearly 70 per cent of the total population of the state of Johor.

The growth target for Iskandar Malaysia’s workforce is 1.34 million by 2025, with the workforce participation rate predicted to reach 70 per cent. Total employment in Iskandar Malaysia is expected to reach 1.31 million people, while the unemployment rate is projected to be 2.6 per cent.

Regarding the average household income in the economic region, the objective is for this indicator to more than double, from the 2012 figure of MYR4,463.20 to MYR10,000 by 2025. For housing stock, the aim is to increase the 2012 total of 409,593 by more than 60 per cent, to 666,025 units by 2025.

In relation to the environment, the goal for the economic region’s open space standard is to increase the 2012 ratio of 1.45 hectares per 1,000 people to 2 hectares by 2025. Moreover, IRDA aims to decrease greenhouse gas emissions by 50 per cent from 2005 levels and increase the public transport modal split from 10 per cent in 2012 to 40 per cent, both by 2025.

Important enablers to ensure the success of CDPII will require efforts on the part of the government, the local populace, and all parties. With the successful implementation of the CDPII, Iskandar Malaysia is set to be even more dynamic and vibrant than previously planned, underpinned by a resilient, wealth generating ecosystem.
### 1. ISKANDAR MALAYSIA’S FIVE ‘BIG MOVES’ TO 2025

<table>
<thead>
<tr>
<th>BIG MOVES</th>
<th>PROJECTS</th>
<th>PROJECTED TOTAL INVESTMENT (MYR IN BILLIONS)</th>
<th>ESTIMATED JOB CREATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Move 1</td>
<td><strong>Inclusive IM</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Johor Bahru city centre &amp; Pasir Gudang village improvement district</td>
<td>1.6</td>
<td>2,500</td>
</tr>
<tr>
<td></td>
<td>Tanjung Pelepas village transformation</td>
<td>11</td>
<td>22,400</td>
</tr>
<tr>
<td></td>
<td>Larkin reinvestment district</td>
<td>1.2</td>
<td>7,700</td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td>13.8</td>
<td>32,600</td>
</tr>
<tr>
<td>Big Move 2</td>
<td><strong>Greening IM</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Garden City Iskandar Malaysia</td>
<td>0.186</td>
<td>3,100</td>
</tr>
<tr>
<td></td>
<td>Living Water rejuvenation</td>
<td>0.098</td>
<td>500</td>
</tr>
<tr>
<td></td>
<td>Coastal nodes</td>
<td>109</td>
<td>129,200</td>
</tr>
<tr>
<td></td>
<td>Brownfield revitalisation at BRT corridor</td>
<td>1.1</td>
<td>6,600</td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td>110.384</td>
<td>139,400</td>
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<tr>
<td>Big Move 3</td>
<td><strong>Destination IM</strong></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Ramsar eco-discovery</td>
<td>0.149</td>
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<tr>
<td></td>
<td>Family, fun and leisure destination</td>
<td>26.5</td>
<td>24,800</td>
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<tr>
<td></td>
<td>Iskandar Malaysia heritage, cultural &amp; arts trail</td>
<td>2.1</td>
<td>1,600</td>
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<tr>
<td></td>
<td>Sungai Johor river exploration</td>
<td>0.0695</td>
<td>800</td>
</tr>
<tr>
<td></td>
<td>Tourism infrastructure improvement</td>
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<td>1,500</td>
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<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td>28.917</td>
<td>29,800</td>
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<tr>
<td>Big Move 4</td>
<td><strong>Port IM</strong></td>
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<td></td>
<td>Ports integration</td>
<td>9</td>
<td>22,300</td>
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<tr>
<td></td>
<td>Centre of excellence, logistics parks and distribution centres</td>
<td>10</td>
<td>84,300</td>
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<tr>
<td></td>
<td>Logistics infrastructure improvement</td>
<td>0.356</td>
<td>2,100</td>
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<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td>19.356</td>
<td>108,700</td>
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<tr>
<td>Big Move 5</td>
<td><strong>IM Urban Observatory</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Iskandar Malaysia urban observatory</td>
<td>0.067</td>
<td>125</td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td>0.067</td>
<td>125</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td>173</td>
<td>310,625</td>
</tr>
</tbody>
</table>

*Source: Comprehensive Development Plan II 2014-2025, Iskandar Regional Development Authority*
Care for Life

Since 1981, KPJ has established itself as one of the region's leading private healthcare service providers. KPJ's network has more than 30 specialist hospitals altogether, at home and abroad. The KPJ Healthcare University College (KPJUC) provides an extensive range of healthcare-centred programmes.
PERSPECTIVE: A UNITED APPROACH TO INCLUSIVE PROGRESS

The growth of Iskandar Malaysia has had a resounding impact on the state of Johor, socially, economically and environmentally. In turn, Johor’s rich natural resources, dynamic developmental planning and strong value proposition are directly contributing to the rise of the economic region.

JOHOR: A STATE OF OPPORTUNITY
Iskandar Malaysia’s social, environmental and economic progress has been, and will continue to be, supported by its location in the state of Johor, where the momentum for growth has been exceptionally positive. The state government of Johor envisions the region as Malaysia’s next economic powerhouse. In 2015, Johor attracted more manufacturing investment than any other state in Malaysia and approved investment increased by 47 per cent to MYR31.1 billion. Moreover, 73 new projects were approved, of which 64 were for expansion or diversification, which outlines the strong investor confidence in the state.

Momentum has been underpinned by the state’s development plan, which puts an emphasis on achieving a balance between the economic, social and environmental aspects of growth. This is a central argument in shaping the state’s strategy to sustain the interest of investors. For this reason, Johor continues to explore the opportunities, risks and trade-offs in all aspects of social, environmental and economic policy frameworks, as well as rudimentary elements of the state’s local strategies, so it maintains its appeal to the international community.

Additionally, the unique landscapes, wilderness, people, culture and natural resources in Johor unlock major economic potential, from agriculture to tourism. To capitalise on this, under the Johor Strategic Economic Growth Plan launched in 2016, the state has embarked on a clustered development initiative for its ten districts, which seeks to build on the identified development potential of each area.

However, like the rest of Malaysia, as the Malaysia Investment Development Authority (MIDA) has pointed out, Johor is faced with stiff competition from emerging economies such as China, India and Vietnam. Addressing this issue is an integral part of the Eleventh Malaysia Plan 2016-2020 (11MP), as Malaysia looks to manufacture more complex products, improve productivity through automation, and nurture innovation.

The 11MP is specifically focused on regional economic growth. Those responsible for forming policy have committed to facilitate the acceleration of investment by streamlining processes and providing greater assistance to investors wanting to set up operations in the country’s five regional corridors. In Iskandar Malaysia, which is the southern corridor, housing, improved public transport, skills training and entrepreneur development are ongoing priorities.

Despite the global economic slowdown and growing competition, the future of Johor looks positive, primarily due to the diversity of the state’s economic model and the potential of developments like Iskandar Malaysia.

PROGRESS IN ISKANDAR MALAYSIA
Iskandar Malaysia is entering its third and final development phase, underpinned by the two key principles: sustaining and innovating. The Iskandar Malaysia Development Authority (IRDA), at the heart of Johor’s economic engine, is anticipating gross domestic product (GDP) in the economic region to reach MYR120.4 billion by 2025. Iskandar Malaysia has already created thousands of jobs and brought in billions of dollars worth of foreign direct investment spread across nine different sectors.

Since its launch in 2006, growth in the economic region has been guided by the Comprehensive Development Plan (CDP). In 2014, an enhanced version of the CDP was launched, the CDPII, to align with more recent economic developments. Both plans detail the roadmap for Iskandar Malaysia’s development until 2025 with the aim of successfully building a strong and sustainable metropolis of international standing.

Development in Johor as a whole, and particularly Iskandar Malaysia, was designed with investors in mind. There is a strong value proposition to attract investors, along with a clear strategy and a long-term vision. State-of-the-art facilities and a one-stop business centre for investment facilitation have been incorporated to ensure business transactions are fast, seamless and convenient. The investment and development witnessed in the economic region have been due to this meticulous planning.

Cumulative committed investment in Iskandar Malaysia is recorded as MYR218.84 billion between 2006 and September 2016. Of this total, MYR106.43 billion, or 52 per cent, represents investment that has been realised as projects on the ground. This investor confidence is expected to continue growing throughout 2017, since the strategy is to target investors that adhere to the long-term view of Iskandar Malaysia.

DRIVERS OF DEVELOPMENT
Apart from investment facilitation strategies, the growth of Iskandar Malaysia is driven in part by its unique value proposition and strategic location. It sits at the crossroads of east-west trade routes, midway between the rapidly growing Chinese and Indian markets. It is accessible by air, land and sea, and is supported...
by world-class ports that service the world, significant telecommunications infrastructure, as well as excellent road and railway links with Singapore.

Another advantage is the close partnership between the public and private sector, which certainly adds to investor confidence in Iskandar Malaysia. While growth in the economic region is driven by private investment, the public sector also contributes significantly by investing in infrastructure and offering grants and funds to accelerate the progress of local small- and medium-sized enterprises (SMEs).

**COMMITMENT AND COLLABORATION**

The close relationship between the stakeholders is also exemplified in the collaborative attitude between the federal and state authorities, both of which are committed to delivering Iskandar Malaysia to the rest of the world. This cooperation is essential to Iskandar Malaysia’s aim of ensuring equitable growth and value creation.

The commitment was solidified by the creation of IRDA, which oversees the planning, promotion and facilitation of Iskandar Malaysia’s development. I co-chair the board of IRDA alongside the Prime Minister of Malaysia and this structure demonstrates the seriousness and dedication of both the state and federal government in ensuring Iskandar Malaysia is a success.

Cooperation has been crucial to progress ever since the very beginning of Iskandar Malaysia, as it is at present, and as it will continue to be up to 2025 and beyond. It has greatly helped to facilitate investment throughout the region, to implement initiatives for the people, and to create a more seamless cross-border interaction between Malaysia and Singapore.

**LONG-TERM IMPACT**

By 2025, Iskandar Malaysia will be a self-sustaining region, with its economy spurred by local and foreign investment, as well as active participation from local people, particularly through SMEs. Pinewood Iskandar Malaysia Studios is one example of a project in Iskandar Malaysia that has created demand for many local services, generating SME business opportunities in sectors such as logistics, food and beverage, and the laundry business, among others.

I believe Iskandar Malaysia’s most significant contribution to the state of Johor, and Malaysia as a whole, will be the number of employment and business opportunities it brings to the local community. According to IRDA, the target is to create 817,500 employment opportunities by 2025, but as of June 2016 almost 700,000 jobs had already been created, which is fantastic. To create a sufficient supply of talent to meet the growing demand, the education sector should be prioritised in the development process, as it can help to funnel new talent into the appropriate areas.

In addition, investment inflows to the economic region will have a resounding socio-economic impact. Johor’s GDP is expected to increase by 4.5 times and Iskandar Malaysia had already seen its population increase notably to approximately 1.95 million by 2015. In addition, local households saw an increase in average monthly income from MYR4,658 in 2012 to MYR6,207 in 2014. And these are just a few of the socio-economic benefits that the people of Johor have experienced due to the Iskandar Malaysia initiative.

Moreover, inhabitants will also continue to benefit from the growth of Iskandar Malaysia through the development of hard infrastructure. For example, the Coastal Highway has reduced the travelling time between Johor City Centre and Iskandar Puteri from 40 minutes to within 20 minutes.

**ENSURING SUSTAINABLE DEVELOPMENT**

When I took office in 2013, I emphasised that development should be socially inclusive. Ultimately, the success of Malaysia’s economy will be measured not only by its GDP and other economic indicators, but also by the levels of prosperity attained. Thus, Iskandar Malaysia’s ability to offer opportunities and a better quality of life to all of the residents of the economic region, as well as Johor state, is paramount.

As the Chief Minister of Johor and Co-Chairman of IRDA, I will continue to ensure that no one is left behind by development and all facets of society are able to benefit from the increasing wealth of Johor and Iskandar Malaysia, regardless of race, position or background. Iskandar Malaysia is aiming to foster sustainable development; it has certainly been a success up to this point.
A MASTER COMMUNITY DEVELOPER

Malaysian corporation Sunway Group is a key player driving sustainable development in the country’s property construction industry. Sunway Group’s approach to sustainability is underscored by its core values of integrity, humility and excellence, and is supported by policies and procedures at both the group and subsidiary levels. Sunway Property, a division of Sunway Group, has successfully applied this approach to Malaysia’s property sector. Since its inception, the company has remained committed to operating responsibly and with transparency, as clearly evidenced by its sustainability framework and overall mission of creating cohesive and enduring value for all stakeholders, including local communities.

The successful division has vast experience in managing and developing innovative and quality residential and non-residential properties, which include retail, leisure, healthcare, hospitality and commercial assets. The company maintains an enviable portfolio of successful and internationally acclaimed projects and properties in Malaysia and abroad in countries including China, India, Cambodia and Singapore.

Its commitment to building world-class infrastructure in Malaysia has helped transform the country into one of the leading economies in the region. These efforts are bolstered by the company’s pledge to motivate social development in Malaysia, placing special focus on improving education and healthcare in its integrated townships and in the country. Sunway Property has created three value-generating hubs in Malaysia that span approximately 4,000 acres. These integrated townships are transforming the way people live and providing healthy, connected and sustainable environments.

Sunway Property’s status as a master developer is solidified by its high-growth property development segment and stable base of income from its high-yielding property investment segment. Furthermore, the company has been recognised for its numerous contributions to the property development sector as well as its inclusion of sustainability principles in its projects, receiving honors such as The Edge-PAM Green Excellence 2014 award and the BCI Asia 2015 Top 10 Developer award.

Effective environmental management is ingrained in the company’s corporate values. As a multi-industry company, Sunway Property plays an integral role in the development of a sustainable, low-carbon economy. To this end, Sunway Property remains deeply committed to protecting and preserving the natural ecosystem as it promotes a world-class lifestyle through its many offerings. This culture of environmental stewardship necessitates operating in a manner that complies with governmental standards while ensuring the protection of both employees and surrounding local communities.

SUNWAY ISKANDAR

Sunway Property has taken a leadership role in advancing the development of the Malaysian economy, and its approach toward promoting sustainability in the economic corridor Iskandar Malaysia is no different. Sunway Iskandar, located in the heart of Iskandar Malaysia, is the property developer’s largest integrated city to date. The 1,800-acre development boasts world-class architectural design in a natural, diverse setting featuring eco parks, bodies of water and a tropical rainforest.

In early 2016 the company unveiled its first landed residential development, Emerald Residence. Located in the Lakeview precinct, the development is situated next to 20-acre Emerald Lake Garden, one of the integrated township’s many natural features. Additionally, Sunway Iskandar will offer a number of transport options to residents working in Iskandar Malaysia and nearby Singapore.

Based on the group’s sustainability framework, the master plan for Sunway Iskandar maps the development of the integrated township that includes a range of residential and retail spaces, as well as an education park, medical park and eco-theme park. The company’s long-term goal of building an
Throughout the development of Iskandar International School in January 2017, with the commencement of the Sunway education hub is gradually being realised, strategy of optimising land use, promoting a and capitalising on the existing topography.

In the long term, Sunway Iskandar seeks a flexible and adaptable master plan. identity for the space; and finally, developing community; focusing on a strong vision and connectivity; creating a green and sustainable environment, urban connectivity and mobility within the region, and the promotion of integrated infrastructure resources.

A VALUE CONTRIBUTOR
Sunway Iskandar offers both Malaysians and foreigners alike access to a lifestyle combining luxury living with a spacious and tranquil green setting. The world-class integrated city positioned in a natural setting comprises six distinct precincts: The Lakeview, The Capital, The Marketplace, The Parkview, The Seafront and The Riverside. Each precinct offers a unique and diverse setting, from peaceful ocean views to bustling commercial zones. The Capital and The Marketplace sit at the epicenter of Sunway Iskandar and serve as the two main centres for the range of lifestyle, business, retail and community activities in the city. The development plans incorporate a wide variety of housing offerings, including low-rise villas, row houses, boutique condominiums and high-rise apartments.

Sunway Iskandar’s master plan was developed to bring people closer to their environment while protecting and preserving the region’s natural reserves. As such, River Park was placed at the centre of the project, bordering the majestic 7-kilometre Pendas River. The development offers both residents and visitors a range of open spaces, access to an ample landscape as well as numerous recreation spaces.

The Iskandar Regional Development Authority (IRDA) has placed great emphasis on preserving the natural and man-made resources of the region, as it evolves the strategically located Iskandar Malaysia into a Strong and Sustainable Metropolis of International Standing by 2025. As a result, the Iskandar Malaysia Comprehensive Development Plan ii 2014-2025 (CDPii) has incorporated five strategic thrusts to promote sustainability and efficient resource-use in the region: balanced regional growth, the protection and enhancement of natural ecology and green areas, the planning and management of the built environment, urban connectivity and mobility within the region, and the promotion of integrated infrastructure resources.

Sunway Iskandar has aligned its Sustainable Energy Strategy with these strategic thrusts, placing significant focus on the optimisation of resources and low-carbon development. To this end, it is implementing nine key sustainability-focused strategies in the construction of the development. These include the

1. SUNWAY’S SUSTAINABILITY FRAMEWORK

<table>
<thead>
<tr>
<th>VISION</th>
<th>To be the leading regional property construction group</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUSTAINABILITY MISSION</td>
<td>To deliver sustainable value creation for our stakeholders and the communities around us</td>
</tr>
<tr>
<td>OUR APPROACH</td>
<td>+ Governance &amp; Oversight</td>
</tr>
<tr>
<td>Resilient Businesses</td>
<td>Community Partnerships</td>
</tr>
<tr>
<td>Creating resilient businesses that lead in their respective markets by focusing on customers, innovation and operational excellence</td>
<td>Building partnerships with communities to create positive impacts</td>
</tr>
<tr>
<td>Business Practices</td>
<td>Environmental Management</td>
</tr>
<tr>
<td>Commitment to responsible business practices, especially in terms of employee welfare and development</td>
<td>Environmental sensitivity and proactive management of ecological footprint</td>
</tr>
<tr>
<td>Process &amp; Resource Efficiency</td>
<td>Green Initiatives</td>
</tr>
<tr>
<td>Product &amp; Service Innovation</td>
<td>Energy &amp; water conservation</td>
</tr>
<tr>
<td>Process improvement</td>
<td>Recycling</td>
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<tr>
<td>Green products</td>
<td>Waste/effluent management</td>
</tr>
<tr>
<td>Innovative business solutions</td>
<td>Environmental protection</td>
</tr>
<tr>
<td>Responsible Business Practices</td>
<td>Climate change reduction</td>
</tr>
<tr>
<td>Business ethics</td>
<td>Giving Back To Communities</td>
</tr>
<tr>
<td>Code of conduct</td>
<td>Education</td>
</tr>
<tr>
<td>Sustainable supply chains</td>
<td>Medical services</td>
</tr>
<tr>
<td>Health &amp; safety</td>
<td>Community development</td>
</tr>
<tr>
<td>Employee engagement &amp; development</td>
<td>Philanthropic initiatives</td>
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<tr>
<td>Product &amp; Service Innovation</td>
<td>Process improvement</td>
</tr>
<tr>
<td>Materials &amp; resource management</td>
<td>Monitoring &amp; reporting</td>
</tr>
<tr>
<td>Process &amp; Resource Efficiency</td>
<td>Tracking of benefits</td>
</tr>
</tbody>
</table>

These include assimilating the surrounding environment and context into the master plan; designing an integrated, mixed-use community; offering a variety of quality, open public spaces to residents and visitors; easing movement within the development and improving connectivity; creating a green and sustainable community; focusing on a strong vision and identity for the space; and finally, developing a flexible and adaptable master plan.

In the long term, Sunway Iskandar seeks to add value to surrounding developments by maximising the natural assets of its sites and capitalising on the existing topography. In line with Iskandar Malaysia’s development strategy of optimising land use, promoting a low-carbon environment and ensuring spatial justice, Sunway Iskandar plans to develop only 1,000 acres out of its 1,800-acre land bank, supporting the development of a green economy in the Iskandar Malaysia region. The master developer is further promoting a green focused agenda via its commitment and strict adherence to the BCA Green Mark guidelines in all of its developments.

education hub is gradually being realised, with the commencement of the Sunway International School in January 2017. Throughout the development of Iskandar Malaysia, special emphasis has been placed on the expansion of a green economy with increased investment in environmental assets, green technologies and green production. To this end, Sunway has designed its master plan as a roadmap for sustainable development in the region and to serve as a prototype for future integrated township projects.

The master plan emphasises so-called green thinking, which is based on Sunway Property’s seven key urban design principles. These include assimilating the surrounding environment and context into the master plan; designing an integrated, mixed-use community; offering a variety of quality, open public spaces to residents and visitors; easing movement within the development and improving connectivity; creating a green and sustainable community; focusing on a strong vision and identity for the space; and finally, developing a flexible and adaptable master plan.

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Sunway Iskandar offers residents access to leisure, healthcare, and education components in one integrated township set in nature.

use of specialised day lighting that increases the penetration of natural light; sustainable construction processes that encourage the use of recycled materials; friendly transport development to integrate cycling and walking facilities and encourage alternate forms of transport; automated faucets, low-flush urinals and dual flush toilets that improve water management and conservation; a wetland treatment system to treat wastewater on site and disperse the purified water into the surrounding soil; the use of low-VOC paint, adhesives and sealants to reduce potentially hazardous emissions; the installation of deep roof overhangs to conserve energy by lowering road surface and building temperatures; water reflective PVC roofs that reduce heating; and bioswales to remove silt and pollution from surface runoff water.

Sunway Property’s incorporation of these strategies in the master plan support the development of Sunway Iskandar as a well-designed, safe and secure township that enhances, and is enhanced by, its surrounding environment. These efforts are bolstered by the company’s collective expertise in sustainable development, as evidenced by projects such as Sunway Resort City, a certified sustainable township. Investment in such initiatives ensures that Sunway Iskandar’s developments comply with Green Building Initiative (GBI) standards, creating a sustainable township that meets the diverse requirements of its residents and visitors. Moreover, the company’s development strategy accommodates evolving community needs, and its build-own operate (BOO) business model has positioned Sunway Iskandar as a high-value contributor to the region.

A STRATEGIC VISION
Sunway Property seeks to draw a strategic vision for Malaysian property development that will define the industry of the future. The master developer is working hand-in-hand with communities, on a global, local and national level, to address evolving challenges and to create a better future for generations to come. While sustainability and social advancement are not traditionally associated with property development, Sunway Property takes special care to incorporate these core values into its undertakings. It has thus maintained a strong commitment to combating climate change as well as ensuring inclusivity as Malaysia’s economy develops. In support of these efforts, Sunway Property is investing in research and development and improving access to education as well as research facilities to drive progress and innovation for the next generation of Malaysians.

Sunway Property envisions a sustainable future for Malaysians in which they are able to realise their dreams, learn without limits, remain healthy in mind and body and connect to one another. Its philosophy of sustainability extends far beyond increasing green spaces in urban areas. Rather, it involves the creation of an integrated environment focused on providing for the needs of its citizens and supporting the realisation of their aspirations.

As a fully-fledged Malaysian company, Sunway Property has pledged its support, commitment and dedication to helping Malaysia achieve its goal of reaching the status of an advanced nation that is both inclusive and sustainable by 2020. In furtherance of this objective, the vision for Sunway Iskandar, nature’s capital city, is a place where contemporary meets timeless, sophistication meets simplicity, and where the city meets nature.
CASE STUDY: BMW GROUP

International Investor provides an insight into the experience of multinational companies that have chosen to locate their operations in Iskandar Malaysia. This case study was produced in collaboration with BMW Group.

KEY INFO:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Premium Automotive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global HQ</td>
<td>Munich, Germany</td>
</tr>
<tr>
<td>Year operations established in Iskandar Malaysia (IM)</td>
<td>2004</td>
</tr>
<tr>
<td>Location in IM</td>
<td>Flagship E, Senai-Skudai*</td>
</tr>
<tr>
<td>Investment in IM (US$)</td>
<td>30 Million</td>
</tr>
<tr>
<td>No. of company employees in IM</td>
<td>130</td>
</tr>
</tbody>
</table>

*The group is in the process of relocating the BMW Group Parts Distribution Centre Malaysia to Flagship E from Flagship C, where they have been based since 2004.

KEY TAKEAWAY:

Iskandar Malaysia is a home and a strategic location for the BMW Group in Southeast Asia, and we are very committed to this development corridor. To reinforce this commitment, the BMW Group will be relocating its Regional Parts Distribution Centre to a larger facility within Iskandar Malaysia in 2017 to enable further growth for the group.

ISKANDAR MALAYSIA: THE BUSINESS CASE

For the BMW Group, Malaysia is a hub in ASEAN and Iskandar Malaysia is a strategic and prominent touchpoint. Iskandar Malaysia has been the home of the BMW Group Parts Distribution Centre Malaysia since 2004.

The Free Zone at the Port of Tanjung Pelepas, which is located in the Flagship Zone C, the Western Gate Development, was chosen due its strategic location and modern infrastructure, as well as its seaport and airport access. The 193,750 square foot facility supports over 22 countries in the Asia-Pacific region, delivering automotive spare parts and accessories for BMW, MINI and BMW Motorrad vehicles.

CURRENT AND LONG-TERM OBJECTIVES

In 2017, the BMW Group Parts Distribution Centre in Malaysia will relocate within Iskandar Malaysia to a larger facility at the Airport Logistics Park within Senai International Airport in Flagship Zone E, Senai-Skudai.

The centre is located on 775,000 square feet of land and construction of the facility is planned in two phases. The first phase involves the construction of a 538,196 square foot warehouse and the second phase consists of developing an additional 236,806 square feet of warehouse space. The latter is scheduled for completion in 2019.

LOCAL PARTNERS AND THEIR ROLE

The authorities administering the Airport Logistics Park at Senai Airport played a significant role during the setup and implementation phase of our warehouse relocation. Additionally, the Port of Tanjung Pelepas (PTP) remains a key business partner for handling sea freight from Germany and building our Asia-Pacific customers.

The Johor Customs Department, which is responsible for customs clearance for our imported and exported goods, has also supported our local development. Our three main partners for customs processing are the Customs Office at Senai Airport, the Customs Department at PTP for sea freight, and the Sultan Abu Bakar Complex, Tanjung Kupang for imports and exports to Singapore.

EXPERIENCE IN ISKANDAR MALAYSIA

When we began operations, PTP was already a very mature port with a good availability of facilities and services. From a business perspective, the economic region has been growing steadily over the years. This has enabled the BMW Group Parts Distribution Centre to become one of the best performing distribution centres globally, due to our partners and its strategic location in Iskandar Malaysia.

Looking forward, the Senai Airport Free Industrial Zone is a new, up-and-coming development in Iskandar Malaysia with considerable potential. The airport itself is still very passenger focused and is steadily building its international cargo capabilities, which facilitates the implementation of a more personalised service with less overcrowding. In fact, there is significant potential for the airport to become a regional business hub and challenge Singapore Changi Airport, which has significant congestion issues.

A minor challenge we have faced at Senai International Airport relates to the service availability of the customs office. The lack of a 24-hour service somewhat restricts our import and export activity and we hope this can be resolved adequately. Despite this, Iskandar Malaysia will remain an important location in ASEAN for the BMW Group.
Perspective: A Facilitator for Development and Growth

Irrespective of any potential challenges ahead, the Iskandar Regional Development Authority and its strategic partners will work diligently to ensure the region is able to realise its goal of becoming a strong and sustainable metropolis of international standing.

An Authoritative Role

The Iskandar Regional Development Authority (IRDA) was established in February 2007 through an act of Parliament, three months after the economic region was launched in November 2006. It serves as a federal government statutory body tasked with regulating and driving the various stakeholder groups, from both the public and private sector, towards realising the vision of Iskandar Malaysia: to become a strong and sustainable metropolis of international standing by 2025.

IRDA’s role is to plan, promote and facilitate development in Iskandar Malaysia, as well as to ensure that the economic region maintains a business-friendly environment without compromising elements that foster a holistic lifestyle and sustainability.

To assist investors considering Iskandar Malaysia as a destination for their capital, IRDA set up a facilitation division called the Iskandar Service Centre (ISC). The ISC coordinates and syndicates with the various other agencies involved in issuing the approvals necessary to realise investment in the region. The cooperation from the respective agencies that work closely with IRDA to ensure seamless business transactions has been invaluable to the success of the project.

Development in Iskandar Malaysia is founded on three key principles: equitable and fair distribution among stakeholders, value creation, and nation building. It is strategically located at the heart of Southeast Asia, adjacent to Singapore, an advanced economy and logistics hub. It is also well positioned to leverage on the fast growing economic powerhouses of India and China, as well as many emerging economies with burgeoning populations in the ASEAN region.

While the planned development in Iskandar Malaysia has been scheduled to take approximately 20 years to fully realise, beginning in 2006 and coming to fruition in 2025, the economic region has successfully achieved a number of milestones in a reasonably short time span. These include catalytic projects related to attractions, healthcare, education and entertainment, as well as a number of commitments to sustainability. In addition, the region has experienced tremendous development in several key sectors, such as property, manufacturing and services, among others.

When Iskandar Malaysia was launched, some critics and groups believed the project would become a white elephant. However, over the years, these people have become champions of Iskandar Malaysia and now speak highly of the development, recognising the many benefits it has brought to both investors and community stakeholders. They see the fruits of development here, and IRDA has played a significant role in securing their buy-in by engaging them personally and providing a more comprehensive understanding of what the project is all about. This reversal of perception, as well as the growing trust in Iskandar Malaysia, is, in itself, a clear sign of success.

Sustaining Growth Despite Uncertainty

Since 2006, the world has faced periods of economic downturn and financial crises, but Iskandar Malaysia has managed to weather these storms with vigour. IRDA has ensured that the region’s promoted sectors are diversified and resilient, allowing the project to mitigate economic headwinds. Additionally, the development strategy has not only focused on investment, but also on social inclusivity and environmental management. Thus, Iskandar Malaysia can realign its focus to other areas or countries as required until the economic outlook is brighter.

IRDA is fortunate to have strong commitment and support from both the federal and state authorities, which encompasses all government agencies at various levels. We have also built solid relationships with the region’s private sector stakeholders, which is crucial considering Iskandar Malaysia is principally driven by the private sector. The ratio of public to private investment in the region is 1 to 20; quite a favourable ratio when compared to other development regions. Strong private sector involvement also boosts the confidence of both local and foreign companies to invest here.

A Focus on People

Iskandar Malaysia is for the people and, consequently, IRDA works hard to ensure our initiatives involve the community, such as the low carbon society initiative and the Smart Healthy City and Communities’ initiative. The overarching goals of this economic region are not just related to creating employment and business opportunities; they also revolve around allowing the community to experience a better quality of life and a superior lifestyle.

Clearly, it is vital to ensure projects stimulate physical and economic development, but this should not be the only concern. IRDA places significant emphasis on building soft infrastructure, as well as inculcating
a sense of belonging and pride among local people in the area. Accordingly, we have facilitated numerous community-led and community-initiated activities in the region, which are supported by IRDA as part of its effort to strengthen social empowerment.

**DRIVING HUMAN CAPITAL DEVELOPMENT**

Human capital is an incredibly important component in determining the success of Iskandar Malaysia, as development in this area has the potential to catalyse the growth of world-class industries. High value-add sectors, such as biotechnology and data mining, require an educated, well-trained workforce. Accordingly, if the region can offer investors a high quality talent pool, they will be more inclined to locate their businesses here.

IRDA has focused on developing talent pools through reskilling and upskilling within targeted economic sectors and intends to increase the number of workers, as well as the range of skillsets, that cater to these industries as the project moves forward. This process will be facilitated through job matching, training and placement, and human capital development programmes, as well as career advancement planning.

Under the Comprehensive Development Plan ii 2014-2025 (CDPiI), the proposed formulation of a wealth sharing and inclusiveness ecosystem will provide solutions to the human capital issues in Iskandar Malaysia, which are mainly due to talent shortages and a mismatch of supply. Moreover, the ecosystem will focus on mitigating income and housing price disparity, as well as building social capital and improving quality of life in parallel to this development corridor’s growing economic excellence.

Increasing skilled human capital in the local population, through better education and training, will contribute to greater economic participation and should translate into higher household income and reduce poverty. A coordinated approach to improving the quality of talent in Iskandar Malaysia, particularly in terms of providing sufficient numbers to drive growth in the promoted economic sectors, will enable both greater wealth creation and distribution.

Additionally, several new programmes will encourage previously employed stay-at-home mothers, who left the workforce to care for children, to re-join the world of work. This initiative will offer flexi-time opportunities to enable these women to generate an income that fits in with their family-oriented schedule.

**POSITIVE EXPECTATIONS**

Iskandar Malaysia is at the halfway point on the journey towards comprehensive development. The first and second phases have produced significant successes and been nothing short of exciting. With the development plan now entering its third phase, which focuses on sustaining and innovating, I am certain that it will be just as robust as the previous two.

Using the CDPiI as a guide, the economic region is well on its way to becoming a strong and sustainable metropolis of international standing. By 2025, Iskandar Malaysia will be self-sustaining, buoyed by domestic and foreign investment, and it will incorporate active participation from the local community towards growth, particularly from small and medium-sized enterprises.

To achieve this, IRDA will continue to actively seek out both domestic and foreign investment, ensure that the region’s catalytic projects are successfully implemented, make substantial efforts to construct impactful and advanced infrastructure, and further the development of high quality and accessible education and healthcare.

Iskandar Malaysia has grown significantly since its launch and it will continue to blossom as the future unfolds. Despite the challenges that lie ahead, IRDA and its strategic partners and stakeholders possess the necessary means to overcome any obstacles that may fetter future success and to ensure the vision of Iskandar Malaysia is fully realised. I urge everybody to come and experience the development of Iskandar Malaysia with us.
REALISING THE VISION OF ISKANDAR MALAYSIA

IIB is committed to the long-term development of Iskandar Malaysia and its residents, as well as strengthening the position of the economic region as an attractive investment destination.

A DYNAMIC REGION
Iskandar Malaysia began as a vision in 2006: to become a dynamic region that benefits Malaysia in an economic, social and sustainable manner. Today, slightly over ten years after its inception, the region is firmly on track to realise this vision. The advantage of the economic region’s strategic location within the Indonesia-Malaysia-Singapore Growth Triangle and its close proximity to many of the world’s most dynamic economies such as India and China have helped shape the corridor into a thriving demesne that has attracted large-scale investment from both domestic and international investors.

The region is expected to flourish even further in the next ten years. GDP is projected to increase by 8 per cent, totalling US$93.3 billion by 2025, and GDP per capita is set to reach US$31,100 in the same timeframe. With a total of one million new jobs anticipated for an expected population of three million by 2025, Iskandar Malaysia’s goal of becoming a ‘strong and sustainable metropolis of international standing by 2025’ is firmly on track, and Malaysia’s strategic developer, Iskandar Investment Berhad (IIB), is a key player to achieving this future.

CATALYST OF CHANGE
Incorporated in November 2006, IIB considers itself to be a Catalyst of Change: a strategic developer of catalytic projects aimed at stimulating and securing the long-term development of Iskandar Malaysia. The company’s shareholders consist of Khazanah Nasional Berhad (KNB), an investment holding arm of the Malaysian Government; Malaysia’s Employees’ Provident Fund (EPF); and Kumpulan Prasarana Rakyat Johor (KPRJ), a Johor state investment arm. IIB focuses on high impact projects in the education, tourism and leisure, creative, and health and wellness sectors in Iskandar Puteri, the administrative capital of the region.

Since its inception, the company has developed and successfully delivered a number of strategic projects that have laid the foundation for Iskandar Malaysia’s trajectory into an attractive investment destination and a vibrant liveable region. One such accomplishment is the creation of EduCity, a ground-breaking, international, integrated education hub. Other notable achievements include the development of LEGOLAND® Malaysia Resort, the first of its kind in Asia; Medini Iskandar Malaysia, a MYR62 billion township development; Pinewood Iskandar Malaysia Studios, a high-tech media production studio; and numerous infrastructure projects under the country’s Ninth Malaysia Plan.

In November 2016, IIB saw a transition in its leadership, with company veteran Datuk Ir. Khairil Anwar Ahmad taking on the role of President and Chief Executive Officer. With more than 30 years of experience in engineering, construction and property development, Datuk Ir. Khairil began working at IIB in 2007, and was part of the team that brought the initial wave of development into the region. Before assuming the position of Managing Director/Chief Executive Officer of Medini Iskandar Malaysia, Datuk Ir. Khairil was IIB’s Chief Operating Officer, and personally lived through some of Iskandar Malaysia’s signature developments and iconic milestones. Now having returned to IIB, he is set to take the company to even greater heights as it celebrates its own ten year anniversary, and remains committed to continuing the Iskandar Malaysia narrative.

CATALYTIC PROJECTS
Catalytic projects are typically defined as those that will jumpstart positive, complementary social and economic developments in the surrounding space. IIB holds an outstanding track record of delivering catalytic infrastructure projects under Malaysia’s Ninth Malaysia Plan that have benefited society. One such success story is the Lebuhraya Pesisir Pantai Johor Bahru-Nusajaya, popularly known as the ‘Coastal Highway’, and the Medini North Interchange project (MNIC). These initiatives, which both opened to the public in January 2014, helped to galvanise economic development in the country.
IIB’s latest development project is the construction of the Coastal Highway Southern Link (CHSL), the final stretch connecting the Coastal Highway to the Second Link Expressway. The new 5.2km highway, expected to be completed in March 2017, will reduce travelling distance from the Sultan Abu Bakar Custom Immigration and Quarantine (CIQ) checkpoint at the Second Link, which connects Singapore and Johor, to Medini by approximately 10km, reducing the journey to 5 minutes. This venture marks the successful collaboration of IIB with major players UEM Sunrise Berhad, Sunway Iskandar Development Sdn. Bhd. and Mulpha International Berhad. With the enhanced road network connectivity, the CHSL Project is expected to be another impetus to attract more investment into Iskandar Malaysia.

As the Central Business District (CBD) of Iskandar Puteri, Medini is Malaysia’s largest single urban development to date. It is the culminated vision of the state of Johor and the Malaysian Government, along with IIB’s strategic partners from the Middle East. IIB is consistently eager to develop Malaysian companies, and as such the company has welcomed investment from Johor-based publicly listed companies as well as property giants from Kuala Lumpur, which have given rise to a total of MYR4.4 billion in investment. Medini, which lies at the heart of Iskandar Malaysia’s largest property development market, aims to become the icon of city living for the future.

DEVELOPING FUTURE LEADERS
A firm belief in education as the cornerstone of innovation and growth led IIB to carry out another iconic project: EduCity Iskandar Malaysia. This groundbreaking development driven by IIB encompasses a fully integrated education hub that is expected to be a feeder of talent to support Iskandar Malaysia’s various economic activities while preparing future generations of leaders. Partnering with luminaries in education from around the globe, EduCity is undoubtedly a first in Asia with its institutes of higher education, student accommodations and recreational and sporting facilities.

Officially launched in January 2014, EduCity today has nine education partners: University of Southampton Malaysia, Multimedia University, University of Reading Malaysia, Newcastle University Medicine Malaysia, Netherlands Maritime Institute of Technology, Management Development Institute of Singapore, Raffles University Iskandar Malaysia, Marlborough College Malaysia and Raffles American School.

The success of EduCity has prompted business clusters to emerge around the growing numbers of students and educational institutions. For example, new cafes and eateries in nearby areas such as Anjung Nusajaya, Puteri Harbour and Bukit Indah are now accommodating the influx of students as well as teachers and university support staff. The thriving education sector is a key contributor towards the development of the ecosystem.

Education has been defined by the Malaysian Government as one of 12 National Key Economic Areas (NKEAs), and EduCity is recognised as an Entry Point Project (EPP) under the NKEA, targeted to play an integral role in the success of Malaysia’s Economic Transformation Programme. IIB staunchly supports this vision to invest in the future of Malaysia through continuous developments in EduCity and that of its citizens.

SOCIAL INCLUSION
IIB is committed to the tenets of equitable growth, ensuring economic expansion progresses alongside value creation for communities in Iskandar Malaysia. In this endeavour, the first major social inclusion project for IIB was the relocation of Kampung Sungai Pendas. This initiative involved the resettlement of villagers living in dilapidated houses in Kampung Sungai Pendas to a new, modern settlement area on 40 acres of land, complete with upgraded infrastructure, a school and a community centre, while maintaining the village’s natural green landscape. The second phase of the development, slated for completion by 2018, will include more housing units, a retail centre, two restaurants, an open market and a new pier. It will also seek to help the villagers shape their respective trades into businesses aligned with tourism activities, enabling them to venture into eco-tourism businesses such as fishing trips, boat excursions, guided tours and homestays.

Collaborations with major organisations also form the foundation of IIB’s social inclusion projects. Through partnering with the PINTAR Foundation, a social responsibility initiative under KNB, IIB has adopted eight under-served schools in and around Iskandar Malaysia. This three-year adoption initiative empowers IIB to give back to the local communities by providing programmes and promoting positive values among schoolchildren; fostering better academic performance; and strengthening their development of creativity and innovativeness. Creating a culture of educational excellence has become the bedrock for the development of a sustainable pool of competent and high-calibre human capital within the economic region.

SECURING FUTURE GROWTH
A little over ten years after its inception, IIB continues to be the catalytic driver of Iskandar Malaysia, keeping true to its vision of ensuring the economic region’s goal of becoming a world-class liveable city of international standing is firmly within grasp. Under new leadership, IIB will continue to deliver sustainable value to its stakeholders through excellence in the execution and delivery of its catalytic and sustainable projects, ensuring Iskandar Malaysia continues to grow into an attractive investment destination, benefitting the nation’s economy and transforming the quality of lives of the communities. That is IIB’s promise, for the future of those who live, work, visit and invest in Malaysia’s exciting city of the future.
Numerous programmes are targeting a more equitable distribution of wealth across the economic region.

**FOCUS: EQUITABLE WEALTH DISTRIBUTION**

With growth continuing apace in Iskandar Malaysia, long-term success will not be measured simply by the number of jobs created or developments undertaken, but will also depend on whether the wealth generated is shared among the local population.

**LAYING THE INCLUSIVITY GROUNDWORK**

The Eleventh Malaysia Plan 2016-2020 highlights inclusivity as a key principle of the national socio-economic development agenda. The overriding objective of the Plan is to ensure that all citizens enjoy the fruits of growth and development regardless of gender, ethnicity, socio-economic status and geographic location.

Since its inauguration in 2006, Iskandar Malaysia has actively pursued this commitment to inclusivity. One of the five pillars of its strategic framework is to ensure not only wealth generation, but also socio-economic equity and buy-in from the local population. As a result, one of the main aims of the economic region is to provide multiple and equitable benefits that can be shared among all stakeholders, including people and communities at the grass roots level. The focus, in this regard, is on generating new job opportunities, superior hard and soft infrastructure and an improved quality of life for everyone, for years to come.

The initial inception of Iskandar Malaysia was based on the premise of developing a global metropolis full of potential and promise. The first phase of development, from 2006 to 2010, involved planning and building the foundations. The second phase, from 2011 to 2015, prioritised strengthening and generating growth. The third and final phase, from 2016 to 2025, is being driven by the twin thrusts of sustaining and innovating. This final phase requires the implementation of a number of endeavours across several areas, and includes an emphasis on securing equitable wealth distribution. And this will be a critical component if Iskandar Malaysia is to fulfill its vision and become a sustainable metropolis of international standing.

**SOCIAL DEVELOPMENT AND WEALTH**

The strategic framework that details Iskandar Malaysia’s implementation between 2014 and 2025, the Comprehensive Development Plan ii (CDPii), envisions a prosperous, sustainable and equitable ecosystem guided by a Circle of Sustainability. The Circle is based on three core elements, including wealth generation, wealth sharing and inclusiveness, and resource optimisation and low carbon, all of which are interrelated in a continuous cycle (see fig. 2).

The aim of one of the elements of the Circle, wealth generation, is to create new job opportunities and higher wages, resulting in a better quality of life. Therefore, the focus moving forward to 2025 is to ensure more equitable access to these wealth generation opportunities for local communities, while simultaneously increasing general well-being across all segments of society.

Consequently, an increasing number of social development measures are targeting equitable wealth distribution among the general population. These measures are articulated in Iskandar Malaysia’s Social Development Framework, which aims for the creation of a multiethnic, multireligious and multinational society living together in harmony, while collectively benefitting from the expected economic growth and wealth generation in the economic region. In order to achieve this multifaceted goal, the Social Development Framework includes five Desired Social Development End States,
known as the Desired End States, to help formulate key performance indicators that, in turn, facilitate effective and ongoing monitoring procedures (see fig. 1).

Equitable wealth distribution is one of these Desired End States, in conjunction with socio-economic mobility, a caring community, racial harmony, and quality of life. In terms of delivering on this vision, traditional government-led aid programmes are being phased out across Iskandar Malaysia in favour of more sustainable wealth creation initiatives. The objective behind the wealth creation initiatives is for them to be driven by increasingly active participation from the private sector and civil society.

**INCLUSIVENESS ECOSYSTEM**

The realisation of the prosperous and harmonious community proposed by the Social Development Framework depends on two factors. First, for stakeholders to minimise marginalisation by ensuring that every citizen has access to fair opportunities to participate in the Iskandar Malaysia growth story. Second, for the wealth generated to be shared equitably among all residents and citizens. The achievement of these two objectives will be overseen by the application of the CDPii’s Wealth Sharing and Inclusiveness Ecosystem. In total, this ecosystem consists of 3 key strategic thrusts, 10 key directions, 23 initiatives and 75 programmes (see fig. 3).

Within this ecosystem, focus lies on tackling human capital issues, and income and housing disparity, as well as building new social capital, in line with Iskandar Malaysia’s wider goals and aspirations. One of the pressing issues in the economic region in this respect is the continued prevalence of insufficient talent and a mismatch of supply. These factors are impeding the comprehensive development of human capital as a whole in the economic corridor and thus, in response, the wealth sharing and inclusiveness ecosystem is anticipated to play a fundamental role in overcoming such challenges.

Furthermore, improving the level of education among the local population and driving it towards becoming a more knowledgeable and skilled workforce will ensure greater economic participation. In turn, this is expected to translate into higher household income and the eradication of poverty. Indeed, overall living standards have risen at the macro level, with GDP per capita in Iskandar Malaysia growing significantly between 2011 and 2015, from MYR24,722 to MYR33,634, respectively.

More widespread economic participation will also deepen the local talent pool. With coordinated measures to improve talent quality and employability to meet the needs of the nine promoted sectors, wealth creation and distribution measures will be strengthened.

Finally, the realisation of the wealth sharing and inclusiveness ecosystem is set to benefit from ongoing
property development that can be equitably shared among the population through capital gains. The ecosystem will also help to promote social connectedness and afford residents new opportunities to participate in both the decision-making process and the implementation of locally based initiatives. Moreover, increased possibilities of economic growth will translate into new and higher quality living environments and lifestyles.

**EQUITABLE WEALTH DISTRIBUTION PROGRAMMES**

The practical application of the aforementioned strategic plans and objectives is, clearly, fundamental to the realisation of the Desired End States that comprise the Social Development Framework, as well as to the long-term success of the economic region itself. With this in mind, numerous programmes have already been planned, facilitated and coordinated in line with the pursuit of equitable wealth distribution.

For example, in 2012, the state of Johor introduced the Johor Housing Policy for Iskandar Malaysia, to boost the supply of affordable accommodation for local low- and middle-income groups. As of the final quarter of 2016, a total of 7,558 units of affordable housing had been completed in Iskandar Malaysia since 2014.

One related wealth distribution initiative is Rumah Iskandar Malaysia (RIM), which is an affordable housing rental project located across 60 acres of land in Iskandar Puteri. RIM comprises five 12-storey blocks containing 1,500 units, with three- and four-room apartments, including units with special features for disabled persons, such as wider doors and ramps. Residents benefit from facilities such as a multi-purpose hall, a recreational park and a nearby school and clinic. The development also incorporates eco-friendly technologies, such as rain harvesting and solar power.

Further noteworthy initiatives in regard to equitable wealth distribution include: ongoing property ownership education programmes, such as Havoc Hartanah Iskandar Malaysia; the Village Enhancement Programme, which aims to propagate wealth sharing through spatial and social development; and numerous pilot development schemes that work with local communities to enhance understanding of socio-economic activities, demographics, and other issues. In addition, a host of other programmes are working towards fulfilling the remaining four Desired End States of socio-economic mobility, caring community, racial harmony and quality of life, as part of a holistic approach.

With ongoing investment and infrastructure projects underway, Iskandar Malaysia is firmly on track to achieve its main development goals to 2025. Nevertheless, stakeholders must continue to ensure that local people and communities genuinely benefit from the wealth generated within the economic region. This includes extending the roll-out of equitable wealth distribution programmes that give rise to increased entrepreneurial opportunities, high-value employment, safer and healthier living environments, and greater access to quality education. In that way, efforts to transform Iskandar Malaysia’s inclusive vision into a tangible reality will be assured.
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LEADING GROWTH IN ISKANDAR PUTERI

UEM Sunrise is employing its significant experience and success as a property developer to position Iskandar Puteri as a self-sustaining city and economic powerhouse for the region.

INNOVATING URBAN DEVELOPMENT
Property development is one of the main drivers of Malaysia’s emerging economy, sustaining investment inflows into the country despite the current global slowdown. A key player propelling property development in the country is UEM Sunrise Berhad, the township and property development arm of UEM Group Berhad, a wholly owned entity of Khazanah Nasional Berhad.

Iskandar Puteri, or Flagship Zone B, was officially launched in February 2007. The attractive investment destination features several signature catalytic projects that have been developed in line with the priority sectors and industries identified in the national government’s Eleventh Malaysian Plan (11MP).

Iskandar Puteri is strategically located at the epicentre of what has been deemed the new economic Asia. With close proximity to Singapore, it is serviced by two international airports and five seaports that capitalise on what is arguably one of the busiest shipping routes in the world. In addition, the development is accessible by a network of major highways, the Malaysia-Singapore Second Link bridge, and is anticipating the construction of the high-speed rail (HSR) line that will link Iskandar Puteri, as well as a number of strategic locations across Malaysia, to Singapore.

Business and Industries
Iskandar Puteri has transformed into a benchmark for other cities around the world through the completion of a number of signature and catalytic developments, spurring further interest in the enticing destination and augmenting the city’s potential for future economic growth.

Iskandar Puteri is positioning itself as a role model for sustainable cities around the world via its economic, social and environmental developments

JOINT VENTURES
As part of its development strategy for Iskandar Puteri, UEM Sunrise has entered into a number of joint ventures and agreements. It specifically pursues partnerships with companies that specialise in industrial park development, such as Ascendas Singbridge Pte Ltd and, Mitsui & Co. Ltd. These partnerships have the capacity to bolster foreign direct investment and add value, ultimately enhancing the execution of UEM Sunrise’s master plan.

The company is also collaborating with other notable developers, such as Gamuda Land, Bandar Raya Developments Berhad (BRDB), KLK Land Berhad and Mulpha International...
Bhd, to create unique, world-class developments within Iskandar Puteri.

SOUTHERN INDUSTRIAL & LOGISTICS CLUSTERS
The Southern Industrial & Logistics Clusters (SiLC) spans 1,300 acres of industrial land which currently hosts businesses from Malaysia and 12 other countries. The industrial park focuses on developing the value chains of integrated industrial clusters in three major areas: advanced technologies, biotechnology and integrated logistics.

Industrial lots within SiLC are in high demand, with phase one and two currently sold out. In fact, Malaysia’s first dedicated biotechnology park, Bio-XCell, is located within the project. Phase three, spanning a net area of approximately 197 acres, will comprise a total of 86 industrial serviced lots and is currently up for sale.

In June 2016, UEM Sunrise sold 25 acres of land in SiLC to one of South Korea’s leading cosmetic companies, AmorePacific Corporation, for the purpose of developing an integrated centre for research and development (R&D), manufacturing and logistics. The company plans to inject approximately US$170 million into Iskandar Puteri, and, with the establishment of a new facility, it expects to create close to 500 new jobs in the area.

NUSAJAYA TECH PARK
Jointly developed by UEM Sunrise and Singapore’s Ascendas-Singbridge Pte Ltd, the 519-acre Nusajaya Tech Park (NTP) offers companies access to an environmentally-friendly business space with built-in work-live-play elements to support a range of industries. The integrated tech park, which complements SiLC, currently holds 43 ready built factories (RBFs).

TOWNSHIP DEVELOPMENT
UEM Sunrise has contributed to the development of several townships located in Iskandar Puteri, examples of which include Nusa Idaman and East Ledang, while a larger-scale township to be developed in the near future is Gerbang Nusajaya.

PUTERI HARBOUR
Puteri Harbour is a 1,082-acre integrated urban waterfront development complete with an international ferry terminal as an alternative point of entry into Malaysia from Indonesia and Singapore.

Puteri Harbour Marina is rapidly becoming one of Asia’s top yachting destinations, having been awarded the Five Gold Anchor Rating by The Yacht Harbour Association (TYHA) in 2014 and Level Three International Clean Marina Accreditation by the Marina Industries Association in 2016. The future expansion of marinas in Puteri Harbour, in partnership with Singapore-based SUTL Marina Holdings Pte Ltd, will further enhance the overall attractiveness of Puteri Harbour for both the yachting community and those who prefer the tranquility of the waterfront lifestyle.

Estuari is a 394-acre residential enclave in Puteri Harbour with a master plan that includes a 13-acre, designer-crafted landscaped area complete with mature trees and a 4.9-acre central garden. Developed amidst a serene and lush backdrop with over 10 thematic gardens and a scenic lake are 350 freehold double-storey superlink homes: the first phase of Estuari known as Estuari Gardens. The development is strategically located near major amenities including EduCity’s Raffles University Iskandar and Marlborough College Malaysia.

GERBANG NUSAJAYA
The 4,551-acre township of Gerbang Nusajaya features numerous catalytic development components such as lifestyle and retail parks, campus offices and industrial parks, and residential precincts.

Boasting a total gross development value of MYR42 billion, this large-scale township is poised to become the commercial and business engine of Iskandar Puteri and is expected to generate vast employment opportunities, with an estimated 76,000 direct job offerings and 137,000 indirect job offerings. Gerbang Nusajaya will be developed in several phases over a period of 25 years.

In May 2016, UEM Sunrise launched Melia Residences, the first residential component in Gerbang Nusajaya. The 73.64-acre freehold development is a gated and guarded community that offers 625 strata homes nestled in a landscaped lakeside setting with a plethora of facilities and amenities.

A catalytic development that will work cohesively to further the growth of Gerbang Nusajaya is the Fastrackcity. The 300-acre motorsports hub is equipped with research and
tourism and leisure
Iskandar Puteri offers a number of exciting attractions to international and domestic tourists and residents alike. Some of the key attractions include the SANRIO HELLO KITTY TOWN, the Thomas Town family-centric indoor themed park; the 200,000 square gross floor area retail and lifestyle entertainment hub, Mall of Medini; and LEGOLAND® Malaysia Resort.

LEGOLAND® MALAYSIA RESORT
Iskandar Puteri is home to one of the region’s most popular tourism and leisure attractions, LEGOLAND® Malaysia Resort, comprising the LEGOLAND® Theme Park, LEGOLAND® Water Park and LEGOLAND® Hotel. As the first international theme park in Iskandar Puteri, it offers visitors access to 70 hands-on rides and slides, as well as a number of shows and other attractions. LEGOLAND® Malaysia Resort is the first of its kind in Asia and the sixth in the world.

HEALTHCARE AND WELLNESS
Medical tourism is an important segment experiencing solid growth in Iskandar Malaysia, particularly amongst Indonesians visiting the country by air or via the Port of Puteri Harbour Ferry Terminal. UEM Sunrise has capitalised on this trend through its development of Afiat Healthpark.

AFIAT HEALTHPARK
The 67-acre Afiat Healthpark was established as a health and wellness centre in Iskandar Puteri, offering facilities that cater to modern, traditional and complementary medicine and wellness.

One of the first projects carried out in Afiat Healthpark, and the first hospital to operate on the premises, is the private medical centre, Columbia Asia Hospital. The latest addition to the Columbia Asia Hospital is the DB Wellness & Medical Suites, featuring clinics, a care centre and the Millésimé Hotel Johor Bahru.

Other health and wellness components available include the newly opened world-class Gleneagles Medini Hospital and the integrated urban wellness development Afiniti Medini.

EDUCATION
Iskandar Puteri is also home to a vast selection of schools and universities, making it a prime location for education. The city’s fully integrated education hub, known as EduCity Iskandar Malaysia, is recognised as an Entry Point Project (EPP) under the National Key Economic Area (NKEA), and will play an integral part in the success of the government’s Economic Transformation Programme (ETP).

EduCity is the first of its kind in Asia and comprises universities and institutes of higher education, academia-industry action and R&D centres, student accommodations, as well as recreational and sports facilities. Among these educational institutes are several prestigious private and international schools including Marlborough College Malaysia, which is the school’s first campus in Asia and outside of the United Kingdom.

PROMOTING SUSTAINABILITY AND ECONOMIC GROWTH
UEM Sunrise’s contribution to Iskandar Puteri as a master developer has been a key factor in transforming the city into one of the largest fully integrated urban developments in Southeast Asia. The company’s undertakings have spurred significant investment and financial and business opportunities in the area, and will continue to do so in the future, considering the company’s unwavering commitment to Iskandar Puteri’s development.

UEM Sunrise’s ongoing commitment to developing the city has not gone unnoticed. The company has received numerous accolades throughout the years, which include the internationally acclaimed FIABCI Prix d’Excellence Awards for Best Master Plan in 2012.

Iskandar Puteri is positioning itself as a role model for sustainable cities around the world via its economic, social and environmental developments. The city’s use of innovation and technology, combined with its cutting edge architecture is expected to attract significant investment inflows to the region. Such inflows will propel economic growth in the southern peninsula of Malaysia, shaping the area into a regional economic powerhouse.
FOCUS: INFRASTRUCTURE AND CONNECTIVITY

The construction of highly connected transport and digital infrastructure in Iskandar Malaysia is linking its industries, people and environment to the wider world and reshaping the economic region into a sustainable and thriving space.

THE GROWING NEED FOR CONNECTIVITY
According to the United Nations, 54 per cent of all people on Earth lived in urban areas in 2014, compared to just 30 per cent in 1950. The long-term projection is that 66 per cent will live in an urban setting by 2050. While all geographic regions around the world are expected to urbanise further over the coming decades, Africa and Asia are anticipated to do so at the fastest rate. As such, 64 per cent of all people in Asia are expected to be residing in urban areas by 2050. The trend is even more pronounced in Malaysia, where 80 per cent of inhabitants are projected to live in urban areas by 2030, according to the Eleventh Malaysia Plan 2016-2020 (11MP).

In part, these global trends are being driven by the emergence of new opportunities away from traditional rural settings. This is the case in Iskandar Malaysia, with its convenient location at the heart of the ASEAN community making it easily accessible from the wider Asia-Pacific region. The development of this economic corridor is generating an influx of new talent, not only from Malaysia, but also the international community, all in search of life-changing opportunities.

There is a well-established relationship between urbanisation and rising per capita income. As economic growth increases, the most efficient cities are able to attract new creativity and innovation and expedite higher levels of productivity, wealth and leading technologies. Accordingly, Iskandar Malaysia is pursuing multiple efforts to become more efficient by boosting its connectivity via the improvement of transport and digital infrastructure in an integrated and environmentally friendly manner.

GAME-CHANGING CONNECTORS
Over the first ten-year period of Iskandar Malaysia, the economic region has taken shape as an emerging, dynamic metropolis. Key to its success at the halfway stage has been the development of catalytic greenfield projects and support from well-integrated multimodal, air-sea-rail-road transport logistics, and efficient information and communications technology (ICT) networks. Increasing the levels of connectivity within and between these infrastructure networks will significantly boost growth and sustainability during the second ten-year period.

TRANSPORT INFRASTRUCTURE
The first twin lever of connectivity required to power Iskandar Malaysia’s transformation is a robust and sustainable transport infrastructure. Crucially, one of the main strengths of the economic corridor is its strategic location and ease-of-access from abroad. It is located adjacent to a prime business hub, Singapore, and benefits from integrated multimodal transport connectivity to the Malaysian capital, Kuala Lumpur, as well as other key cities in the country and across the wider region (see fig. 1). This has facilitated the process of attracting long-term investors who are keen to enhance their trade linkages across ASEAN and around the world.

Transport infrastructure was highlighted as one of the key aspects of the national Ninth Malaysia Plan 2006-2010 (9MP) and, as such, Iskandar Malaysia received significant budget allocations to improve its intra- and inter-city transport connectivity across the economic region’s five flagship zones. As development moves into
the second half of the Iskandar Malaysia initiative, ensuring new and improved transport infrastructure will become increasingly important.

PUBLIC TRANSPORT AND ROADS
Under the 9MP, the process of improving Iskandar Malaysia’s road infrastructure began. To date, this process includes a number of major highway projects that have significantly increased accessibility between several points throughout the economic corridor, with particular emphasis on improved connectivity to and from Johor Bahru. These developments are ensuring that both residents and visitors are able to enjoy a better quality of life as a result of improved traffic flow and reduction in travel times across the region.

Related to the physical integrity of the road infrastructure and the quality of life of residents, one of the goals of Iskandar Malaysia is to increase public transport usage from 15 per cent in 2005 to 40 per cent by 2025. With this target in mind, the Bas Iskandar Malaysia (BIM) bus initiative was launched in 2010, creating 26 new BIM routes. Moreover, a Bus Rapid Transit system is also envisioned that will consist of 10 lines and approximately 250 stations and stops, covering 90 per cent of transport needs for the economic region. The first phase of the project is expected to begin operations by 2020. The twofold aim of these initiatives is to improve public accessibility to transport services and, as a consequence, contribute to higher levels of social inclusion and engagement with employment and education.

One of the most notable achievements in terms of road development is the Coastal Highway, a 15-kilometre stretch of road that connects Iskandar Puteri with Johor Bahru and which reduces travel time between the two from 45 to 20 minutes. In addition, the 8.1-kilometre Eastern Dispersal Link expressway has been built to ease traffic flow between the North-South Expressway and Johor Bahru. Similarly, the construction of the Senai-Pasir Gudang-Desaru Highway links Senai Airport City in Iskandar Malaysia to Desaru in eastern Johor over a total of 77 kilometres of road, shortening the journey from two and half hours to approximately 45 minutes.

These public infrastructure developments are significantly enhancing southern Johor’s transport networks. As a result, they are also improving connectivity between Iskandar Malaysia and other cities in Peninsular Malaysia, including Kuala Lumpur, as well as to Singapore via the Johor-Singapore Causeway and the Second Link.
SEAPORTS AND AIRPORTS
To maximise the strength and future potential of its location along one of the busiest sea trade routes in the world, Iskandar Malaysia is placing considerable emphasis on upgrading its seaport infrastructure. This includes an MYR8.6 billion allocation to double the capacity of the Port of Tanjung Pelepas (PTP) to 22 million twenty-foot equivalent units (TEU) by 2030, in addition to the modernisation of cargo-handling and storage facilities at Johor Port.

Major upgrades have also been taking place at Senai International Airport, including runway extensions and improvements to passenger and cargo facilities. These works include the 2010 completion of the AeroMall, a standalone retail mall measuring 83,375 square feet located adjacent to the airport.

RAILWAYS
In addition to road, air and sea, rail is a critical component of Iskandar Malaysia’s ongoing development and connectivity, since it links the economic region to other destinations in Malaysia and the rest of Asia.

In order to improve its rail offering, plans are in place to begin construction of the Kuala Lumpur-Singapore High-Speed Rail (HSR) in 2017. The HSR service will be a 350-kilometre network linking the two points in 90 minutes, with a transit station in Iskandar Puteri. This represents half the time it takes to travel the same distance by car. The project is due for completion by 2026.

Similarly, a Rapid Transit System (RTS) rail network has been earmarked to link Johor Bahru with Singapore over the coming years. The RTS will relieve growing levels of congestion on the two causeways that traverse the Straits of Johor and lower travel times between the two destinations as a result. The signing into force of a formal bilateral agreement to finalise the project is expected by the end of 2017.

Furthermore, plans are in place to upgrade the 71-kilometre stretch of single track that runs between PTP and Johor Port to a double track system, to accommodate cargo and passenger train services.

DIGITAL INFRASTRUCTURE
The second twin lever of connectivity necessary to drive Iskandar Malaysia’s growth to 2025 is the existence of a modern and innovative digital infrastructure. In response to the ever-changing landscape of the ICT environment, which demands rapid innovations in connectivity, Iskandar Malaysia has developed an Integrated Information Infrastructure (IM3i) project (see fig. 3), the underlying focus of which is to incorporate the internet of things, mobility and big data.

IM3i is a comprehensive information infrastructure plan that maps the provision of ultra-high speed broadband through both fixed and mobile channels. As such, it will involve the establishment of a submarine cable landing station and a new data centre, as well as the laying of fiber optic cables and a 4.5G network.

The realisation of IM3i will enhance the connectivity of businesses and local communities in Iskandar Malaysia and help to facilitate economic growth. Moreover, Iskandar Malaysia as a whole will benefit from the
progressive advancement of Malaysia’s national digital economy, in which, under the 11MP, the government is targeting broadband connectivity to cover 95 per cent of the country’s populated areas. Iskandar Malaysia itself has formulated a target of 100 per cent broadband penetration by 2025.

In tandem with Iskandar Malaysia’s digital connectivity aspirations, plans are in place to transform the area into a smart city as part of the wider goal to improve urban efficiency. By complementing related federal government proposals outlined under the 11MP, distinct smart city initiatives will help to accelerate the arrival of new talent and investment to Iskandar Malaysia, while simultaneously setting a new benchmark for sustainable urban development. The goal of this approach is to integrate the economic corridor’s economy, environment and distinct social aspects through the innovative use of ICT for better quality and sustainable living. Implementation of the six identified smart city dimensions (see fig. 2) will provide a distinctive edge for the smart future of Iskandar Malaysia.

THE PILLARS OF TRANSFORMATION

Iskandar Malaysia is one of the largest regional development projects in ASEAN and its progress to date has been anchored on its two broad-based plans: the Comprehensive Development Plan 2006-2025 (CDP); and Comprehensive Development Plan ii 2014-2025 (CDPi). While CDP focused on five strategic pillars, including institutional frameworks, economic growth sectors and hard and soft infrastructure aspects, CDPi prioritises five transformative interventions to further align growth with local communities. These constitute three economic interventions, including transforming Iskandar Malaysia into a regional hub for tourism, healthcare, education and logistics, and creating a centralised data centre and knowledge hub, known as Iskandar Malaysia Urban Observatory; as well as two social and environmental interventions which include prioritising inclusive wealth generation and ‘greening’ the economic region.

Consequently, its transformation since 2006 has been facilitated by this holistic planning, which incorporates both transport and digital under its focus infrastructure enablers. This approach has been fundamental to enhancing connectivity for and between all stakeholders, from local residents and business communities, to investors and government agencies.

Moving forward, the CDPi has identified five ‘Big Moves’ to help boost development to 2025. These include catalytic projects to boost the promoted sectors, enhancing physical infrastructure, such as integrating and improving Iskandar Malaysia’s ports, and helping to foster inclusive wealth generation and resource optimisation, including making the economic region a green hub. The five Big Moves are set to further consolidate its transport and digital infrastructure and thereby enhance levels of connectivity, within and beyond Iskandar Malaysia.

THE GREEN AGENDA

With ‘Greening Iskandar Malaysia’ established as one of the five Big Moves under the CDPi, focus to 2025 is on transforming the economic region into a green and low-carbon goods and services economy. Expected investment of MYR110 billion over the 20-year development period will help to realise this vision, in conjunction with its Low Carbon Society Blueprint, published in 2013.

This Blueprint envisions five core actions (see fig. 4) and is premised on active participation and consensus building between Iskandar Malaysia stakeholders in the region, including the public and private sectors, civil society and the community. These five actions form the cornerstone of the successful realisation of the economic corridor’s goal to halve carbon emissions by 2025 and create a greener, more sustainable and economically dynamic environment founded on the three pillars of the economy, community and environment. In turn, these three pillars constitute part of the key strategic building blocks that have driven Iskandar Malaysia’s transformation since its inauguration in 2006.

Transformative moves to ensure that Iskandar Malaysia becomes a physically integrated and smart metropolis are taking place. The consolidation of high levels of transport and digital connectivity, in addition to an active fostering of the green agenda, are concrete examples of how the economic region is forging an ecosystem conducive to the inclusive development of its people and economy, not only to 2025, but also beyond.

This feature was produced in collaboration with Ernst & Young Advisory Services Sdn Bhd
A PRIME CONDUIT FOR EAST-TO-WEST TRADE

Johor Port will play an increasingly pivotal role in the development of Iskandar Malaysia as it continues to strengthen its position as a prime intra-Asia gateway.

A LOGISTICS LEADER
Malaysia is a trade-dependent economy whose strategic location and solid infrastructure enable it to play a crucial role in the movement of goods and services, both within the region and around the world. Following the overall trend of recent years, Malaysian trade in 2015 grew by 1.2 per cent compared to 2014 levels, reaching almost MYR1.5 trillion.

Underpinning this upward trend in trade is Malaysia's highly competitive logistics sector. The national logistics industry has established itself as among the best in the world, with Malaysia ranked 32 out of 160 countries in the World Bank’s Logistics Performance Index (LPI) 2016, ahead of numerous other upper-middle-income nations, including Thailand, as well as high income countries such as New Zealand.

In addition to the robust standing of the overall logistics industry, a number of its constituent parts also continue to post positive results; for example, cargo volume is projected to rise 8 per cent between 2014-2020, reaching 880 million tonnes by 2020. Nonetheless, it is important for all parties to recall that the long-term growth and success of the Malaysian logistics industry is largely dependent on its world-class international seaports and container hubs, and in particular, Johor Port.

Located at the southern tip of Peninsular Malaysia on the Straits of Johor, the port is strategically located to facilitate east-to-west trade. It is prominently positioned in the Pasir Gudang Industrial Estate, which itself forms part of the Eastern Gate Development zone of Flagship D of the country’s burgeoning economic corridor, Iskandar Malaysia.

Economic development in the area is projected to increase considerably in the coming years due to Iskandar Malaysia’s estimated compound annual growth rate (CAGR) of more than 5.1 per cent to 2026. Such growth will have a positive impact on activity at Johor Port moving forward. The facility will play an increasingly important role in the economic region’s overall efforts to enhance cooperation and connectivity.

WORLD-CLASS SERVICES
Johor Port is an integrated multi-purpose port facility operated by Johor Port Berhad, a member of the MMC Group. It offers diverse services and facilities capable of handling palm oil, petroleum and petrochemical products as well as dry bulk and general cargo. The port handled a total cargo throughput of 28.7 million metric tonnes in 2015, marking a 5-year CAGR of 2.3 per cent.

The port boasts the world’s largest palm oil terminal, located in its free trade zone, with storage capacity of 460,000 metric tonnes. Furthermore, it is also one of the largest ports in the region for the hubbing of non-ferrous metals and in 2004 it was designated as an approved London Metal Exchange (LME) location. It is currently ranked 6 out of 35 countries worldwide for LME cargo.

In addition, Johor Port is one of Malaysia’s largest discharging points for rice and cocoa, and the biggest edible liquid terminal in the world, with terminal tank farm capacity of almost 500,000 cubic metres.

As a result of its efficiency and capacity, Johor Port has attracted a solid client base of prominent international players such as Pacorini Metals, Henry Bath and Metro International Trade Services. Other multinational clients include Shell and Chevron, among several others.

OPERATIONS
Johor Port operates a total area of 1,000 acres equipped with 5 terminals and 24 berths totalling 4.9 kilometres in length. The extensive range of services and facilities within Johor Port include the break bulk terminal, dry bulk terminal, liquid terminal, container terminal, container storage yard, inland container depot and warehousing installations.

CONTAINER TERMINAL
The Johor Port Container Terminal (JCT) includes a 700-metre berth, which is designed to handle up to 1.2 million twenty-foot equivalent units (TEU) annually. The terminal is equipped with 8 quay cranes, 19 rubber-
tyred gantry cranes, 9 stackers and 50 prime movers. As a result, JCT is able to accommodate up to 3 vessels at a time with a maximum water depth of 13.5 metres.

The terminal is also equipped with 250,000 square metres of container yard and 11,000 square metres of container freight station facilities. Activities are supported by the web-based Johor Port Container Terminal System. This system allows for the facilitation of real-time, integrated, paperless transactions in order to ensure optimal commercial and operational efficiency.

In addition, JCT has its own rail depot with scheduled services to the Port of Tanjung Pelepas (PTP) and connections to the national rail grid and international rail networks. This connectivity helps to optimise multimodal transport, across the country and beyond.


Connectivity to and from JCT is further supported by coastal and international feeder vessels that run on a daily basis to and from the port. The main coastal operators include Perkapalan Dai Zhun, Geniki Lines, Shin Yang Shipping Corporation, as well as international feeders such as Advance Container Lines, PACC Container Line, Regional Container Lines and Pancon Shipping & Marine Services.

BULK AND BREAK BULK TERMINAL
The Johor Port Bulk and Break Bulk Terminal (BBT) operates 8 berths with a maximum water depth of 13.5 metres. It provides 73,364 square metres of open yard and over 230,000 square metres for storage facilities.

The facilities handle various cargoes of different types and sizes, including both edible and non-edible dry bulk, break bulk, general cargo, heavy lift cargo and gas-related cargo. The terminal is equipped with four conveyor belts and seven mounted quay cranes, while its operations are further supported by an online Multi-Purpose Terminal System.

LIQUID BULK TERMINAL
The Johor Port Liquid Bulk Terminal provides specialised facilities to cater for both edible liquid and petrochemical cargoes. The terminal is equipped with a network of pipelines featuring multiple high-capacity loading arms to allow liquid bulk cargo to be piped directly to tank farms at high transfer rates.

Within the Liquid Bulk Terminal lies the world’s largest palm oil storage facility. The jetties at this facility are able to handle four vessels at once, with loading capacity of 1,000 tonnes per hour. The tank farm within this area is capable of storing 402,500 tonnes. Berths 5 and 6 can accommodate vessels to 30,000 or 40,000 deadweight tonnage (DWT). Edible liquids, mainly soya bean oil and palm oil, are exported from a special-purpose twin-berth jetty. This jetty has a total berthing length of 657 metres and water depth of 11 metres for outer berths and 10 metres for the inner berths.

FREE ZONE
Over two-thirds of Johor Port’s total area, approximately 660 acres, is designated as a Free Zone, while the port itself has been appointed as Free Zone Authority to oversee the management of the free trade sector. Within this area, users may carry out activities such as inter-modal cargo conversion; packaging and labeling; processing, manufacturing and assembly; and certain import and re-export tasks.

WAREHOUSING FACILITIES
Johor Port provides more than 2,000,000 square feet of warehousing space and open yard space of approximately 600,000 square feet, which is allocated for LME cargo and break bulk cargo.

In addition, over 300,000 square feet of warehousing space is available for value-added and distribution activities, and more than 250,000 square feet of warehousing space is designated for grain storage.

OFFSHORE INSPECTION, MAINTENANCE AND REPAIR (OIMR) CENTRE
The OIMR Centre offers a comprehensive range of services and facilities for the oil and gas industry, from lay-up facilities, manpower mobilisation, and maintenance and repair works, to an integrated suite of logistics solutions via its One-Stop Centre.
The Centre extends to operators of oil rigs and their network of ships and supply boats, as well as floating production storage and offloading vessels. The Johor Port OIMR is assisting the state of Johor and the country as a whole in realising the goal of becoming the centre for the regional oil and gas industry.

**SUBSIDIARIES**

In addition to its port-related work, Johor Port Berhad owns two subsidiary companies. The first is JP Logistics Sdn Bhd, which is wholly owned by the parent company and was established in 1996 to provide total logistics solutions and supply chain management. The company caters to clients across the country and into neighbouring Singapore, as well as other regional ports. It is primarily involved in freight management, warehousing and distribution, shipping and marine services, and specialised logistics, including that relating to project cargo. The company currently manages approximately 310,000 square metres of warehouse space and has a comprehensive road transport service featuring a fleet of 120 vehicles comprised of both haulage and conventional trucks.

The second subsidiary company of Johor Port is KOTUG Asia Sdn Bhd, a leading towage operator offering innovative and economic maritime solutions on a global scale. The company utilises a vast range of rotor tugs, e-rotor tugs and conventional tugs to supply a full scope of operational support services for escorting, berthing and safety cover. In addition, KOTUG assists in securely berthing and mooring liquefied natural gas carriers and provides support during cargo loading. It also offers distinct services such as port security, pilot transfer and standby, and pollution prevention and control.

**ICT APPLICATIONS**

Information and communications technology (ICT) is vital to Johor Port in ensuring customers’ and users’ needs are constantly met or surpassed. The port leverages ICT to provide efficient, interactive and fast user-friendly services. ICT is also crucial for the integration of planning and execution of day-to-day operational and management activities and is, therefore, a highly important business tool.

**A BRIGHT FUTURE AHEAD**

Moving forward, Johor Port will play an increasingly pivotal role as a driver of Iskandar Malaysia’s development by expanding and strengthening its position as an intra-Asia gateway. The port’s strategic location, connectivity, technology advancements and efficiency will underpin efforts to help transform it into the transport and logistics hub of Malaysia’s southern region.

To further strengthen its current position, Johor Port is seeking to enhance its efficiencies and responsibilities. Efforts began back in 2012, when Johor Port established a comprehensive redevelopment plan to increase capacity and enhance the port infrastructure.

More recent efforts include increasing branding and marketing by collaborating with industry players and government agencies. In addition, Johor Port Authority (JPA) will be supporting facilities to carry out transhipment, import and export activities.

Finally, JPA is reviewing a plan to increase capacity handling of cargo throughput at the port to reinforce the expected rise in the region’s cargo volume, as well as to strengthen collaboration with PTP by rail and Singaporean port operator, PSA International, by feeder. These plans will be key in transforming the port into a prime conduit for global trade.
DEVELOPING A CENTRAL BUSINESS DISTRICT

Medini Iskandar Malaysia Sdn Bhd leads the industry by taking on the role of both master planner and master developer, while simultaneously promoting smart and sustainable community initiatives.

CONSOLIDATING FUTURE GROWTH

Incorporated in 2007, Medini Iskandar Malaysia Sdn Bhd (MIM) is the master developer of 2,230-acres of land in a thriving urban township located in the southern tip of Johor; a township that is envisaged to become the central business district of Iskandar Puteri. Since its inception, MIM has undergone a continuous evolution. The company began as a master planner and infrastructure manager, investing over MYR1billion on building the infrastructure. Afterwards, from 2013 and 2014, MIM took on the role of a niche developer focused on commercial offices and providing value-added township management services. MIM has also taken a bold step to become the front-runner in the development of a smart and sustainable city.

MIM is backed by strong shareholders with an international composition and solid experience. 60 per cent of the company is held Jasmine Acres, which is jointly owned by the Malaysian Government investment arm, Khazanah Nasional Berhad and Iskandar Investment Berhad. Another 20 per cent is held by the global infrastructure investment and development company United World Infrastructure (UWI). The remaining 20 per cent is held by Mitsui & Co, Ltd. Mitsui brought with it a wealth of knowledge and experience in smart city solutions and development.

To date, Medini has attracted a mix of local and foreign property developers who are currently implementing their respective projects at various stages. The first property developer in Medini was WCT, and others who followed suit include Sunway Iskandar, BCB, CI Medini, UMLand, Mah Sing, Macrolink, Grand Global, Zhuoyuan Iskandar, Distinctive Group, LinkTHM, B&G Property, Eastern & Oriental and a few more.

Medini is also home to LEGOLAND® Malaysia Resort, which opened in 2012 and was the first of its kind in Asia. Adjacent to LEGOLAND® Malaysia Resort is the Mall of Medini, as well as Somerset Medini Serviced Apartments and Gleneagles Medini Hospital. This hospital offers an advantage to Singaporeans, as they can use their national healthcare medical scheme Medisave to pay for medical care.

With the Coastal Highway Southern Link scheduled to open in the second quarter of 2017, it will markedly reduce traveling distance from the Tuas CIQ Second Link to Medini. Another positive and exciting development is the Kuala Lumpur - Singapore High Speed Rail (HSR), of which the first stop after Singapore is in Johor, which has been designated within Iskandar Puteri. The HSR is slated for completion in 2026, and the availability of a HSR station in Iskandar Puteri will significantly improve connectivity.

The Medini township is an integral development within the greater area of Iskandar Puteri. The ecosystem within Iskandar Puteri comprises other catalytic developments surrounding Medini such as the education hub, EduCity, which houses a number of renowned institutions such as the University of Reading Malaysia and Newcastle University Medicine Malaysia, to name a few. Others include Pinewood Iskandar Malaysia Studios, the waterfront development and marina, Puteri Harbour and the Johor state administrative office complex, Kota Iskandar.

THE MASTER PLAN: A SMART CITY IN THE MAKING

The Medini master plan is a comprehensive development encompassing infrastructure, commercial zones, residential and communal spaces, as well as green and multi-purpose areas. The plan was designed with a strategic vision to build the large-scale township that is built on the premise of a smart concept.

The Medini master plan is a comprehensive development encompassing infrastructure, commercial zones, residential and communal spaces, as well as green and multi-purpose areas. The plan was designed with a strategic vision to build the large-scale township that is built on the premise of a smart concept. As a people-centric township, Medini is turning towards technology to deliver city services, for example, to reduce energy consumption, address traffic congestion and monitor the safety and security of the township. With smart solutions in place, the quality of life for existing and future residents of Medini will be elevated as they experience an increased level of service and convenience.

At present, smart initiatives in Medini are being piloted and implemented in phases...
An artist’s impression of Medini 10

with a scale relevant to current development phasing. We have introduced an integrated operations centre and purchased electric vehicles to reduce the carbon footprint.

MIM is also part of a global research collaboration branded as the ‘Malaysia Biennial 100 Years City: Medini’ that sets out to design a vision of the 100-year development of Medini. The research collaboration aims to bring together visionaries and progressive architecture schools, as well as innovative architects from around the world, urban planners, economists, urbanists and futurists. It promotes critical and constructive proposals for future development that harness the idea of a smart city. We are also working closely with Malaysia Digital Economy Malaysia (MDEC) to connect with tech start-up communities that are eager to contribute and grow within a thriving central business district such as Medini.

SPECIALISING IN NICHE PROPERTY DEVELOPMENT

Regarding project developments undertaken by MIM, the first office building to be built was the two-storey Medini 6, which measures 80,000 square feet of gross floor area (GFA), and opened in 2015. Companies currently occupying Medini 6 include Huawei Technologies, i2M Ventures Sdn Bhd, Inneonusa Sdn Bhd and Vision Technology Consulting. A 4-storey office building known as Medini 7, measuring 145,000 square feet of GFA, marks the second office building that was completed in the second half of 2015. Tenants in Medini 7 include Frost & Sullivan and Courts. Medini 7 was recently named as a designated premise, meaning companies with Multimedia Super Corridor (MSC) status were able to immediately occupy Medini 7 and enjoy preferential benefits and advantages offered by MSC Malaysia. MSC Malaysia is Malaysia’s national ICT initiative designed to attract technology companies while growing the local ICT industry. Additionally, Medini was also given the MSC Malaysia Cybercentre status by the Malaysia Digital Economy Corporation (MDEC). The designated area covers 31.5 acres in the heart of the central business district.

Medini 6 and Medini 7 are located within the MSC Malaysia Cybercentre boundary as well as two other premier high-rise office buildings that are currently under construction. The twenty-one storey office tower Medini 9, measuring 490,000 square feet of GFA, and the 27-storey office tower Medini 10, measuring 508,000 square feet of GFA, are expected to be completed in the first quarter of 2018 and the first quarter of 2019, respectively. The high-rise office towers have contemporary and modern designs. In fact, Medini 10 was awarded Best Commercial Development (Malaysia) in 2016, presented by the Southeast Asia Property Awards.

The aforementioned office blocks form part of a cluster development known as The Pulse, a premier commercial development. MIM has three other development clusters that include The Compass, a luxury commercial development; The Crescent, a lifestyle retail and business park; and The Park, a residential and boutique commercial cluster. The Crescent was privileged to have been named as a merit winner in 2016 in the design excellence category awarded by the Malaysian Institute of Planners.

Future office buildings built by MIM within the designated MSC Malaysia Cybercentre area will be MSC-status ready and Green Building Index (GBI) compliant. The MSC status further strengthens the township’s position to attract and cultivate local and foreign investors in the Global Business Services (GBS) and Information & Communication Technology (ICT) sectors, which could help accelerate the economic growth of the southern region.

DRIVING TOWNSHIP MANAGEMENT SERVICES

Through its wholly owned subsidiary Township Management Services Sdn Bhd (TMSSB), MIM deploys a broad range of, value-added and lifestyle-enhancing services to end-users. The implementation model TMSSB employs is unique, as the company forms partnerships with leading facilities management service providers to produce an integrated and holistic township management service.

In this context, two joint venture partnerships have been signed, the first in 2015 with Intelscc Sdn Bhd, a wholly owned subsidiary of Telekom Malaysia Berhad. The JV company formed is responsible for providing information and communication technology-related services. The second was signed with UEM Sunrise Edgenta TMS. The JV company formed provides facilities and estate management services. The partners with which we have signed are two prominent organisations that are renowned in their respective industry.

MOVING FORWARD - BUILDING AN INCLUSIVE CITY

Indeed, the development of Medini as a smart city will enable its residents, investors, businesses and the public in general to experience the township in a unique manner. MIM has also spent significant time pursuing place making in 2016, in an effort to incorporate an even more multi-faceted approach to the planning, design and management of public spaces in Medini. The goal is to develop public spaces that promote people’s health, wellbeing and happiness, which is why facilities such as bicycle and running paths, parks and public art will be made available to enhance the Medini livability factor.

Medini’s vision is to become an ‘Icon of Future City Living’. To become one, it is critical for Medini to be adaptive and agile, particularly in the era of digital dependency. Community participation is also key in driving the success of Medini, where the budding city values welcomes communities of multiple backgrounds in creating an integrated and inclusive central business district within Iskandar Puteri.
FOCUS: AN IDEAL GBS LOCATION

Due to a number of attractiveness factors, from strategic location, to cost competitiveness and a strong talent pool, a growing number of international companies are locating their global business service operations in Iskandar Puteri.

AN EVOLVING LANDSCAPE

Global organisations have been moving towards shared services and outsourcing (SSO) since the 1980s. The underlying idea being that dedicated specialists can undertake routine, transactional back-office work and process it more efficiently at lower cost.

As the sector has matured, embracing the clear changes produced by globalisation and connectivity, these delivery models have been subsumed into the global business services (GBS) industry. While still encompassing traditional operations, companies are now seeking to integrate governance, locations and practices, as well as to incorporate high-value services, such as business analytics and corporate planning.

GBS now aims to facilitate productivity gains, automation and working capital opportunities, particularly in information and communications technology (ICT), finance and accounting, human resources, legal, engineering services, and healthcare, while continuing to maximise the benefits that can be gained from labour arbitrage, cost competitiveness and efficiency.

GBS IN MALAYSIA

The GBS industry has been developing rapidly in Malaysia and the country hosts the GBS operations of over 400 companies, of which at least 80 are multinational corporations (MNCs). This includes significant global players such as Kerry Logistics, Citibank, HSBC and DHL, among others.

According to the Global Business Services Outlook Report by Outsourcing Malaysia, an initiative led by the outsourcing and ICT industries, Asia-Pacific GBS markets are projected to average a 5 per cent compound annual growth rate (CAGR) until 2019. Malaysia, however, is one of four GBS destinations projected to record CAGR growth of 10 to 15 per cent over the same period. Moreover, the industry had created 85,000 jobs as of 2016, easily surpassing targets set by the government-owned agency Malaysia Digital Economy Corporation (MDEC), a key driving force behind GBS development in the country.

Since its inception in 2004, management consultancy A.T. Kearney’s Global Services Location Index has consistently ranked Malaysia in the top three GBS locations (see fig. 1). The index tracks the offshoring landscape in 55 countries across three major categories: financial attractiveness, people skills and availability, and business environment. Additionally, in 2014, global services analyst Everest Group singled out Malaysia as the ‘emerging Asian tiger’ for global shared services, arguing that it had positioned itself as a valid destination for high-value services due to strong government support, a skilled talent pool, and sectoral expertise, as well as its developed-world infrastructure.

The Malaysian Government has repeatedly emphasised the importance of the burgeoning GBS industry. And numerous strategic initiatives have been developed as a result under the country’s Economic Transformation Plan, with business services named as one of 12 National Key Economic Areas (NKEAs). Furthermore, ‘transforming services’ was identified as a key focus area in the Eleventh Malaysia Plan 2016-2020. Thus, it is clear that the industry has high-level support.
A NEW KID ON THE BLOCK

The growth of the GBS industry in Malaysia coincides with the significant developments occurring in Iskandar Malaysia. Launched in 2006, as one of several initiatives to broaden growth opportunities outside the highly developed Klang Valley, Iskandar Malaysia was designated as an economic development corridor and given a mandate to build a strong and sustainable globally oriented metropolis. In the context of a comprehensive and long-term development plan, driven by Khazanah Nasional Berhad (Khazanah), the strategic investment fund for the Malaysian Government, and the Iskandar Regional Development Authority (IRDA), there has been a focus on attracting dynamic businesses, both local and foreign, that align with the strategic vision for the economic region.

While Iskandar Malaysia is a relatively new player on the GBS landscape compared to other areas of Malaysia, it is already one of the largest GBS locations in the country. This rapid growth and appeal has been fuelled by a number of attractiveness factors.

The local Johorian talent pool is largely multilingual and the region produces more than ten per cent of total graduates in Malaysia. Cost is another major growth driver: salaries, the cost of living, and real estate prices are significantly lower than those in Singapore, for example. Moreover, the infrastructure base in Johor has been developed and is continuing to expand. It currently comprises 15 highways, one international airport, with Singapore’s Changi Airport a one hour drive away, as well as robust telecommunications and power frameworks.

Yet, perhaps the most important attractiveness factor stimulating development is Iskandar Malaysia’s strategic location, particularly its close proximity to Singapore. The implications for potential growth related to the economic region’s geography were not lost on those crafting the long-term development plan; there are significant opportunities for companies to benefit from the Singapore market, as well as others in the Asia-Pacific region, while maintaining a Malaysian cost structure.

Thus, and in line with the broad economic development plan for Malaysia, as a whole, one of the areas identified for high-value growth in Iskandar Malaysia included SSO-related activities, encompassed in the GBS industry.

ISKANDAR PUTERI

In order to stimulate development in this sector, Khazanah set up i2M Ventures Sdn Bhd (i2M) in 2013, a non-profit entity that is mandated to focus on strategic investment promotion initiatives for the GBS and SSO sectors located specifically in Iskandar Puteri, a newly developed city in Iskandar Malaysia.

Iskandar Puteri, formerly known as Nusajaya, lies at the heart of Iskandar Malaysia and constitutes one of the five flagship zones outlined in the Iskandar Malaysia Comprehensive Development Plan 2006-2025. The city has seen high growth in property development in its initial phase and is touted to become one of the largest fully integrated urban developments in Southeast Asia. The development will continue to provide significant investment and business opportunities for years to come.

A number of important projects have already been developed in Iskandar Puteri including: Kota Iskandar, the state of Johor’s administrative centre, which houses state and federal government offices; the Southern Industrial and Logistics Clusters (SiLC), a managed and environmentally sustainable industrial park; Afiat Healthpark, an integrated medical hub; Puteri Harbour, a large waterfront development; Medini, a significant ‘smart’ urban township that is being positioned as the central business district of Iskandar Puteri; and EduCity, a purpose-built campus that offers world-class learning, living and recreational facilities.

Moreover, Iskandar Puteri is conveniently located a 40-minute drive away from Singapore’s Central Business District (see fig. 2). Thus, companies that choose to locate GBS operations in the area can capitalise on the nearshore opportunities, as well as regional market access, all while taking advantage of the talent, infrastructure, competitive-cost and liveability factors in Iskandar Puteri.

GBS ISKANDAR

As part of promoting Iskandar Puteri as a GBS hub, where foreign and Malaysian corporations can situate their shared service and other business service centres, i2M has a target to generate MYR6.5 billion of inward investment and create 14,000 high-value and knowledge-based jobs by 2020.
In order to fulfil this objective, i2M introduced the GBS ISKANDAR initiative in April 2016. This specialised programme will enable qualified companies to receive expert facilitation to meet their GBS location requirements, as well as privileged access to customised incentives provided by the GBS ISKANDAR programme.

Within this context, i2M is working with other agencies, such as MDEC, IRDA, Outsourcing Malaysia, the Malaysian Investment Development Authority, Talent Corp Malaysia and the Johor State Investment Centre to ensure that all efforts aimed at positioning Iskandar Puteri as a GBS hub are coordinated and key messaging is aligned with the strategy of best nearshore to Singapore, combined with excellent wider market access.

The goal is to attract regional headquarters and large organisations in Singapore to expand and locate their operations in Iskandar Puteri, as well as to attract MNCs from other regions to set up in the flagship zone as an alternative location from which to penetrate Singapore and the Asia-Pacific region.

**BEING PROMOTED**

Between 2013 and 2016, i2M attracted a number of significant local and international companies to locate their operations in Iskandar Puteri, including Frost & Sullivan, Brandt International, Courts Asia Ltd and Vistra, a multinational corporate services company. In total, i2M has recorded committed investment of MYR1.4 billion and created 2,800 jobs over this period.

During the ten-year anniversary celebrations for Iskandar Malaysia in December 2016, the Malaysian Prime Minister announced that GBS would be incorporated into the nine promoted sectors. Thus, GBS activities now fall under the renamed Financial and Business Services promoted sector. As a result, certain tax incentives are available for companies considering Iskandar Puteri as a GBS location.

Eligible companies can apply for the Medini Incentive and Support Package, while employees can enjoy a personal income tax rate cap of 15 per cent in Iskandar Malaysia, if they meet certain conditions.

**TALENT DYNAMICS**

Notwithstanding the various attractiveness factors present in Iskandar Puteri, the availability of talented manpower to fill new job positions is a vital ingredient for a strong and sustainable GBS industry. Thus, aside from the need to attract experienced talent to the flagship zone, i2M recognises the importance of having a well-structured professional education programme to optimise skillsets and prepare recent graduates for the world of work, particularly in GBS.

Accordingly, in April 2016, GBS ISKANDAR introduced its Campus Connect Initiative. This scheme is a partnership between industry and academia, facilitated by i2M, and designed to nurture graduates to become well-rounded citizens and endow them with skillsets that meet the current and future requirements of industry.

The first industry partner for the pilot Campus Connect Initiative project is Vision Technology Consulting (VTC), an Oracle Platinum Partner for enterprise solutions. The collaboration consists of a three-month Oracle Training and certification programme for selected students from the Faculty of Computing at Universiti Teknologi Malaysia (UTM). The programme is conducted via classroom and on-the-job Oracle training, and increases the employability and marketability of participants.

As an emerging ICT company that specialises in customer relationship management, billing systems and middleware in Malaysia, VTC intends to source young talent from Johor. This seems to be a sensible strategy given the quality universities and number of graduates in the state. Johor averages close to 17,000 graduates per year, many of whom have studied at Johor-based universities, such as UTM and the Universiti Teknologi MARA’s Johor campus, both of which are ranked highly in national education league tables.

Furthermore, EduCity is home to world-renowned institutions including the University of Reading Malaysia, Newcastle University Medicine Malaysia, the Netherlands Maritime Institute of Technology, Raffles University Iskandar, the University of Southampton Malaysia Campus, the Multimedia University, and the Management Development Institute of Singapore, all of which are within Iskandar Puteri.

The field of study distribution in the state is also favourable to companies that wish to locate GBS operations to coincide with the GBS ISKANDAR initiative. Figures from i2M suggest that 42 per cent of graduates have studied subjects relating to computing, ICT or engineering, while 43 per cent have degrees related to finance and accounting or the social sciences.

Iskandar Puteri is also able to attract highly experienced knowledge workers from both Kuala Lumpur and Singapore who are seeking a more pleasant living environment and greater quality of life.

**A STRONG VALUE PROPOSITION**

The rapid digital disruption in the GBS sector presents some advantages for the industry in Malaysia, and, consequently, for GBS development in Iskandar Puteri. The use of automation and the requirement for higher-value talent means that the Business Process Outsourcing space will no longer be dominated by scale. Thus, Malaysia will have an opportunity to compete based on the value of higher-skilled talent, rather than competing purely on scale and cost. Moreover, Malaysia has a large pool of graduates that have been trained to manage the emerging digital and automation tools, raising its profile amid the disruption.

It is clear that the Malaysian Government has bought into the possibilities presented by growing the GBS industry and is actively developing a sustainable talent pool to meet the needs of the international GBS community. This is reaffirmed by significant numbers of government-linked agencies that are supporting the GBS development agenda with a multi-pronged approach.

Accordingly, boosted by the support of the Malaysian federal and state governments, key public sector agencies and particularly i2M through the GBS ISKANDAR programme, the projected double-digit growth for the Malaysian GBS industry looks set to be realised. Iskandar Malaysia is in a prime position, both literally and figuratively, to take advantage of this.

This feature was produced in collaboration with i2M Ventures Sdn Bhd.
CASE STUDY: FROST & SULLIVAN

International Investor provides an insight into the experience of multinational companies that have chosen to locate their operations in Iskandar Malaysia. This case study was produced in collaboration with Frost & Sullivan.

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<th>KEY INFO:</th>
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<tr>
<td>No. of company employees in IM</td>
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*Frost & Sullivan expects to incorporate around 800 employees into the Iskandar Malaysia office between 2016 and 2023.

ISKANDAR MALAYSIA: THE BUSINESS CASE

We were in the middle of developing our long-term growth strategy when the decision was taken to invest in Iskandar Malaysia. The company was looking for a location that would help drive its aspirations for growth and concluded our greatest growth would come from the Asia-Pacific region, more specifically, Japan, South Korea and the ASEAN countries. Consequently, we must be established in a location that can serve those markets.

The availability of talent, proximity to key markets, as well as great infrastructure were all important requirements during the decision-making process. We believe that locating an office in Iskandar Malaysia will be a game changer for Frost & Sullivan as we attempt to drive growth over the next decade. We hope to leverage the strategic location of the economic region and our first-mover advantage to gain a competitive edge.

CURRENT AND LONG-TERM OBJECTIVES

Our Global Innovation Center (GIC) of Excellence, which opened in 2012, primarily services Frost & Sullivan’s growth requirements in the Asia-Pacific region. There are five distinct centres of excellence that are housed within the GIC and the activities covered include research, consulting, shared services and capability development areas. We have also begun undertaking global projects from this location.

The GIC is doing pioneering work and developing new, innovative services that will be sold by Frost & Sullivan’s offices around the world. These developments encompass areas such as big data analytics and Knowledge as a Service (KaaS). Our plan is to incorporate approximately 800 employees into this office over the period between 2016 and 2023.

LOCAL PARTNERS AND THEIR ROLE

In 2012, Frost & Sullivan partnered the Malaysia Digital Economy Corporation and i2M Ventures Sdn Bhd, a wholly-owned subsidiary of Khazanah Nasional Berhad, to set up the GIC in Medini Iskandar. We also received valuable support from the Malaysian Investment Development Authority and the Iskandar Regional Development Authority, two key agencies involved in supporting global clients to invest and grow their business in Malaysia and Iskandar Malaysia, respectively.

The support from these agencies has helped us address many of the challenges that must be faced when establishing a new facility like the GIC. All our partners have been very client-focused and flexible in terms of meeting our needs.

EXPERIENCE IN ISKANDAR MALAYSIA

Iskandar Malaysia is still undergoing development and we have experienced some of the concomitant challenges associated with this stage of a project. For example, entertainment and community building activities are in the early stages. As a result, there are only a limited number of attractions compared to more developed cities, which young talented people use a benchmark for relocation decisions.

Having said that, Iskandar Malaysia is a planned, greenfield development. Thus, every component of the economic region is well organised. Furthermore, infrastructure and the supporting ecosystem, such as schools, colleges, sporting facilities and hospitals, are all now in operation.

In many ways, Iskandar Malaysia has everything one could hope for: minimal traffic, lots of green space, great infrastructure and incredible connectivity.
Johor Corporation is committed to bringing equal opportunity housing, superior healthcare, and a breadth of commerce to the Iskandar Malaysia economic corridor.

A MARKET LEADER
Malaysian conglomerate Johor Corporation (JCorp) has developed into a business leader since its inception 46 years ago by harnessing sustainable business growth across several key sectors. This includes specialising in industries such as healthcare, property development, palm oil, food and restaurant services, and oil and gas, among others. In line with its consolidation in the Malaysian market, its competitive operations have also expanded internationally to reach a number of nations including Singapore, Brunei, Cambodia, Indonesia, Bangladesh and Australia. Consequently, JCorp has secured its position as a highly regarded business entity and an expansive multi-industry conglomerate that dominates the Malaysian market. Moreover, as a state investment corporation, the company is firmly committed to the wellbeing of the community. This commitment is reflected in terms of its numerous efficient and effective business entities and diverse range of corporate responsibility endeavours.

COMMERCIAL DEVELOPMENT
JCorp has established itself as one of the key players in regard to the growth of the Iskandar Malaysia economic corridor in southern Johor over the last few years. Moreover, the corporation has become a market leader in property development in the economic region, accounting for prime real estate that covers a total area of approximately 1,214 hectares.

MENARA ANSAR
One of the most recognisable commercial developments undertaken by JCorp in what now forms part of Iskandar Malaysia is the 21-storey Menara Ansar office tower. The building was constructed in 1996 and lies at the heart of Johor Bahru City. It is a smart building equipped with a Building Automation System (BAS) to control a number of practical functionalities, including heating, ventilation and lighting, in order to enhance occupant comfort and building efficiency, while reducing energy consumption and operating costs. Menara Ansar accommodates a number of government and private agencies and incorporates a shopping arcade that houses 16 commercial lots.

THE PUTERI PACIFIC JOHOR BAHRU
A further key commercial development that JCorp has undertaken in the economic region is the Puteri Pacific Johor Bahru convention hotel. The upscale hotel is strategically located within the Central Business District and is connected by a sky bridge to the Persada Johor International Convention Centre. The hotel consists of 416 guest rooms overlooking the city and the Straits of Johor, and offers easy access to a variety of landmark attractions in Johor Bahru.

PERSADA JOHOR INTERNATIONAL CONVENTION CENTRE
The Persada Johor International Convention Centre is the principal venue for meetings, conventions and exhibitions in the State of Johor. It is a strong asset in propelling the market and catering to the demand for such services in the south of Peninsular Malaysia. For example, the facility is suitable for a range of domestic, regional and international gatherings, offering a variety of value-added services. Furthermore, Persada Johor adds a new dimension to Johor’s rapid economic development, showcasing the destination value offered by Malaysia to its visitors. In fact, the centre serves as a barometer of Johor’s thriving business life and reflects the transformation that is taking place in a region that is working towards becoming a member of the mainstream global business community.

RESIDENTIAL DEVELOPMENT
Housing development forms a key part of JCorp’s efforts to cement its status as a market leader in premier residential construction. As a result, its work in this particular field is conducted through JCorp’s integrated property development group, Johor Land (JLand). One of the primary objectives of JLand is to oversee the realisation of the parent company’s goal to build a genuine social and busi-
ness community in Iskandar Malaysia. To date, this has been fulfilled by the development of residential neighbourhoods in Pasir Gudang and Bandar Tiram and further consolidated by means of the ongoing development of the premier township in Bandar Dato’Onn, in Johor Bahru. JLand’s extensive involvement in Johor’s property development has been the result of the group’s success over the last four decades. As a result, it has become a dominant player within the economic region’s blossoming real estate sector and is firmly positioned to meet the increasing demand for residential property in the coming years.

As JCorp continues to lead the market in high-end properties, it will maintain its commitment to fulfil the state government’s goal of providing quality affordable homes, as outlined in its 2013 Memorandum of Agreement with the Johor state authorities. Similarly, JLand will continue to assist the state government in building 20,000 units of affordable housing in Iskandar Malaysia and is committed to the construction of 3,638 affordable housing units by 2018.

HEALTHCARE DEVELOPMENT

Part of the mission of JCorp is to contribute to the wellbeing of society as a whole. As such, the group places an emphasis on the expansion and accessibility of first-class healthcare through its specialist healthcare business KPJ Healthcare (KPJ). KPJ is Malaysia’s leading provider of private healthcare services and has stood at the forefront of the healthcare industry since its establishment of the first private specialist hospital in Johor in 1981. To date, KPJ has a chain of 26 hospitals nationwide, and its presence in Johor has expanded to include three specialist hospitals within Iskandar Malaysia, all of which are equipped with state-of-the-art facilities. In addition, KPJ Bandar Dato’ Onn Specialist Hospital and Medical Suite will help drive Johor to become a specialist healthcare and medical tourism powerhouse, not only in Malaysia, but also the wider ASEAN region. The success of these projects and the growth of healthcare in the region in general are further assured due to the state government’s aspiration to transform Johor into a regional medical hub.

KPJ JOHOR SPECIALIST HOSPITAL

This is one of the most pioneering of all hospitals in the KPJ Healthcare Berhad Group, epitomising a strong and enduring corporate culture. It opened its doors to the public in May 1981 and since then has become renowned as one of the premier private healthcare providers in the country. The hospital is equipped with 243 beds and offers a comprehensive range of medical, surgical and 24-hour emergency services. It has 49 consultants and offers a wide selection of specialist treatment using modern, high-tech equipment. Additionally, 800 persons complement the consultants in the delivery of quality healthcare services. The facility has received a number of recognised accolades since it was established, including its certification as an accredited institution by the international healthcare accreditation body, Joint Commission International in February 2014.

KPJ PUTERI SPECIALIST HOSPITAL

This hospital has operated since June 1986 and was taken over by JCorp in March 1993. To date, it is operating with a capacity of 158 beds, including executive, premier and standard wards, as well as 30 resident consultants, 7 sessional consultants and 8 visiting consultants. The facility provides a complete range of services, including internal medicine, general surgery, orthopaedics and trauma surgery, obstetrics and gynaecology, and paediatrics, with niche services in neurology, paediatric surgery and spinal surgery.

KPJ PASIR GUDANG SPECIALIST HOSPITAL

This institution is KPJ’s 23rd hospital, strategically located in the heart of the booming industrial area of Pasir Gudang. It is equipped with 61 licensed beds comprising VIP suites, single rooms, twin-sharing rooms and four-bed rooms. The facility includes a range of the latest technology, onsite medical imaging and pathology services.

KPJ BANDAR DATO’ ONN SPECIALIST HOSPITAL

This is the first proposed healthcare project under development. It will be the new flagship hospital for KPJ and is expected to open in 2017 in Johor’s new township, Bandar Dato’ Onn. The hospital will have a 90-bed capacity.
and will include 6 well-equipped health centres focusing on heart disease, geriatrics, cancer, and specialised care for women and children. Furthermore, it will provide distinct high-quality services and facilities to attract foreign patients, specifically from neighbouring countries such as Singapore and Indonesia.

MEDICAL SUITE
The second proposed healthcare project relates to JCorp’s plans to develop the Medical Suite. This will be a niche facility that incorporates modern and alternative medical services that are exclusively designed to boost the medical tourism industry. It will serve as one of the main components of Coronation Square, a nucleus development within the newly launched 101-hectare Ibrahim International Business District. One of the objectives of JCorp in regard to the Medical Suite is to strengthen its revenue base, as well as that of the overarching KPJ Healthcare Berhad, while simultaneously redefining the state of Johor as a regional hub for the specialist healthcare industry. This proposal is in line with wider state government goals and the federal government’s Entry Point Project 4, which aims to reinvigorate healthcare travel.

INDUSTRIAL DEVELOPMENT
JCorp has spearheaded a wide range of industrial development initiatives throughout the state of Johor since the 1970s, under its Industrial Development Division. These developments encompass 31 industrial areas spanning a total of 14,331 acres. As of June 2016, the Industrial Development Division of Johor Corporation has generated a total of MYR71.5 billion worth of foreign direct investment and domestic direct investment from 1,791 investors since its inception. Moving forward, two specific industrial developments will be key contributors to the next generation of ongoing investment: the Tanjung Langsat Industrial Complex and the Sedenak Industrial Park.

TANJUNG LANGSAT INDUSTRIAL COMPLEX
The 1,400-acre Tanjung Langsat Industrial Complex (TLIC) is being developed by JCorp subsidiary TPM Technoparks (TTSB) as a complimentary facility to the parent company’s privately owned Tanjung Langsat Port Terminal. Significantly, the federal government has defined TLIC as a regional oil and gas hub due to its strategic location, situated within close proximity to Singapore, and its concentration of oil and gas activities within Pasir Gudang and Tanjung Langsat.

TLIC will be dedicated to light, medium and heavy industries when it is complete, and the complex will house a palm oil industrial cluster. A number of industries have been targeted for operations in the TLIC, including those relating to oil and gas, marine, steel products and fabrication, petrochemical and chemical, as well as palm oil. To date, over 50 local and multinational companies have located their projects at TLIC.

To date, JCorp has attracted over MYR24 billion of investment in TLIC. Furthermore, JCorp is confident that it will attract up to MYR2 billion of additional investment for TLIC in 2017.

SEDENAK INDUSTRIAL PARK
In addition to TLIC, JCorp subsidiary TTSB is implementing the 283-hectare Sedenak Industrial Park. This project, which has been earmarked for development as a data centre park, is helping to position Johor as the second most significant data centre hub in Malaysia, after Cyberjaya in the Klang Valley. The Sedenak Industrial Park development is expected to create a positive economic spillover that will help engender job creation and attract local and foreign investment in the area.

PROGRESS AND POTENTIAL
JCorp has devised an ambitious and wide-ranging growth plan for Iskandar Malaysia that encompasses property, healthcare and industry development. In turn, the group is highly committed to help bring about equal opportunity housing, superior healthcare, and a breadth of new commerce opportunities to the inhabitants of the economic region. JCorp made solid progress in 2016, and as its varied projects come to fruition over the next few years, the company will continue to consolidate its position as a multi-market leader in Iskandar Malaysia and beyond.
Here's to an even brighter future, together.

Located on the southernmost tip of Peninsular Malaysia, Iskandar Malaysia continues to rapidly transform the socioeconomic landscape of Johor, elevating it to more than just a vibrant and thriving metropolis.

Our vision of creating a dynamic yet sustainable metropolis with high living standards will induce people from all over the world to call Iskandar Malaysia home. By 2025, we project Iskandar Malaysia to be the leading metropolis in Johor, making up almost 70% of the total population of the state.

Experience Iskandar Malaysia at www.iskandarmalaysia.com.my