

JOHOR

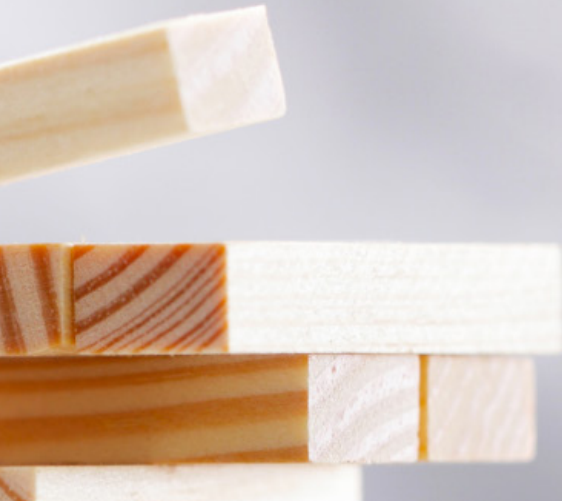
The Pride of Malaysia





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1. FOREWORD

1.1 Foreword from the Johor Chief Minister

The state of Johor has always played a major role in ensuring continuous and sustained development in Malaysia. We strive to continue this role by contributing to further success of the nation and wellbeing of the people. In recent times, under the guidance of a pro-business and development state government, Johor experienced progressive economic transformation into one that is based on ideas, innovation and creativity. At the same time, we continue to develop and strengthen our competitiveness in traditional economy that is based on agriculture and manufacturing. This transformation bodes well with the aim of the state government to create a thoughtfully planned, inclusive and welfare-based economy that benefits all sectors. As a result, the Johor state has been the highest recipient of investment in the country since 2010. For the first six months of 2016, the state managed to attract RM5.4 billion of investment, nearly double the second ranked state.

Under the theme of “Gagasan Johor Berkemajuan”, the state government introduced six initiatives to ensure that the people are able to become a progressive society in line with the development taking place in the state. The term “Gagasan Johor Berkemajuan” reflects the Johor government’s aspiration and resolve to create a progressive state and society which is anchored upon a strong economic base. The six initiatives are Inclusive Development, Welfare Economy, Sustainable Johor, Entrepreneurial Johor, Skilled Johor and Islamic Johor. In addition, the state government introduced various developmental policies to ensure the creation of a holistic ecosystem that is beneficial to the people. The state of Johor also possesses a unique feature as the only state in the nation that is home to two economic corridors: Iskandar Malaysia and East Coast Economic Region.

With all these policies in place, Johor has emerged to become a progressive state, where the fruits of development will be shared with the people, creating opportunities and a better lifestyle for the current and future population. I believe that Johor will also be more internationally competitive and ready to face current and future global challenges. With that, I would like to invite you to be part of the growth story of Johor and work together with us to bring Johor to even greater heights.



YAB Dato' Mohamed Khaled bin Nordin
Chief Minister of Johor

1.2 Foreword from the Chairman of Tourism, Trade and Consumer Affairs

Johor, also known as the “Southern Gateway of Malaysia”, is the second largest state with an area of 19,984 sq km and is one of the most developed states in the nation. In 2015 alone, the total proposed capital investment in Johor was the highest in the country valued at US\$7.3 billion, which constituted about 42% of total investment in the country. It is about US\$5 billion higher than the second ranked state.

Economic development in Johor is attributed to the close partnership and trust between various government agencies and investors. Apart from being home to two major economic corridors (Iskandar Malaysia and the East Coast Economic Region), the Johor state government also introduced several major development policies. These policies are MSC Cyberport Johor, Bio Desaru, Agriculture Modernisation, and Kota Iskandar. In addition to that, the Johor state government is determined to diversify and nurture emerging industries such as healthcare services, education services, and the creative industry as a mean to meet future global and local demand.

The establishment of the Johor State Investment Centre (JSIC) is an important initiative introduced by the Johor State Government. JSIC, formed under the purview of the Johor Chief Minister, functions as a one-stop centre to help investors in Johor. JSIC will continue to play a key role in promoting Johor as an ideal investment location, bridging the gap between various government agencies and investors. Investors will be able to see the unique positioning the Johor state can offer to help grow businesses. With that, I sincerely invite investors and business leaders to join our vibrant community by setting up in Johor. You will experience tangible benefits and advantages of doing business in our State as thousands of other enterprises and millions of people have in the “Pride of Malaysia”.



YB Datuk Tee Siew Kiong

Chairman of Tourism, Trade and Consumer Affairs of Johor



Imagine a location equipped with world class infrastructure and abundant land for greenfield development. Imagine a location that is situated close to one of the most admired cities of the world. Imagine a location that within 60 minutes to the best airport in the world. Imagine a location that is a perfect test-bed for new growth ideas and initiatives for global expansion. Imagine a location that has a high degree of liveability with access to world's best education institutions. What if all these came with a relatively low cost structure and cost of living? Guess what? This is the state of Johor that I was talking about. Johor is a game changer for many companies, including Frost & Sullivan. Is it a game changer for your company?

Manoj Menon

Senior Partner & Asia-Pacific Managing Director,
Frost & Sullivan



When Evyap Group was considering which country and region to invest in, we had a vision for Johor to become the regional hub of our operations due to its well-established infrastructure. In addition, Johor is one of the two important oleochemical hubs in Malaysia which allows us convenient access to raw material supplies as well as securing oleochemical-related services. The established industrial base helped our transition in building up our business here.

Another advantage that Johor offers is its close proximity to Singapore where many multinational headquarters are located. With that, it is easier for us to get in touch with customers, key business partners and decision makers. The speed of doing business here is significantly faster.

As a major exporter, we are able to get quick and easy access to shipping services via the Tanjung Pelepas Port and Johor Port. In addition, the Singapore Port is just right next door. This offers a lot of flexibility in how we can organise in a very fast and efficient manner. Such flexibility is rarely found in other places, but very crucial to an exporter like us.

Saw Lee Chyan

President,
Evyap Sabun Malaysia Sdn Bhd



Our Johor facility is an integral part of Seagate's hard disk drive production globally as the facility supplies a large portion of Seagate's total requirement for aluminium substrates. Seagate decided set up our substrate facility in Johor as the state has a favourable cost structure and availability of skilled labour to drive our company growth in the region. The decision also allowed us to streamline our production as our next manufacturing process (Seagate Recording Media Operations) is located in Woodlands, Singapore. Our investment experience in Johor has been good as we received strong support from both the federal and state government when setting up our substrate manufacturing facility in Johor. There are also good local supporting industries available in Johor to support our operations' needs.

Forrest Monroy

Vice President, Government Relations Worldwide,
Seagate Technology



Prior to 2008, the Acerinox group was operating a service centre in Malaysia providing sales and marketing support in the region. In 2008, the Acerinox group decided to embark on a new venture by establishing a fully integrated stainless steel mill in Johor known as Bahru Stainless Sdn Bhd. The decision to make Johor the home of the integrated stainless steel mill was an easy one. It has unparalleled port facilities which is crucial for our line of business. It helped us to move materials and products, especially since 70% of our products are exported. In addition, the availability of strong and multilingual talent pool that is well versed in English also played a strong factor in our decision. As a greenfield development project, the Johor state government and Johor Corp were instrumental in helping us set up our business here. We even have an almost dedicated port for us to move our materials as part of the first mover advantages. In 2012, less than 4 years after the idea was mooted, Bahru Stainless began its operation and it will be operating at full capacity in 2022 when the final phases of the mill are completed. Strategically, we think that Johor is the best location for someone who wants to grow in the Southeast Asia region.

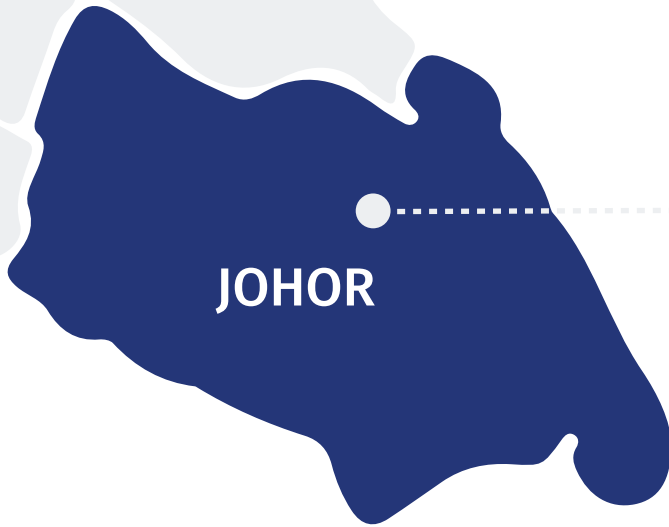
Oswald Wolfe

Chief Executive Officer,

Bahru Stainless Sdn Bhd (subsidiary of Acerinox, S. A.)

2 WHY JOHOR? THE PRIDE OF MALAYSIA

Johor's economy has grown tremendously over the past several years. The development was attributed to the growing industrialisation and diversification of its economy base. Its hallmark stability, competitiveness and highly conducive business environment positions the state as one of the best investment destinations in the Southeast Asia Region.



JOHOR

3.61 million people
2nd largest population in Malaysia

3 major seaports

>10 universities
that offer a vibrant skilled community

2 accessible international airports

6 hours flight radius
to major Asian cities and markets (40% of world's economic output)

RM93.7 billion GDP in 2014

RM13.3 billion DDI in 2014

RM7.8 billion FDI in 2014

Johor is Malaysia's Top Investment Destination between 2010 and 2015

Approved Manufacturing Projects In Johor (Jan–June 2016) by Type of Projects

RM276.1 million in domestic investment

RM5,127.9 million in foreign investment

RM5,404 total of capital investment

Source: Malaysian Investment Development Authority

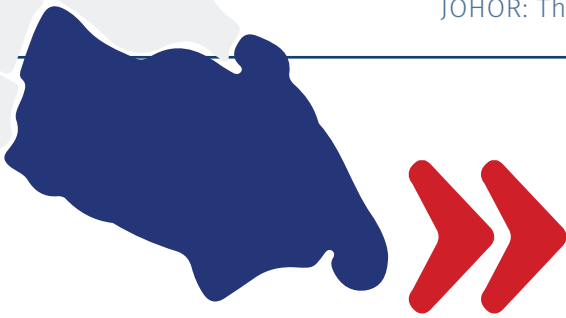
Key growth sectors

Core Industries

- Electrical & electronics
- Petrochemical and oil & gas
- Agrofood and processing
- Logistics
- Tourism
- Textile
- Palm-oil based products
- Rubber-based products
- Wood products

Emerging Industries

- Finance, Insurance, Real Estate & Business services
- Creative
- Healthcare
- Education
- Halal Products
- Information & Communication Technology (ICT)



WHY INVEST IN JOHOR?

Pro-business government »

The Johor state has a very stable and pro-business government who is constantly looking to partner with investors to bring economic development to the state. As a result, the Johor state has been the highest recipient of investment in the country since 2010. For the first six months of 2016, the state managed to attract RM5.4 billion of investment, nearly double the second highest ranked state in Malaysia.

Enjoy the advantages of a developed state without its burden »

Johor has a wide economy base, from low value-adding to high value-adding industries, supported by well-established infrastructure. The cost of doing business is very competitive and is generally 30% lower than Kuala Lumpur and 60% lower than Singapore.

Be part of the next growth centre »

Johor has high growth potential and rapid development which investors can leverage on. Since 2010, the Johor state has been the highest recipient of investments in the country. Investors are encouraged to invest in the state to enjoy first mover advantage.

Close proximity to largest markets in ASEAN »

Johor is located within a 6-hour flight time of major international cities, which is home to 28% of the world's population that also accounts for 40% of the world's economic output.

Greenfield development for new growth ideas and innovations »

Being one of the largest states in Malaysia, Johor is well positioned to exploit this advantage in offering greenfield development solutions to potential investors. This greenfield development solution will enable investors to constantly search for new growth ideas by conducting active research, sharing research ideas, encouraging new business models and promoting an innovative culture.

Home to two economic corridors »

There are five economic corridors in Malaysia and Johor is the only state that is home to two economic corridors: Iskandar Malaysia and the East Coast Economic Region.

Strong, multilingual, diverse talent pool »

Johor has a ready pool of multilingual (English, Mandarin, Tamil, Hindi, Malay, Japanese, and Korean) technical talent that is available at an affordable cost with the established and upcoming presence of tertiary and technical education institutions.

Most liveable developed state in Malaysia »

Johor is more affordable to live in compared to other developed states/cities in Malaysia and Singapore. Despite being in close proximity to Singapore and Kuala Lumpur, Johor's cost of living is 68% and 16% lower than these two cities. From a safety perspective, Johor is getting increasingly safer as crime rates declined by 33% between 2010 and 2014. Travelling within the state is also easy as traffic is significantly less congested than other developed states/cities. Residents in Johor are also able to enjoy quality healthcare and education services as more international institutions are setting up their bases in Johor. All these services are available at competitive prices vis-à-vis other states/cities.

2.1 The Presence of a Pro-business Government

The Johor state has a very stable and pro-business government who is constantly looking to partner with investors to bring economic development to the state. As a result, the Johor state has had the highest amount of investment in the country since 2010. The state government also has an excellent relationship with the federal government and works in close collaboration to create an encouraging business climate that is very conducive for businesses to flourish and thrive. The government also provides various fiscal and non-fiscal aids to help attract investors.

Under the guidance of a far-sighted and visionary state government, Johor had also developed multiple industrial parks and hubs to promote new growth ideas and innovation. These industrial parks are important components under the wealth generation ecosystem to ensure sustainable development within the state. The Johor state also enjoys Malaysia’s stable and conducive business environment. It has a resilient economy with high growth opportunities, low inflation rates and low cost of doing business.

Figure: Malaysia among the Top 10 Business and Investment Markets in Asia

	Ranking in Asia	Malaysia’s Score
IMD World Competitiveness (2016)	6	83.05
World Bank Doing Business Ranking (2016)	5	79.13

Source: IMD and World Bank

2.2 Enjoy the Advantages of a Developed State without its Burden

Johor has a wide economy base, from low value-adding to high value-adding industries, supported by well-established infrastructure. The cost of doing business is very competitive and is generally 30% lower than Kuala Lumpur and 60% lower than Singapore.

Low Cost of doing Business

Johor has a competitive rental rate for prime office spaces in comparison with other key states in Malaysia. Rent prices are less than half of Kuala Lumpur’s. Businesses can save on rental and building expenditure while having access to the same markets from other states.

Table: Comparison of Rental Rates for Prime Office Spaces (2015)





	Johor Bahru, Johor	Petaling Jaya, Selangor	Kuala Lumpur, (excluding Petronas Twin Towers)	George Town, Pulau Pinang
Rental Rates (RM)	30.15 - 37.70	48.50 - 59.20	64.60 - 102.25	27.00 - 35.50

Note: Rental Rates for Prime Office Spaces (gross rentals per sq. metre per month inclusive of service charge).

Source: MIDA Cost of Business 2015


Industrial land and factory buildings in Johor are also competitively priced, giving businesses a competitive cost advantage.

Table: Comparison of Industrial Land and Building (2015)

	 Johor Bahru, Johor	 Petaling Jaya, Selangor	 George Town, Pulau Pinang
 Cost of Industrial Land (selling price per ft ²)	RM8.00-RM50.00	RM8.50-RM90.00	RM66.89
Cost of Industrial Land (quit rent per annum)	<ul style="list-style-type: none"> • Light Industry RM1,600 per ha • Medium Industry RM2,100 per ha • Heavy Industry RM1,400 per ha 	RM2,700-RM24,000 per ha	<ul style="list-style-type: none"> • RM1.29 m2 minimum RM300 per lot (Town Land) • RM1.08 m2 minimum RM150 per lot (Non-town land)
Annual Assessment Rate (% of property value)	0.33%-1.0%	8%-13%	13.5% (island) 10% (Mainland)
Cost of Ready-Build Factory (selling price per ft ² floor area)	RM140-RM400	RM70-RM500	<ul style="list-style-type: none"> • RM168-RM400 (island) • RM141-RM330 (Mainland)

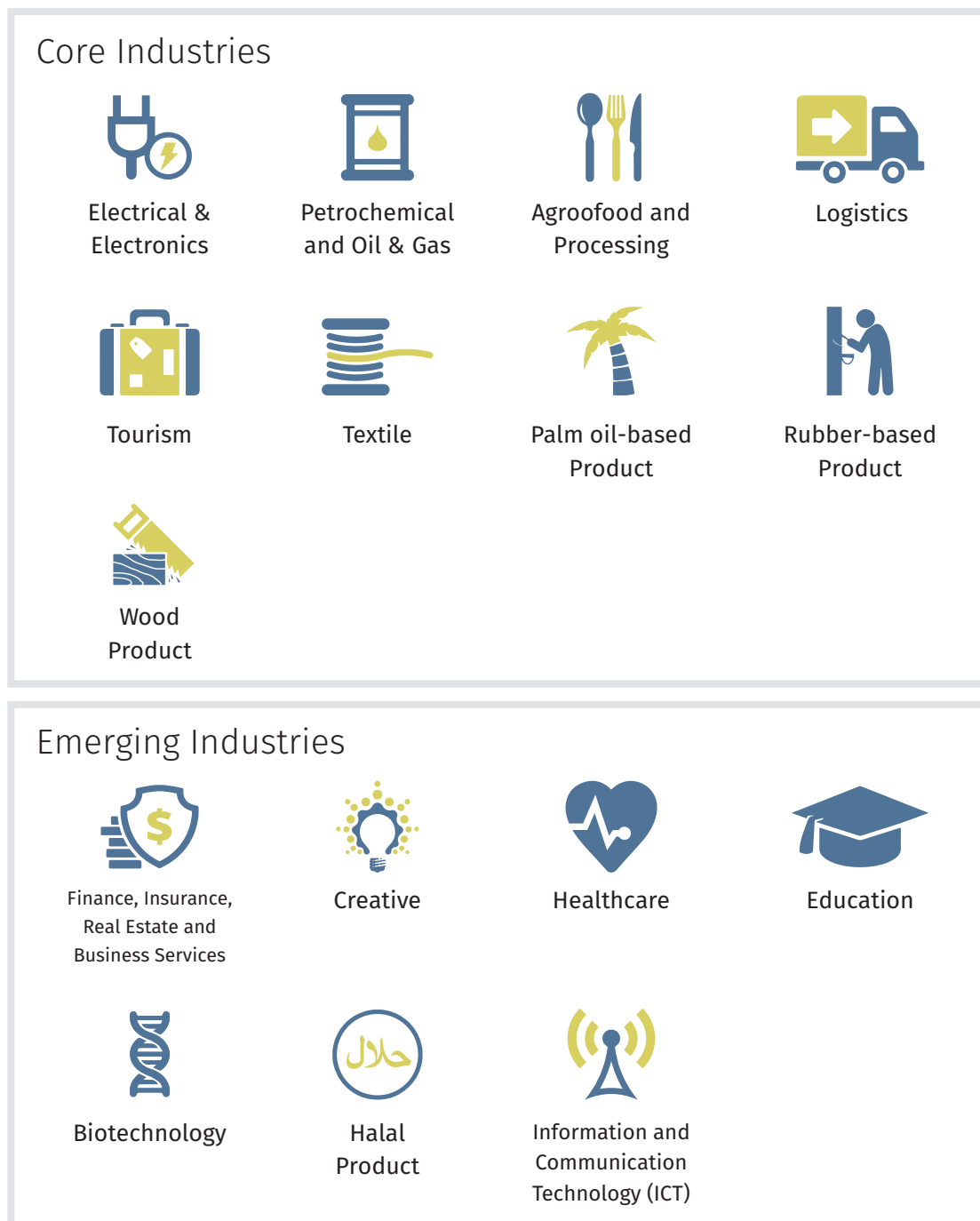
In terms of wages, Johor's average monthly salary is much lower compared to other developed states in the country. In 2015, it is about 70% lower than Kuala Lumpur; and 15% lower than Selangor.

Table: Average Monthly Salary by State, 2011 – 2015

 State (in RM)	2011 (Mean)	2012 (Mean)	2013 (Mean)	2014 (Mean)	2015 (Mean)
Johor	1,856	1,944	2,017	2,384	2,410
Kuala Lumpur	2,422	2,663	2,783	3,079	3,386
Selangor	2,126	2,308	2,450	2,590	2,853
Pulau Pinang	1,895	1,941	1,958	2,224	2,297

Support of a Wide Range of Industries

As one of the developed states in Malaysia, Johor has a diversified economy base that supports a wide range of industries. Some of these industries are well-established in the state, while some are emerging industries that receive high attention from the state government. The industries are divided into two buckets: Core Industries (existing and established industries) and Emerging Industries (new and upcoming industries).



Well Established Multimodal Linkages

Johor has excellent multimodal linkages that connect the state internally within Peninsular Malaysia as well as internationally.

Table: Multimodal Linkages in Johor

Road Network	Rail Network	International Airport	International Seaport
<ul style="list-style-type: none"> • North-South Expressway • Intra-Johor new roads and links • Links to east coast of Peninsular Malaysia via the Senai-Permas-Rinting Highway • Malaysia-Singapore Causeway Link • Malaysia-Singapore Second Link 	<ul style="list-style-type: none"> • KL-Singapore High Speed Rail • Padang Besar-JB electrified double tracking railway 	<ul style="list-style-type: none"> • Senai International Airport <p>Close proximity to Singapore's Changi Airport (1 hour drive)</p>	<ul style="list-style-type: none"> • Port of Tanjung Pelepas • Johor Port • Tanjung Langsat Port



Competitive Location of Senai International Airport



Three major seaports in Johor



Multiple highway and rail linkages in Johor

Senai International Airport

Senai International Airport is strategically located within one of Malaysia's most dynamic development zones and is poised to become the new regional logistics airport of Southeast Asia. It is within a mere four-hour flight radius of Hong Kong, Macau, Guangzhou, India, Philippines and Northern Australia. Close up are immediate neighbours like Singapore and Thailand, with Vietnam, Cambodia and Myanmar all within the vicinity.

Senai International Airport also offers world-class infrastructure that features a comprehensive range of aviation, cargo, logistics and passenger facilities. Senai Cargo Centre, which was recently completed with a built-up area of 3,600m² is capable of handling up to 100,000 tonnes of cargo annually. The centre is equipped with a one-stop customs facility and utilises the latest technology, equipment and practices in line with global industry standards. It has the capability to handle and store perishable items, a dedicated dangerous goods area and a build and break area.

Senai Airport's immediate development priority is to extend the existing grooved runway to 3,800 meters from the current 3,345 meters. Plans are also afoot to build a parallel taxiway to increase runway capacity and associated high-speed turn-off taxiways.

Ports in Johor

There are three major ports in the southern part of Johor i.e. the Port of Tanjung Pelepas, Tanjung Langsat Port and Johor Port.

Port of Tanjung Pelepas (PTP) is a one of Malaysia's most advanced container terminal and is strategically located at the confluence of the main East-West shipping lanes. It has 14 linear berths across a 5.4km coastline and is equipped with 57 Super Post Panamax cranes. It is also highly productive, averaging over 32 moves per hour/crane and its minimum berth productivity stands at 100 moves per hour. PTP is also the fastest growing port in Malaysia and handled 8.5 million twenty-foot equivalent units (TEU) in 2014.

Johor Port (JP) is a multipurpose terminal located at Pasir Gudang in the southeast of Johor. Johor Port is linked to important commercial and industrial centres in Malaysia as well as other ports and neighbouring countries. The port's area of operation has been gazette as a Free Trade Zone. The port can accommodate almost 43 million tons of cargo including 1 million TEUs of containers.

Tanjung Langsat Port (TLP) was designed to complement the two major ports in Johor: PTP and JP. As Southeast Asia's premier specialty terminal, TLP handles bulk cargo such as petroleum related cargoes and hazardous chemicals.

Road Transportation in Johor

Johor's strategic location is in close proximity to many key business areas in Malaysia as well as the Singapore market. Road infrastructure is well-developed, allowing for ease of transport between different markets.

Highways

Apart from excellent intra-Johor road linkages (e.g. Pasir Gudang Highway and East Dispersal Link), the **North-South Expressway (NSE)** serves as the main highway connecting Johor to other major cities in Peninsular Malaysia, all the way up to Perlis in the North. This expressway passes through 8 states in the Peninsular: Johor, Melaka, Negeri Sembilan, Selangor, Perak, Pulau Pinang, Kedah and Perlis. As a border region, Johor also has two linkages to Singapore via the **Johor-Singapore Causeway (First Link)** and the **Johor-Singapore Second Link (Second Link)**.

Railways

Keretapi Tanah Melayu (KTM) is the main railway system in Peninsular Malaysia, connecting Johor to numerous domestic markets. Connection to neighbouring markets is also made possible through the KTM - there are two main routes from Singapore through Peninsular Malaysia into Thailand (the eastern and the western line). The railway is expected to undergo an upgrade that will complete the whole **electrified double tracking** rail network up to Padang Besar in Perlis.

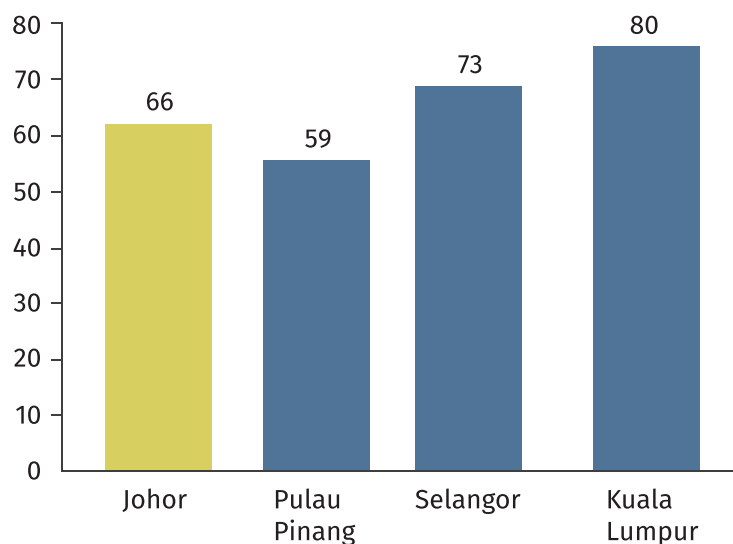
On the other hand, the **KL-Singapore High Speed Rail (HSR)** is the most important game changer that will transform connectivity between Kuala Lumpur and Singapore. There will be three HSR transit stops in Johor, namely Muar, Batu Pahat and Iskandar Puteri. A **Rapid Transit System (RTS)** link is also being planned to connect Johor Bahru to Singapore's Mass Rapid Transit (MRT) system.

Excellent ICT Infrastructure

Committed to growing Malaysia’s broadband infrastructure, the telecommunications department was privatised about a decade ago. Since then, Malaysia’s telecommunications network has seen impressive expansion and has a forecasted growth of 42% from 2012 – 2013. At present, Malaysia’s telecommunications industry is highly competitive with the presence of major telecommunications companies and mobile virtual network operators. The latest digital and fibre optics technology is being used to provide high quality telecommunication services at competitive prices.

As one of the developed states in Malaysia, Johor aspires to become the second cyber city in the country. To achieve this aspiration, the federal and state government committed to developing world-class ICT infrastructure in the state. As a result, Johor is among the top echelon states that have high household broadband penetration. The broadband penetration rate in Johor has been increasing in the last 5 years (57.6% in 2011 to 66.3% in 2015). It shows potential for greater productivity and growth in this area.

Figure: Broadband Penetration Rate per 100 Household in Malaysia, Q2 2015



Source: Malaysian Communications and Multimedia Commission

Figure: Major Telecommunications Companies in Malaysia



Apart from that, Malaysia has a well-established international network. Telekom Malaysia, for example, invested in over 10 submarine cable systems worldwide and has assumed a major role in developing the 7,800km Asia Submarine-cable Express (ASE) that was launched in 2012. ASE consists of 6 fibre pair and connects Japan to the Philippines, Malaysia and Singapore, with a branch to Hong Kong.

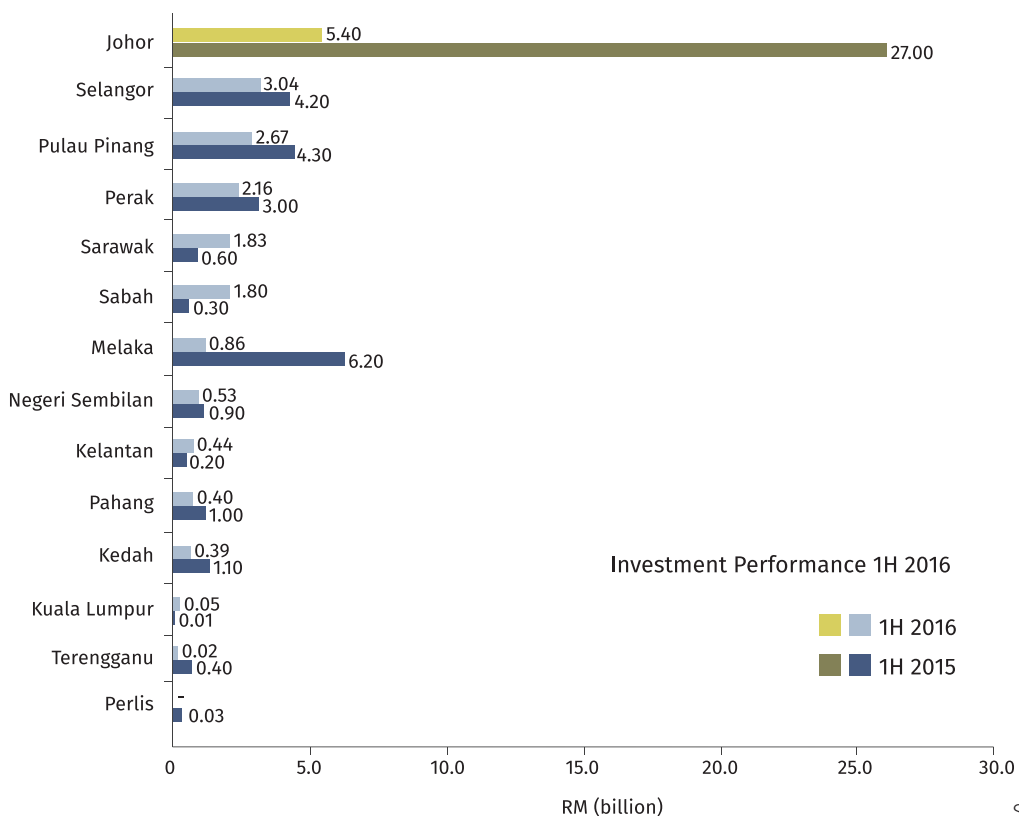
Johor, being in close proximity to Singapore, enjoys the benefit of being able to build terrestrial fibre optic links with the country. In fact, the causeway and bridge between Singapore and Malaysia are served by multiple fibre links, strengthening the connectivity between both countries.

- Malaysia-Singapore terrestrial links via Johor (and the Singapore Causeway), for example, is operated by Telekom Malaysia.
- The Time dotcom Cross-Peninsular Cable System (CPCS) runs along Malaysia’s North-South Expressway from Singapore to Thailand.

2.3 Be Part of the Next Growth Centre

Johor is set to become the next growth centre in the region. The state has high growth potential and rapid development which investors can leverage on. By tapping on this opportunity, investors who move quickly will enjoy first-mover advantage and is well-positioned to enjoy pioneer status and favourable treatment from the government.

Figure: Approved Investments in Malaysia, First Half of 2016



Source: MIDA

Johor's strong investment performances were demonstrated in the strong showing in both the first halves of 2015 (RM27 billion) and 2016 (RM5.40 billion). In both years, Johor was the highest ranked state in the country. The performance was significantly stronger than that of more segregated areas such as Kuala Lumpur, Selangor and Pulau Pinang as shown in the figure above.

In addition, Johor saw rapid urbanisation growth during this period, taking advantage of its location immediately across a narrow strait from Singapore. Growing from 270 square kilometres to 420 between 2000 and 2010 (4.4% a year), it surpassed George Town and Ipoh to become the second-largest urban area in the country.

Feature Story: Dyson

Malaysian Contract Manufacturer SKP Expands Its Production Facility to Meet Client Demands

15 September 2015

Foreign MNCs like Dyson spurs growth of local industries

Malaysian companies have increasingly proven their competency to deliver world class products and services that meet the stringent demands of original equipment manufacturers (OEMs) as well as international markets, said Datuk Azman Mahmud.

The CEO of MIDA singled out Sin Kwang Plastics Industries Sdn. Bhd. (SKP) as an example of one such Malaysian success story. He made the remarks at the opening ceremony of SKP's new production facility in Senai, Johor. Also present were YBhg. Dato' Gan Kim Huat, Chairman of SKP Resources Berhad, Mr. Ivan Gan, Executive Director of SKP Resources Berhad and Mr. Jim Rowan, Chief Operating Officer of Dyson.

SKP, a wholly-owned subsidiary of SKP Resources Berhad, focuses on manufacturing plastics parts and components, precision mould making, sub-assembly of electronic and electrical equipment and other secondary processes. SKP's state-of-the-art production technology and expertise has enabled it to deliver world class products and services, leading it to become a contract manufacturer for several renowned MNCs, including Dyson.

Datuk Azman said SKP had gained much from its business collaboration with a foreign multinational company such as Dyson. "Foreign MNCs have played an important role in the industrial development of the country. The benefits accrued from their presence are evident in several areas. In the context of human capital, their presence provided employment opportunities as well as augmented the knowledge and skills of local talents through structured training programmes on key competencies.

He said such “technology diffusion” would help the growth of innovative Malaysian companies that would bring sustainable development, growth and wealth for the country.

Datuk Azman also added that foreign MNCs have also spurred the growth of local supporting industries as they continuously look at sourcing from local vendors to improve their competitiveness. This includes increased usage of local infrastructure, banking services, information technology telecommunications and utilities services. “Dyson is an example of a foreign MNC that strives to source locally to manage and mitigate the environmental impact of transportation,” said Dato’ Azman.

About Dyson:

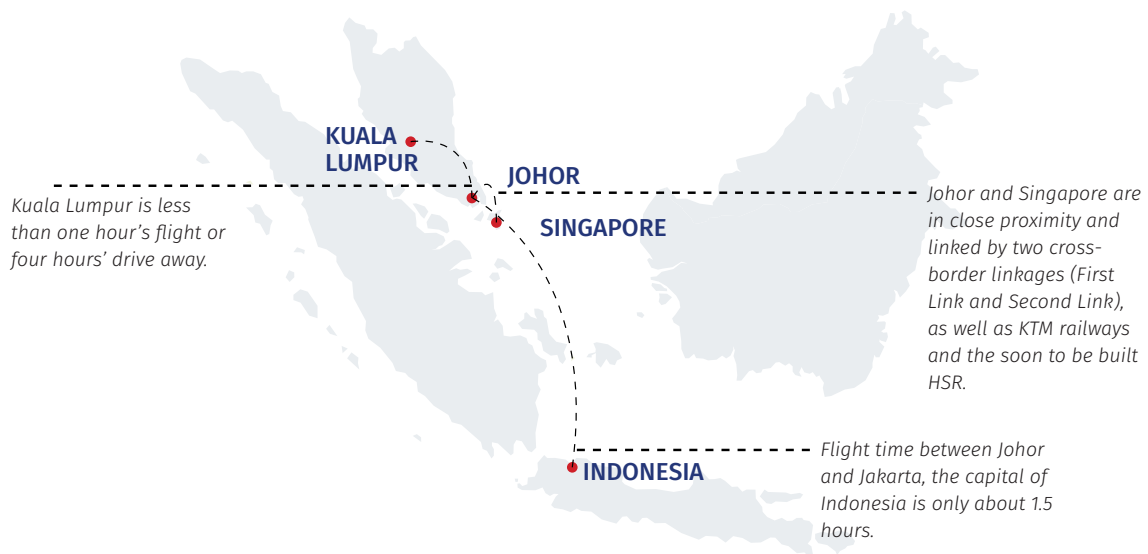
- Dyson sells machines in 60 countries and is market leader in the UK, US, Australia, New Zealand, Western Europe and Canada.
- Dyson invests US\$2.6 million a week in developing new technology. It has over 3,000 patents and patent applications for 500 different inventions.
- In 2011, Dyson generated US\$2 billion in turnover for the first time.
- Dyson employs over 4,000 people worldwide.
- The opening of the new manufacturing facility is the latest stage in Dyson’s expansion in Southeast Asia.
- In 2002, Dyson opened a facility in Johor, Malaysia to support manufacturing operations in the region with just 10 people at the back of a local manufacturing firm. Today, 700 people are employed in its own 13,000m³ development facility in Senai, Malaysia.

Source: MIDA

2.4 Close Proximity to Largest Markets in ASEAN

Johor is located within a 6-hour flight time of major international cities, which is home to 28% of the world’s population and accounts for 40% of the world’s economic output. On top of being in close proximity to Kuala Lumpur, Johor is immediately north of Singapore and Indonesia.

Figure: Close Proximity to Largest Markets in ASEAN



Largest Markets in Southeast Asia

Singapore is a well-established hub for businesses across a range of industries. In particular, Singapore is a strong hub for R&D and the high-tech industry. Key industries in Singapore include logistics, chemicals, electronics, biomedical sciences, aerospace engineering, and marine engineering. Singapore has a population of 5.4 million and the country boasts a GDP per capita of S\$72,247 (RM218,677) in 2015.

How close Johor is to Singapore: Johor and Singapore are in close proximity and linked by two cross-border linkages (First Link and Second Link), as well as KTM railways and the soon to be built HSR.

Indonesia has a massive population of 261 million, making the country the world's fourth-largest population. As the world's largest producer and exporter of palm oil, largest exporter of coal and second-largest producer of cocoa and tin, it is the largest economy in SEA as well as a member of G20. Urbanisation rate is also high and the country is rapidly becoming a digital nation with 282 million mobile subscriptions and an expected of 100 million Internet users by 2016. Not only is Johor in close proximity to Indonesia, it is connected by sea routes to Batam, which is quickly becoming Southeast Asia's fastest growing offshore manufacturing centre, which houses 750 multinational manufacturing companies in 20 industrial estates. **How close Johor is to Indonesia: Flight time between Johor and Jakarta, the capital of Indonesia is only about 1.5 hours.**

Kuala Lumpur is the capital city of Malaysia - the most populous city in country. It is often referred to as the Klang Valley which includes adjacent cities and towns in the Selangor state. The Klang Valley is the cultural, financial, and economic centre of Malaysia and boasts a population of 7.2 million. 10 million people are expected to call the Klang Valley their home by 2020. It is a modern cosmopolitan city that is full of superb infrastructure, various cultures and high rise office buildings. Kuala Lumpur is the fastest growing city in Malaysia and is home to the famous and well known landmark, the Petronas Twin Towers. The Klang Valley generated about RM379 billion in GDP in 2014. **How close Johor is to Kuala Lumpur: Kuala Lumpur is less than one hour's flight or four hours' drive away.**

Feature Story: KL-Singapore High Speed Rail, The Game Changer

KL-Singapore high-speed rail's benefits go far beyond an easy commute
Singapore, The Malay Mail
23 July 2016

Popping by Kuala Lumpur to watch a show and attend a business meeting, and then returning to Singapore in time for dinner with the family – this was the rosy picture painted by Prime Minister Lee Hsien Loong during the signing of the Memorandum of Understanding (MoU) for the Singapore-Kuala Lumpur High-Speed Rail (HSR) project on July 19.

The Singapore-Kuala Lumpur HSR project is bookended by Jurong East and Bandar Malaysia in Kuala Lumpur. Along the way, there are six transit stations in Iskandar Puteri, Batu Pahat, Muar, Ayer Keroh, Seremban and Putrajaya.

Goh, the urban land use planner, noted that the towns with transit stations are likely to see a “big push forward” economically.

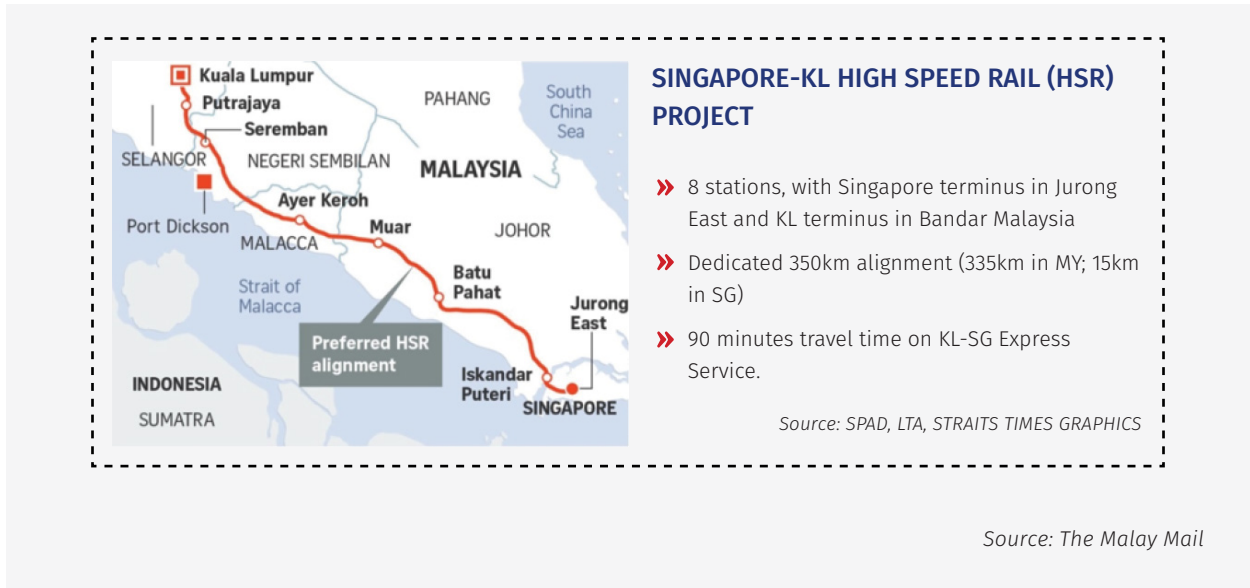
“What can you do in Muar now? Nothing much. You’re still stopping in a furniture town. It needs a breakthrough,” he said.

Tapping the high-speed connection, Goh suggested that multinational companies could position their headquarters in Singapore, and shift their production lines to the smaller towns in Malaysia.

While most of the land surrounding Seremban, Melaka, Muar, Batu Pahat and Iskandar Puteri are designed for agriculture and rural industry purpose, the coming of the HSR could transform it into a landscape of mass housing, commercial and heavy industry.

The Singapore-Kuala Lumpur High Speed Rail is a key bilateral project for Singapore and Malaysia, which has been billed as a “game-changer”. Set to be completed and launched by 2026, the HSR will boost connectivity, strengthen economic ties and forge closer ties between people of both countries. This will allow investors in Johor to better enter or expand operations into the Singapore market.

There are 8 planned stations, namely Kuala Lumpur, Putrajaya, Seremban, Ayer Keroh, Muar, Batu Pahat, Iskandar Puteri and Singapore. The expected travel time between Singapore and Kuala Lumpur will be just 90 minutes, as compared to the current 4-5 hours by road.



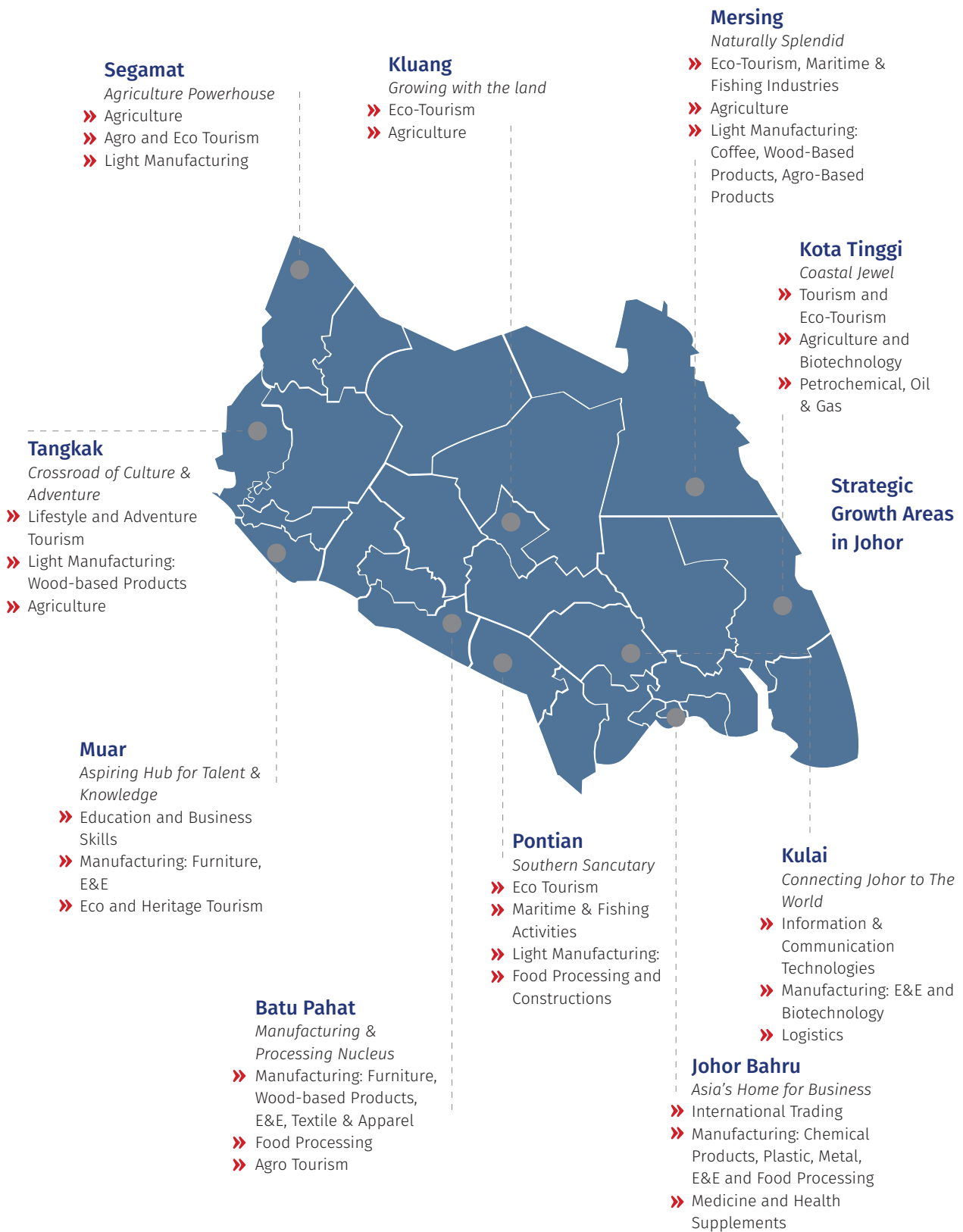
2.5 Greenfield Development for New Growth Ideas and Innovations

Being the one of the largest states in Malaysia, Johor is well positioned to exploit this advantage in offering greenfield development solutions to potential investors. This greenfield development solution will enable investors to constantly search for new growth ideas by conducting active research, sharing research ideas, encouraging new business models and promoting an innovative culture.

Figure: Advantages of Greenfield Development



The Johor state government adopted a regional cluster development approach to bring sustainable growth to the state. This approach will create an ecosystem where industry players collaborate with each other, within or outside the industry, to achieve sustainable growth for their businesses. Under a comprehensive economic plan for Johor, the state government identified strategic growth areas for each of the ten districts in Johor. With this approach, investors can work closely with the government to bring targeted growth to the selected areas.



Source: Johor Strategic Growth Plan (2016 - 2020)

Selected Greenfield Development Projects and Industrial Parks in Johor

Smart City Iskandar Malaysia

Smart City Iskandar Malaysia (SCIM) was identified as a pilot project to develop smart city related initiatives in the Southern region. It was endorsed by the Prime Minister of Malaysia on 1st November 2012. SCIM is a value-adding enabler to complement the Iskandar Malaysia development plan aiming to improve ease of doing business as well as living quality in the region. There are six dimensions under the SCIM framework:

- **Smart Economy:** economic growth and value creation, innovative economic growth, equitable wealth distribution, entrepreneurship
- **Smart Governance:** public participation, efficient public and social services, private public partnership, transparent governance
- **Smart Environment:** clean environment, environment protection, green development, green infrastructure, smart growth, green economy
- **Smart Mobility:** efficient road accessibility, efficient public transportation, non-motorised accessibility, availability of ICT infrastructure
- **Smart People:** caring community, racial harmony, skilled and talented human capital
- **Smart Living:** safety and security, low carbon lifestyle, housing quality, educational quality, health conditions, cultural facilities, tourist/recreational attractions

A total of 35 programmes were identified to support the development of the six SCIM dimensions. As of 2014, 85 projects had taken place since its launch and 21 of these projects were completed. Investors are welcome to participate in the SCIM initiative. For more info, please visit <http://www.iskandarmalaysia.com.my/SCIM/index.html>

Johor Halal Park

Johor Halal Park is a freehold Halal park, created through a joint-venture project between United Malayan Land Berhad (UM Land) and the Johor State Government-linked Johor Biotechnology & Biodiversity Corporation (J-Biotech). It is 141.63 hectare large and located near Pasir Gudang in the Southeast region of Johor. The expected development value is around RM1.5 billion, and it will be developed over the next five to seven years. The components in the park include an integrated packaging, warehousing and logistics, one-stop-centre, regional marketing and clearing house, scientific and halal laboratory and incubator facilities of international standard. The regional marketing and clearing house, for example, could be a collection centre for products including perishable items such as vegetable, fruits and cut flowers produced by farms located outside the halal park. These facilities will help make Johor Halal Park the first premium bio-Halal industrial park in Malaysia and the world leading Halal hub.

Forest City

Comprising of four man-made islands along the Johor Straits and adjacent to the Tuas Second Link of Singapore, Forest City is a joint-venture project by Country Garden Holdings (Hong Kong) and Johor's Esplanade Danga 88. It is a 1,386 hectare mixed-used development project which will cost an estimated initial investment of RM600 billion. The project is estimated to create 220,000 jobs for Malaysians in the finance and e-commerce sectors by 2035.

- **Island One: High Tech Industrial Zone** consists of a technology district, a wellness & tourist hub, a financial & business district, a conference & expo district and a shopping district.
- **Island Two: Central Business District and Tourism Zone** consists of an entertainment district, a financial & business district, customs & immigration, a community district, a leisure & lifestyle district, a central park and an holistic wellness district.
- **Island Three: Financial & Economic Zone** consists of a shopping district, an international port, a tourism district, a central business district and a residential district.
- **Island Four: Conference & Forum Zone** consists of a global exchange district, a tourism district, a city centre and the Second Link connection.

The Prime Minister of Malaysia announced in May 2016 that Forest City will be afforded the duty-free zone status along with a slew of tax incentives to lure further investment. These incentives include corporate tax incentives for green developers and green development managers; corporate tax incentives for qualified service sector employers; and no restriction/equity conditions for foreign shareholders in companies that are eligible for the corporate tax incentives introduced.

Pagoh University Hub

Located in the Pagoh-Muar region, Pagoh University Hub is a multi-campus township consisting of a cluster of universities and supported by complementary activities such as R&D centres, Business Parks and Science Parks. This development will turn the region into a knowledge-based township, creating great opportunities for employment and economic growth. It covers 1,659 hectares of land and is a RM8 billion project and a growth catalyst for the Pagoh-Muar region. It will be developed over the next 10 to 15 years. The institutions located within the region include University Tun Hussein Onn Malaysia, University Islam Antarabangsa Malaysia, University Technology Mara and Polytechnic. These universities will share common amenities and facilities for the students and potential future population.

2.6 Home to Two Economic Corridors

The Malaysian government has established five economic corridors to bring about sustainable and equal economic development to the country. These economic corridors refer to corridors that connect two major cities or regions that are 60 km or more apart and have a combined population of at least 25 million. These corridors can be planned for transportation or economic purposes, with anticipated investment to be used for transportation infrastructure, industrial zones, energy development, or real estate development. They can also be naturally evolving urban corridors. Johor is the only state that is home to two economic corridors: Iskandar Malaysia and the East Coast Economic Region.

Figure: Economic Corridors in Malaysia

Corridors	Authority	Location/Areas of Coverage	Focused Sector/ Industry
Iskandar Malaysia in Southern Johor (IRDA)	Iskandar Region Development Authority (IRDA)	Southern Region of Johor	<ul style="list-style-type: none"> • Electrical & electronics • Petrochemical and oil & gas • Food & agroprocessing • Logistics • Tourism • Health services • Education services • Creative • Financial services
Northern Corridor Economic Region (NCER)	Northern Corridor Implementation Authority (NCIA)	<ul style="list-style-type: none"> • Perlis • Kedah • Pulau Pinang • Northern Perak 	<ul style="list-style-type: none"> • Agriculture • Human capital development • Infrastructure • Manufacturing • Tourism
East Coast Economic Region (ECER)	East Coast Economic Region Development Council (ECERDC)	<ul style="list-style-type: none"> • Kelantan • Terengganu • Pahang • Mersing district in Johor 	<ul style="list-style-type: none"> • Agriculture • Education manufacturing • Oil & gas • Petrochemical • Tourism
Sabah Development Corridor (SDC)	Sabah Economic Development and Investment Authority (Sedia)	Sabah	<ul style="list-style-type: none"> • Agriculture • Green technology • Human capital • Infrastructure • Manufacturing • Tourism

Corridors	Authority	Location/Areas of Coverage	Focused Sector/ Industry
Sarawak Corridor of Renewable Energy (SCORE)	Regional Corridor Development Authority (RECODA)	Sarawak	<ul style="list-style-type: none"> • Aluminium • Glass • Marine • Engineering • Metal-based • Oil & gas • Timber-based • Tourism • Aquaculture • Livestock • Palm oil • Tourism



Iskandar Malaysia

Iskandar Malaysia (IM) is the first economic corridor that was launched in Malaysia back in 2006. IM is determined to bring more focused economic and infrastructure investments to the region. To achieve that, the Iskandar Regional Development Authority (IRDA) was established as a Malaysian Federal Government statutory body. IRDA is responsible for regulating and driving both the public and private sector towards realising the vision of developing IM into a sustainable and strong metropolis of international standing.

Nine Promoted Sectors in Iskandar Malaysia

- Electrical & electronics
- Petrochemical and oil & gas
- Food & agroprocessing
- Logistics
- Tourism
- Health services
- Education services
- Creative
- Financial services

Currently entering its third phase of growth, IM has progressed tremendously in drawing a large number of investments from domestic and international investors. Since its inception, IM has brought in RM208 billion worth of investments and is expected to grow even further over the coming years. GDP in this region is expected to increase from RM52.1 billion in 2013 to RM120.4 billion by 2025 (CAGR of 7.2%). In addition, IM has also successfully completed many enabling infrastructure and catalytic projects.

East Coast Economic Region

The East Coast Economic Region (ECER) covers the entire eastern half of Peninsular Malaysia and unites the states of Terengganu, Pahang, Kelantan and the Johor district of Mersing. It covers 51% of Malaysia's land area and 14.5% of the total population. The East Coast Economic Region Development Council (ECERDC) was established as a statutory body to spearhead the socio-economic development in the region. It sets direction, formulates policies and develops strategies, promoting and facilitating investments into the region. Up until Q2 2014, ECER managed to attract RM68.85 billion in total investment and successfully created 71,000 jobs for the locals.

Five Economic Clusters in the East Coast Economic Region

- Manufacturing
- Oil, gas & petrochemicals
- Tourism
- Agribusiness
- Human capital development

Under the ECER Master Plan, the Mersing district in Eastern Johor will be developed as an important

mainland coastal tourism destination. It is poised to become a centre for ecotourism by virtue of its strategic location as a gateway to the Endau Rompin National Park. Mersing is also an embarkation point to renowned islands on the East Coast of Peninsular Malaysia such as Pulau Tioman, Pulau Besar, Pulau Rawa, Pular Aur, Pulau Sibul and Pulau Pemanggil, which are known for their pristine beauty.

2.7 Strong, Multilingual, Diverse Talent Pool

In response to the fast growing economy and dynamic business landscape in Johor, the state has a ready pool of multilingual (English, Mandarin, Tamil, Hindi, Malay, Japanese, and Korean) technical talent that is available at an affordable cost. According to industry sources, one of Malaysia’s key viability as a regional business hub is the availability of multilingual quality workforce at a cost that is much lower than many other developed and developing countries. In addition, there are also numerous tertiary and technical education intuitions being established in the country, as well as the Johor state that offer various programmes to cater to the need of the industry workforce.

Figure: Value Added Per Worker in Malaysia, by Sector and State (RM per annum)

State	Agriculture	Manufacturing	Services
Johor	42,484	67,509	43,771
Kuala Lumpur	73,333	43,997	62,863
Pulau Pinang	34,701	59,487	38,014
Selangor	32,770	61,609	29,259

Source: OECD

Figure: Workforce Productivity and Salary in Iskandar Malaysia, by Sector (2011)

Sectors	Workforce Productivity (RM)	Average Annual Salary (RM)	Productivity / Salary Ratio
Electrical and electronics	63,000	20,000	3.15
Food & agroprocessing	117,000	27,000	4.33
Petrochemical and oil & gas	264,000	27,000	9.78
Manufacturing	69,000	23,000	3.00
Logistics & related services	107,000	24,000	4.46
Tourism	27,000	11,000	2.45
Creative	85,000	18,000	4.72
Education services	32,000	19,000	1.68
Health services	51,000	24,000	2.13
Financial & business services	79,000	23,000	3.43

Source: IRDA

2.8 Enjoy Life in the Most Liveable Developed State in Malaysia



Johor is more affordable to live in than other developed states/cities in Malaysia and Singapore. Despite being in close proximity to Singapore and Kuala Lumpur, Johor's cost of living is 68% and 16% lower than these two cities. From a safety perspective, Johor is getting increasingly safer as crime rates declined by 33% between 2010 and 2014. Travelling within the state is also easy as traffic is significantly less congested than other developed states/cities. Residents in Johor are also able to enjoy quality healthcare and education services as more international institutions are setting up their bases in Johor. All these services are available at competitive prices vis-à-vis other states/cities.

Highly Quality of Life at Affordable Prices

Malaysia has an affordable cost of living as compared to many other SEA countries. Cost of living, specifically in Johor, is well maintained and the city is more affordable to live in than most developed cities such as Pulau Pinang, Kuala Lumpur and Selangor, which are among the top 5 most expensive cities in Malaysia.

Figure: Highly Affordable Cost of Living in Johor




City	Cost of Living Index	Rent Index
 Kota Kinabalu	48.26	8.31
 Pulau Pinang	45.03	9.50
 Kuching	44.19	7.55
 Kuala Lumpur	43.76	17.70
 Selangor	43.01	11.68
 Johor Bahru	42.85	11.44
 Cyberjaya	41.15	9.20

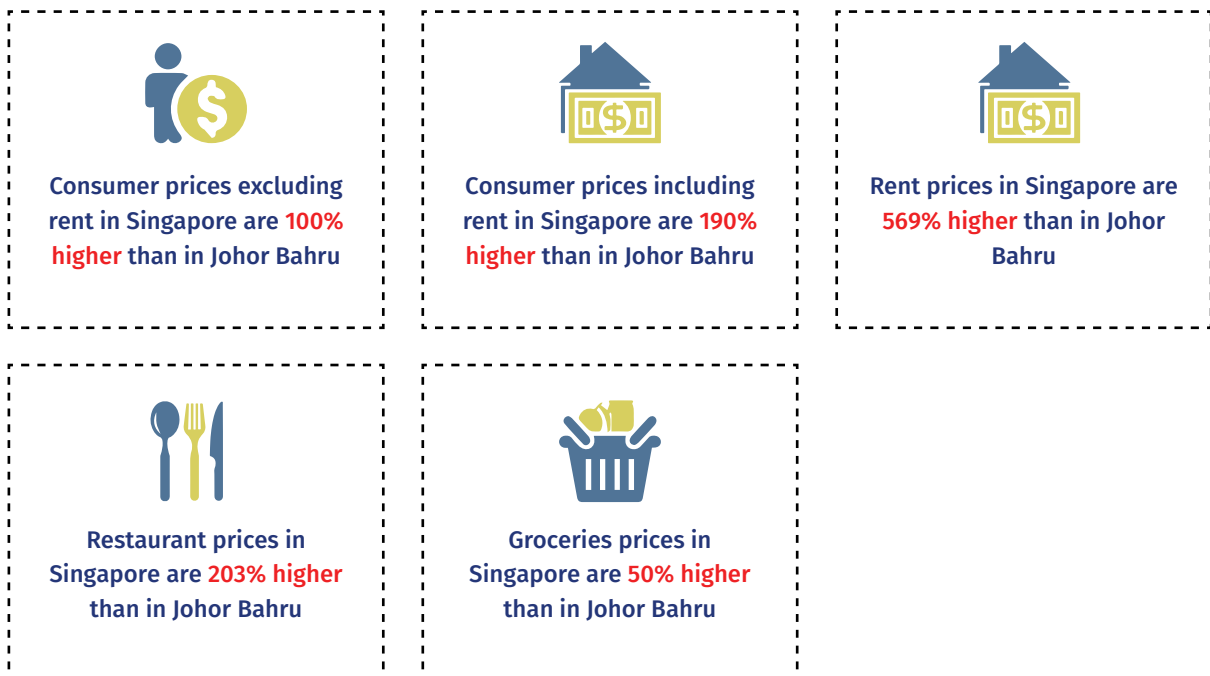
Johor's Cost of Living is Far Lower than Singapore's

Despite being in close proximity to Singapore, prices in Johor are typically more than half of Singapore's. Surveys have shown that one would need RM24,616.84 (S\$8,137.46) in Singapore to maintain the same standard of living one can have with RM8,500 in Johor.

Automobile Purchase as an Example (2016)



Johor's Prices is Less than Half of Singapore's



Safety is a Top Priority

The government prioritises safety and has put in place numerous measures to decrease crime rate over the years. As seen, the number of criminal cases by district in the Johor State has decreased on a year-on-year basis. Between 2010 and 2014, the number dropped by 33% as more safety measures were put into place. The government’s unwavering determination to strengthen its security and legal environment is also evident from the decreasing number of commercial crime cases in Johor per year.

Figure: Decreasing Criminal Cases in Johor State, 2010 – 2014

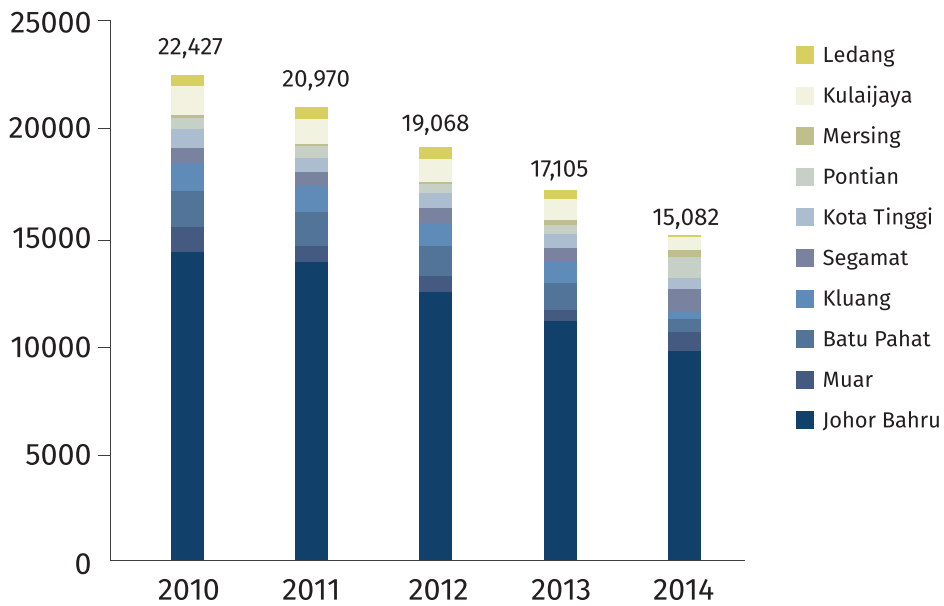
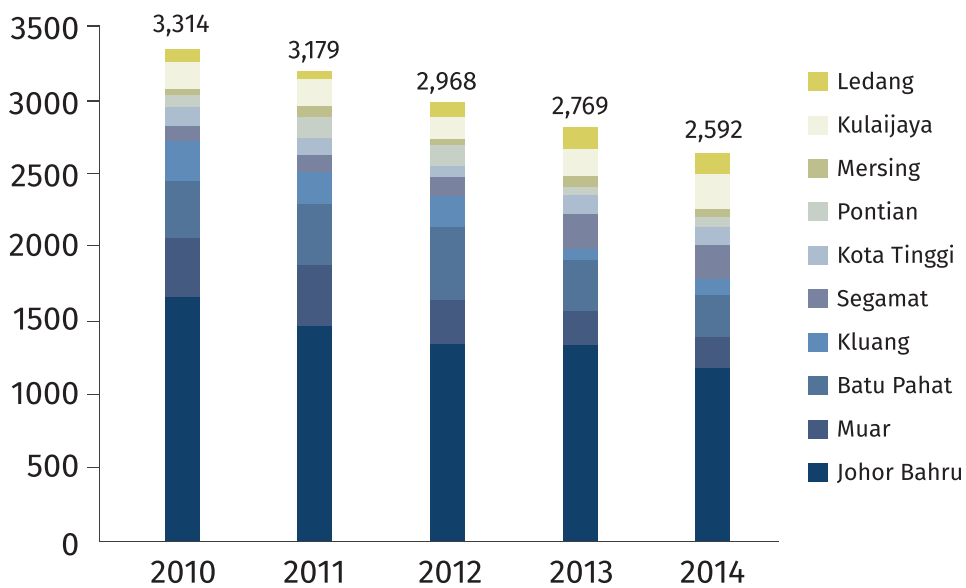


Figure: Decreasing Commercial Cases in Johor State, 2010 – 2014



International Education at Local Prices

Recent development in the educational services industry saw an influx of international education institutions setting up their campuses in Johor. At present, there are over 40 international schools registered with Malaysia’s Ministry of Education and Johor houses several of these schools. At present there are:

- 3 Public Institutes of Higher Learning
- 9 Private Institutes of Higher Learning
- 28 Public Training Institutes
- 3 Polytechnics
- 12 International Schools

List of International Schools in Johor	List of Private Institutes of Higher Learning
Pegasus International School	Southern University College
Austin Heights International School	Newcastle University
Sri Ara School	University of Southampton
Fairview International School	Netherlands Maritime Institute of Technology
Tenby International School	Raffles University
Sunway International School	University of Reading
Raffles American School	Multimedia University
Paragon Private & International School	Marlborough College Malaysia
Marlborough College Malaysia	Management Development Institute of Singapore
Excelsior International School	Johan Cruyff Institute Malaysia
The Japan School	Sunway College
R.E.A.L International School	KFCH International College

Cost of Education

Studying in International Schools

The Japanese School (Japan Curriculum)		Raffles American School	
Fees	RM	Fees	RM
Entrance Fee		Elementary School (Kindergarten - Grade 4)	
Primary 1-6	4,000	New Student	91,400
Secondary 1-3	4,000	Returning Student	60,000
Facilities Fee		Middle School (Grades 5-8)	
New entry	3,000	New Student	113,000
Monthly fee	50	Returning Student	77,000
Tuition Fee per month		Middle School (Grades 9-12)	
Primary 1-6	920	New Student	122,000
Secondary 1-3	1,050	Returning Student	83,000

Studying in International Universities

University of Reading (For 2016/17 intake)		Newcastle University of Medicine (For 2016/17 intake)	
Degree	RM per annum	Degree	RM per annum
BSc Finance & Business Management		Bachelor of Medicine, Bachelor of Surgery	
Home fees	36,775	Malaysian students	95,000
International fees	52,500	International students	105,000
MPharm (Hons) Pharmacy		BSc Biomedical Sciences	
Home fees	46,125	Malaysian students	40,240
International fees	52,500	International students	44,100
BSc Physiology		Foundation Certificate in Biological and Biomedical Sciences	
Home fees	36,900	Malaysian students	26,000
International fees	42,435		
BSc Real Estate			
Home fees	35,875		
International fees	36,775		
BSc Quantity Surveying			
Home fees	36,775		
International fees	42,290		
BA Management and Business			
Home fees	35,875		
International fees	52,500		
BSc Accounting & Finance			
Home fees	36,775		
International fees	52,500		

Source: School fees derived from respective education institutes. Data accessed 29 September 2016

Quality Healthcare Services at Affordable Prices

Access to quality healthcare services is a top priority for any investors who are considering moving to Johor. In a survey conducted by IRDA, it was found that the availability of quality medical services was the second top priority of the business community in Iskandar, especially the availability of specialist medical services. Johor has an extensive healthcare network supported by public and private institutions, as well as a host of specialist hospitals and medical institutes. As a result, Johor’s healthcare services are highly accessible and affordable.

Figure: Healthcare Institutions in Johor

Name	Type	Name	Type
Kluang Hospital	MC – Public	Gleneagles Medini	MC – Private
Kota Tinggi Hospital	MC – Public	Hospital Penawar	MC – Private
Mersing Hospital	MC – Public	KPJ - Dato’ Onn Specialist Hospital	MC – Private
Permai Hospital	MC – Public	KPJ Bandar Maharani Specialist Hospital (Muar)	MC – Private
Pontian Hospital	MC – Public	KPJ Johor Specialist Hospital	MC – Private
Segamat Hospital	MC – Public	KPJ Kluang Utama Specialist Hospital	MC – Private
Sultan Ismail Special Hospital	MC – Public	KPJ Puteri Specialist Hospital	MC – Private
Sultanah Aminah Hospital	MC – Public	Landmark Medical Centre	MC – Private
Sultanah Fatimah Specialist Hospital (Muar)	MC – Public	Pantai Hospital (Batu Pahat)	MC – Private
Sultanah Nora Ismail Hospital (Batu Pahat)	MC – Public	Putra Specialist Hospital (Batu Pahat)	MC – Private
Tangkak Hospital	MC – Public	Regency Specialist Hospital	MC – Private
Temenggung Seri Maharaja Tun Ibrahim Hospital	MC – Public	Thompson Medical Centre	MC – Private
Kempas Medical Centre	MC – Private	Newcastle University Medicine Center	MEI – Private
KPJ Pasir Gudang Specialist Hospital	MC – Private	Masterskill University College of Health Sciences	MEI – Private
Columbia Asia Hospital	MC – Private	Khazanah-Temasek Wellness Project	IHP
DB Specialist Centre	MC – Private		
Econ Healthcare	MC – Private		

MC: Medical Centre

MEI: Medical Education Institution

IHP: Integrated Health Park

Source: Ministry of Health

Table: Comparative Medical Costs for Selected Procedures (2012)

State	Cardiac Surgery (valve replacement)	Open Heart Surgery	Breast Augmentation / Reduction
Iskandar Malaysia	Min RM35,000	RM60,000	RM8,900
Kuala Lumpur	Min RM45,000	RM40,000	RM28,000
Pulau Pinang	Min RM34,300	RM30,300	RM10,000
Singapore	Min RM42,000	RM140,000	RM91,700

Source: IRDA

Combining Work and Leisure in Johor

Johor has a rich heritage of arts and culture, abundant retail and food & beverage outlets, as well as a biodiversity that is not available elsewhere. The recent influx of investment saw the development of notable modern leisure attractions such as Legoland (theme park), Johor Premium Outlets (shopping haven), and Starhill Golf & Country Club. For nature loving eco-friendly visitors, there are also numerous parks, islands and beaches, and nature attractions across the state. With such attractions, visitors are able to enjoy both the city life and nature attractions in Johor.

Figure: Theme Parks and Water Parks in Johor

Theme Parks and Water Parks in Johor	Shopping Malls in Johor
Legoland Malaysia	Johor Premium Outlets
The Little Big Club	City Square Johor Bahru Shopping Mall
Sanrio Hello Kitty Town	Komtar JBCC Shopping Mall
Angry Birds Activity Park	Aeon Tebrau City Shopping Centre
Puteri Harbor Satellite Clubhouse	KSL Mall
Austin Heights Water and Adventure Park	Danga City Mall
Wet World Batu Pahat	Plaza Pelangi
Tiram Indoor Waterpark	Aeon Shopping Centre in various districts
KSL Dinosaur Alive Water Theme Park	Tesco Stores in various districts
Karousel Water Park	Aeon Big in various districts
TS Wonderland Indoor Water Park in Pasir Gudang	
Parks, Islands and Beaches, and Nature Attractions in Johor	Golf Clubs in Johor
RAMSAR sites in Tanjung Piai	Starhill Golf & Country Club
Pulau Besar	The Legends Golf & Country Resort
Pulau Rawa	Ponderosa Golf & Country Club
Pulau Aur	IOI Palm Villa & Country Club
Johor Zoo	Horizon Hills Golf & Country Club
Desaru Beach	Poresia Golf Club & Resort
Gunung Lambak	Daiman 18 Golf Club
Hutan Bandar Recreational Park	Tanjong Puteri Golf Resort
Pulai Waterfall	Austin Heights Golf & Hotel Resort
Pulau Kukup	Pulai Spring Golf Course
Sibu Island	Sebana Cove Resort
Pemanggil Island	
Dayang Island	
Pulau Tinggi	

3. JOHOR AT A GLANCE

3.1 Johor in Numbers

Johor, also known as the “Southern Gateway of Malaysia”, is the second largest state with an area of 19,016 km². It is one of the most developed states in the nation and is bounded by:

- Melaka, Negeri Sembilan and Pahang in the north;
- South China Sea in the east;
- Straits of Johor in the south; and
- Straits of Melaka in the west

<p>3.61 million people <i>(2nd largest population in Malaysia)</i></p>	<p>RM76.3 billion <i>GDP in 2014</i></p>	<p>RM13.3 billion <i>DDI in 2014</i></p>
<p>RM7.8 billion <i>FDI in 2014</i></p>	<p>Johor is Malaysia’s Top Investment Destination between 2010 and 2015</p>	<p>3 major seaports</p>
<p>More than 10 universities that offer a vibrant skilled community</p>	<p>2 accessible international airports</p>	<p>Within a 6 hour flight radius of major Asian cities and markets</p>

Key growth sectors:

- Electrical & electronics
- Finance, insurance, real estate & business services
- Petrochemical and oil & gas
- Creative
- Agrofood and processing
- Healthcare
- Logistics
- Education
- Tourism
- Biotechnology
- Textile
- Halal products
- Palm oil-based products
- Information and Communication Technology (ICT)
- Rubber-based products
- Wood products

3.2 Johor’s Recent Economic Development

Johor is one of the most developed states in Malaysia. Between 2010 and 2014, the state’s economy grew 6.1% per annum, which was higher than the national average of 5.4%.

Three comprehensive master plans formed the foundation to guide economic development in Johor. These master plans are:

Malaysia Plan

The Malaysia Plan is a 5-year strategic development plan that provides guidance on national policies and strategies. The most recent 11th Malaysia Plan (2016 – 2020), themed “Anchoring Growth on People” was launched in May 2015. It is the final leg in the journey towards realizing Vision 2020, a national aspiration to become a developed state by 2020.

Third Industrial Master Plan (IMP3)

IMP3, themed “Malaysia – Towards Global Competitiveness” aims to transform Malaysia by enhancing the country’s global competitiveness through the transformation and innovation of the manufacturing and services sectors.

Iskandar Malaysia Comprehensive Development Plan

The Iskandar Malaysia CDP was launched in 2006 as the development blueprint for the Iskandar Malaysia region. In 2014, a revised version of the Iskandar Malaysia CDP was released to provide 10-year strategic guidance up to 2025. The revision re-evaluated and consolidated the foundations and strategic pillars in the original CDP to form a more holistic and resilient ecosystem known as the Circle of Sustainability.

3.2.1 Investment Outlook in Johor

Between January and June 2016, the state of Johor received the largest amount of approved investments, amounting to RM5.4 billion. The top three industries that contributed to the high amount of US\$ approved investments were electronics and electrical products (RM2.0 billion), petroleum products (including petrochemicals) (RM1.5 billion) and food manufacturing (RM601 million).

Approved Manufacturing Projects In Johor (Jan – June 2016) by Type of Projects	
Source	Total Capital Investment (RM million)
Domestic Investment	276.1
Foreign Investment	5,127.9
Total	5,404.0

Source: Malaysian Investment Development Authority

Approved Manufacturing Projects In Johor (Jan – June 2016) by Country	
Country	Total Capital Investment (RM million)
United Kingdom	2,006.4
South Korea	1,502.7
Singapore	628.5
Italy	308.7
Japan	272.3
Netherlands	251.0
Taiwan	40.9
Cayman Island	26.0
India	19.5
Switzerland	18.5
United Arab Emirates	16.2
Australia	15.1
Hong Kong	14.7
Canada	2.8
United States	1.7
Thailand	1.4
Others	1.5
Total	5,127.9

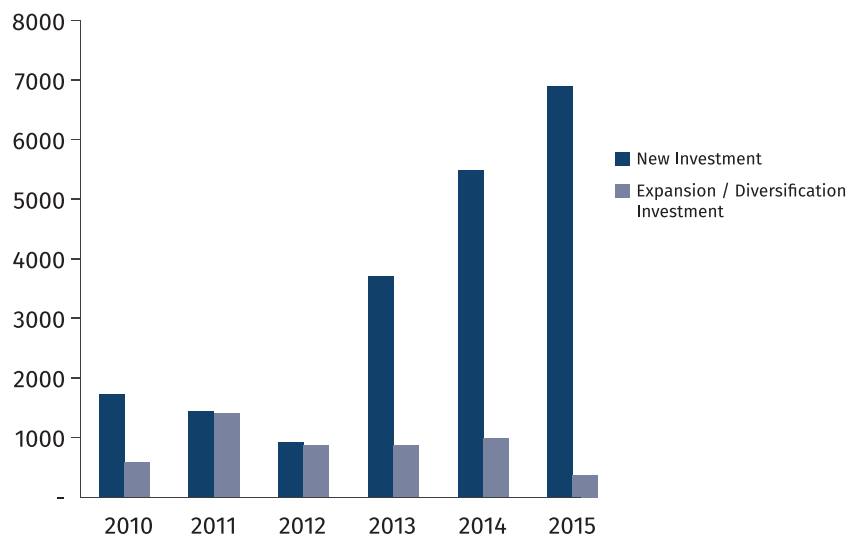
Source: Malaysian Investment Development Authority

3.2.2 Investment Trends in Johor

New vs Expansion Projects

The investment trend in Johor for new projects increased significantly between 2010 and 2015, where Johor recorded US\$6.9 billion in new investments in 2015 as compared to US\$1.7 billion in 2010. Meanwhile, Johor recorded US\$ 361.3 million in 2015 for expansion projects as compared to US\$592 million in 2010.

Figure: Johor Investment Performance, By Type of Investment, 2010 – 2015



Source: MIDA

Main Industry Sectors

Johor's economy has evolved in recent decades from agriculture into services and industry, a process that has accelerated since the launch of Iskandar Malaysia. Johor's economy increased in size from RM74.1 billion in 2010 to RM93.7 billion in 2014, according to the Economic Planning Unit. Services were the most substantial part of its GDP at RM44.5 billion, followed by manufacturing (RM28.8 billion), agriculture (RM14.6 billion) and construction (RM4.54 billion). GDP per capita rose to RM26,399 in 2014, compared to RM21,116 four years earlier.

Main Industries in Johor

Johor is home to a broad range of industries. The industries are divided into Core Industries (existing and established industries) and Emerging Industries (new and upcoming industries).



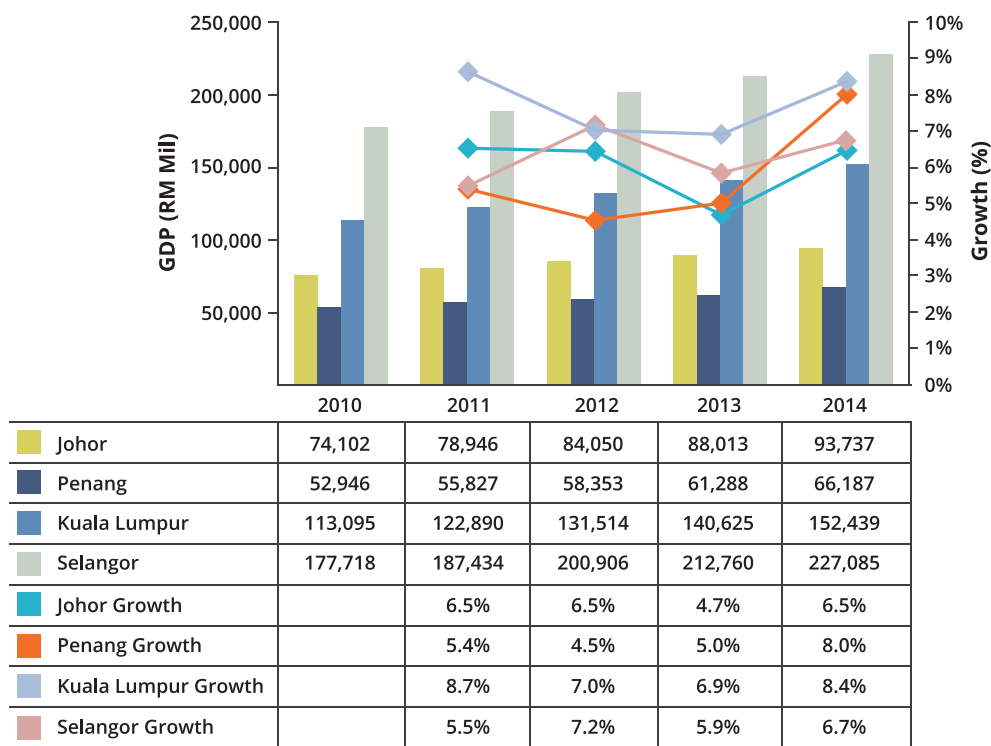
3.2.3 How does Johor Fare?

GDP by State

Malaysia’s economy registered a growth of 4.7% despite weak external factors and global economic uncertainty in 2013 (2012: 5.6%). The Services and Manufacturing sectors remained as the key engines of growth. The performance of Selangor, Kuala Lumpur, Johor, Sarawak and Pulau Pinang contributed 75% to the national momentum.

Six states, including Johor, surpassed the national growth of 4.7% with the services sector a main contributor to the economic growth in Johor.

Figure 1 GDP By State, 2010 – 2014 at Constant 2010 Prices

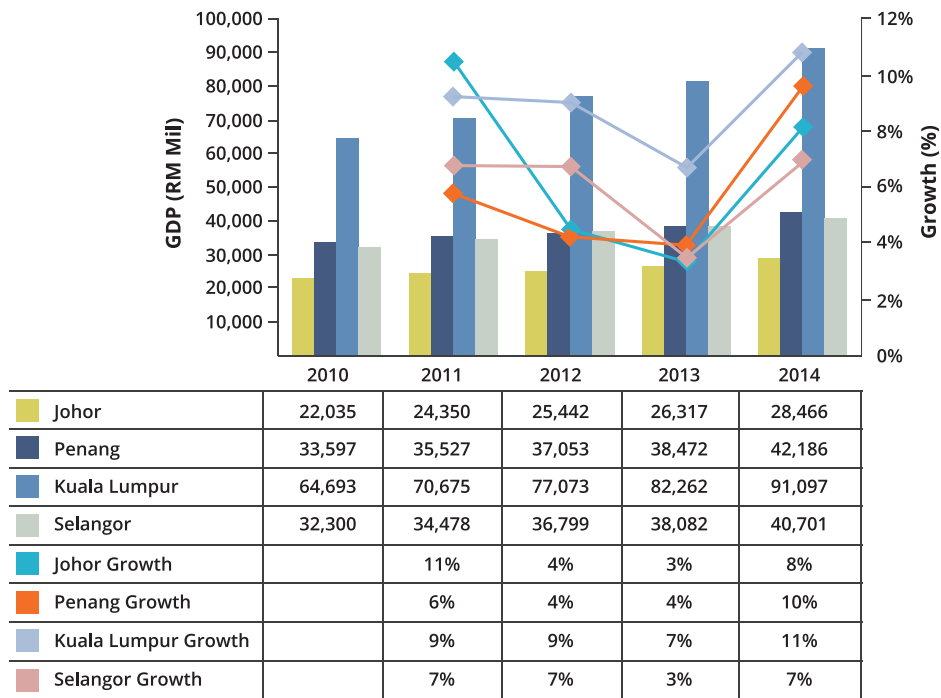


Source: Department of Statistics Malaysia

The state of Johor has seen steady growth in its GDP from 2010 to 2014. In 2010, the GDP was around RM74 billion. It had a constant increase of approximately 4.7 to 6.5% each year till 2014, where the GDP stood at more than RM93 billion.

GDP Per Capita by State

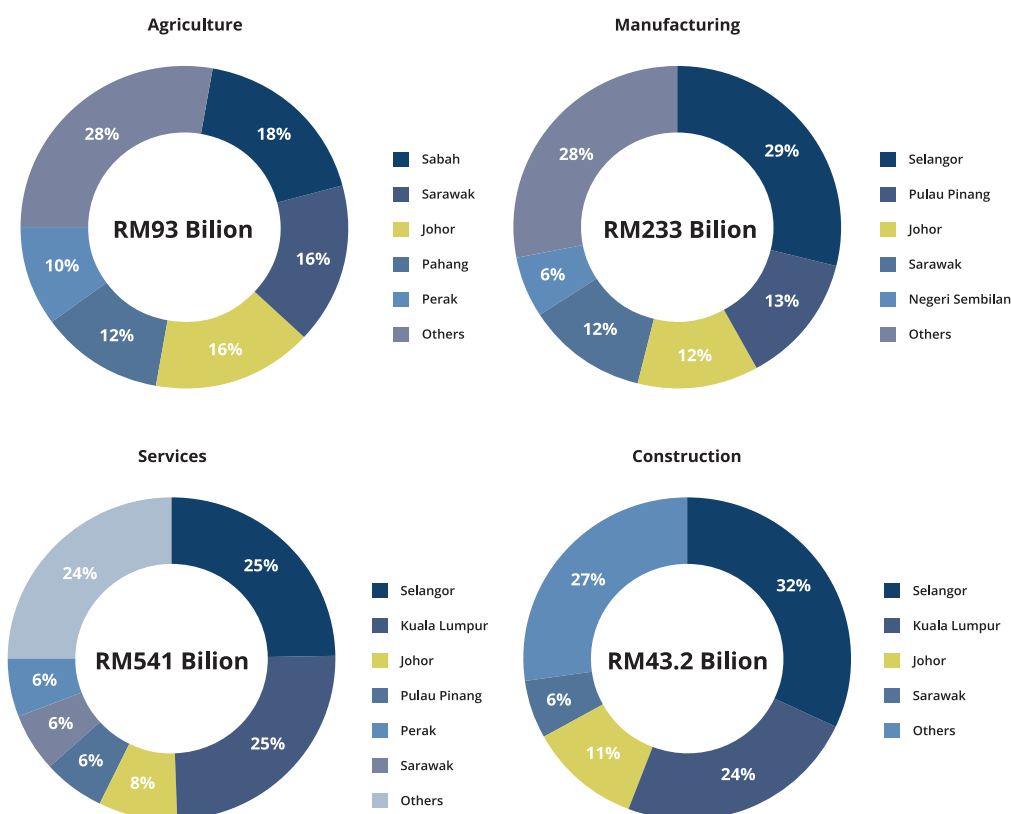
Figure: GDP Per Capita By State, 2010 – 2014 at Constant 2010 Prices



GDP Per Capita for Johor has been relatively stable, constantly increasing from RM22,035 in 2010 to RM28,466 in 2014 at the average rate of 7% per year. This is the second highest (after Kuala Lumpur) in terms of the GDP Per Capita average percentage change rate.

Performance by Sector, by States

Figure: GDP Percentage Share by Sector, by State, 2014



Note: Figures shown are based on constant 2014 prices
 Source: Department of Statistics Malaysia

Johor’s contribution to Malaysia’s **agriculture sector** is approximately 16% in terms of GDP. The state government is committed to focus on food production and the agriculture base sector and is working towards becoming the country’s main food producer.

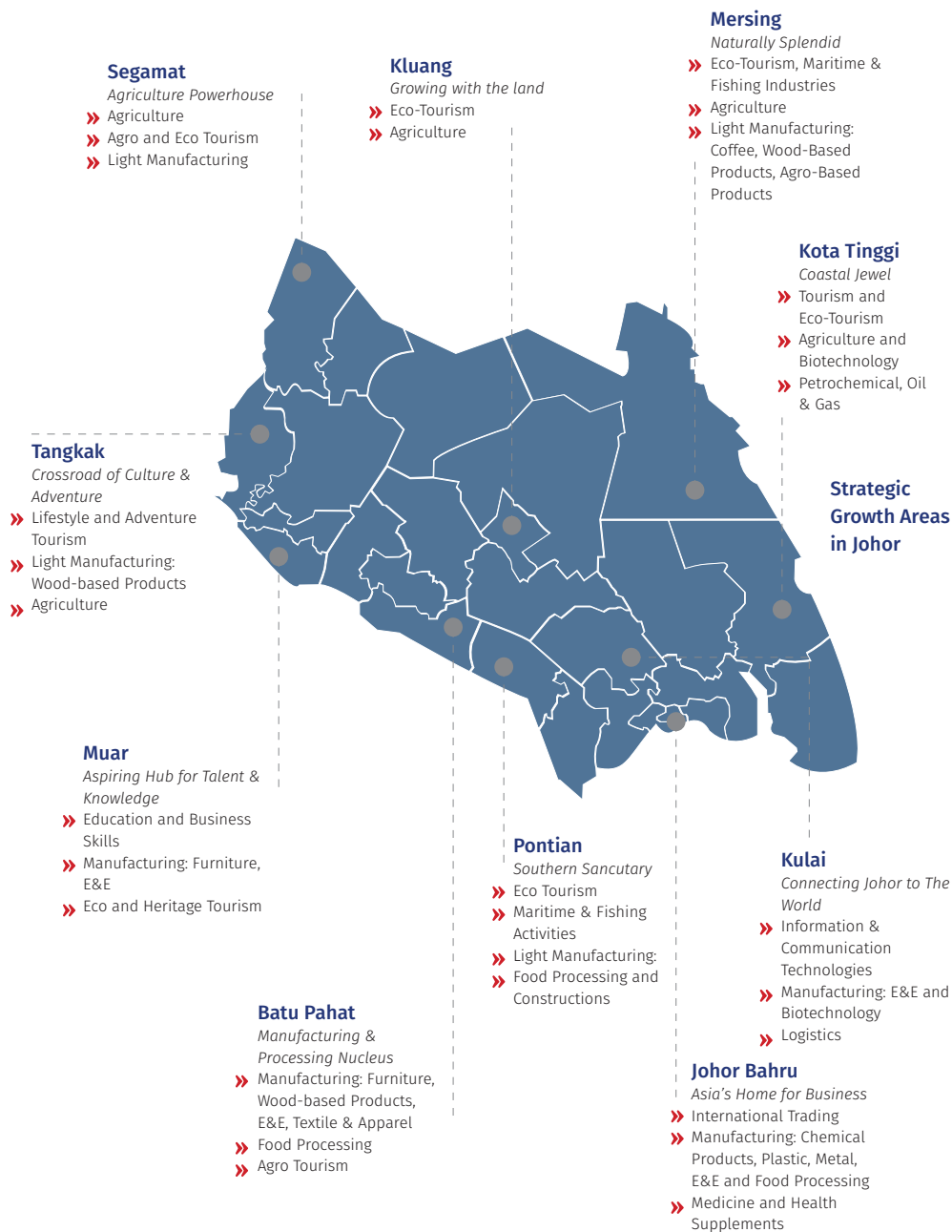
The **manufacturing sector** in Johor contributed to about 12.4% of the total GDP generated by this sector in 2014. In 2015, statistics showed that Johor ranked the highest in the country with RM31.1 billion (US\$10.5 billion) of investments in the manufacturing sector, which contributed 41.6% of Malaysia’s overall investment.

The **services sector** is the largest contributing sector in Johor, which accounts for almost 48% of Johor’s GDP. It also contributed about 8.2% of the total GDP for this sector in the country in 2014. For the years between 2010 and 2014, Johor’s services sector has seen an average percentage change rate of 6.6%.

Johor’s **construction sector** contributed about 10.5% to Malaysia’s construction sector in terms of GDP. Annual percentage change rate has increased dramatically from -0.8% in 2011 to 33.3% in 2014, achieving an impressive RM 4.5 billion of Johor’s GDP.

4. GROW WITH JOHOR

Under the guidance of a far-sighted and visionary state government, Johor's economy has grown tremendously over the past several years. The development was attributed to the growing industrialisation and diversification of its economy base. These industries are important components under the wealth generation ecosystem to ensure sustainable development within the state. Johor's economy base can be divided into Core Industries (existing and established industries) and Emerging Industries (new and upcoming industries).



Source: Johor Strategic Growth Plan (2016 - 2020)

Core Industries



Electrical & Electronics



Petrochemical and Oil & Gas



Agrofood and Processing



Logistics



Tourism



Textile



Palm oil-based Product



Rubber-based Product



Wood Product

Emerging Industries



Finance, Insurance, Real Estate and Business Services



Creative



Healthcare



Education



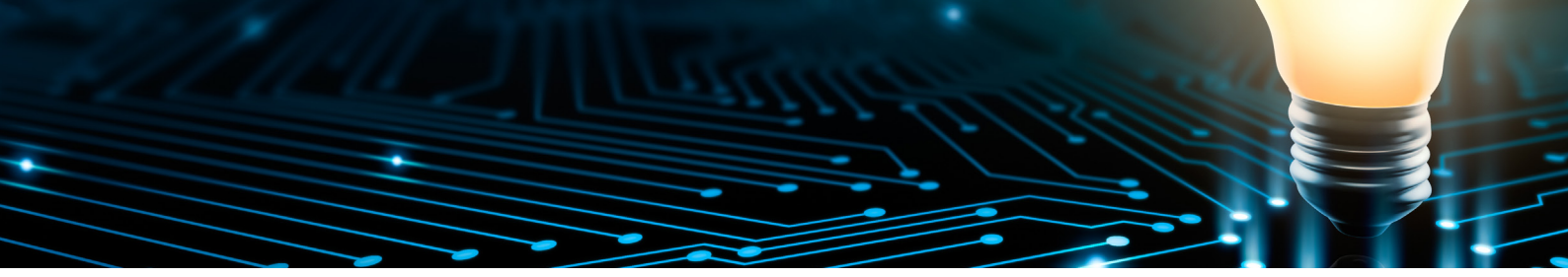
Biotechnology



Halal Product



Information and Communication Technology (ICT)

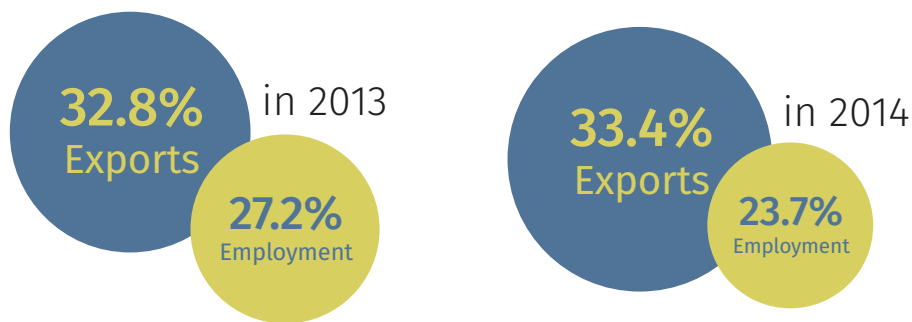


4.1 Core Industries

The core industries in Johor are more established and integral to the economic development of the state. These industries are seen as the stable economic drivers within the state, with high value-added and employment contributions. They can be found in many industrial parks or zones scattered throughout the state. Even though they are established industries, the state government recognises that there is still ample space for future growth, especially in up-scaling and moving into high value-adding activities.

4.1.1 Electrical & Electronics

The electrical & electronics (E&E) industry is the leading sector in Malaysia's manufacturing sector, contributing significantly to the country.



Source: MIDA

The E&E industry in Johor is one of the biggest in the country, with a strong base in audio/visual products. While the strong presence of MNCs and supporting public and private institutions have spurred E&E activities, Johor remains as a backyard production and assembly site for the region, including Singapore. At present, most of the key E&E activities are caught at the lower rung of the value chain, centred on general assembly and low-end production. As such, the state government is determined to transform the E&E sector to be more technology and knowledge intensive. Such transformation will be multidirectional: horizontal movement from electrical components to electronics; and vertical movement from general assembly to design development, R&D and innovation.

Figure: E&E Investment Opportunities in Johor

Priority Sub-sectors	Investment Opportunities
» Advanced E&E	» Photonics
» Renewable Energy	» Automation
» Automotive and rail	» Miniaturisation
» Aerospace	» Digitisation
» Security and defence	» Nano-technology
» Medical devices	» Micro-electronics
	» Power electronics
	» Advanced materials
	» Wireless commuter radio frequency identification

FEATURE STORY: Senai High Tech Park

SENAI HI-TECH PARK A HOT ATTRACTION

News Straits Times

Kuala Lumpur, 4 October 2011

Malaysia's second high-technology park in Johor can repeat the success of its northern counterpart in the electronics sector with a similar investment interest in the solar and green technology.

So far, the park has attracted two major investors since it was opened, with its latest addition Solixel Inc following on the heels of EQ Solar Technology International Sdn Bhd from China.

Senai Hi-Tech Park Sdn Bhd chief executive officer Datuk Ahmad Shukri Tajuddin is happy with both Solixel and EQ Solar. Having first tenants of such stature is important for the success of any industrial park, he said, referring to his experience in Kulim Hi-Tech Park, touted as one of Malaysia's success stories.

The 1,700ha Kulim Hi-Tech Park in Kedah is the first hi-tech industrial park in Malaysia that houses industries in advanced electronics, telecommunications, biotechnology, advanced materials, research and development and emerging technologies. Senai Hi-Tech Park is keen on the green technology industries of the future. It focuses on the high-end semiconductor solar advanced technology and materials. So far, the park has attracted investments in semiconductor, solar, advanced material industries and nanotechnology to the tune of RM3 billion. Solixel has pledged to invest RM2.8 billion to build a photovoltaic (PV) cell manufacturing plant in Senai Hi-Tech Park.

Ahmad Shukri, the very person who helmed Kulim Hi-Tech Park when it drew Intel and other big multinational corporations (MNCs) like Infineon or First Solar to Kulim, says Senai Hi-Tech Park has its own potential apart from incentives and human resource. Being close to Singapore is one. Flanked by ports like the Port of Tanjung Pelepas and Johor Port and next to Senai Airport are among the main logistics criteria which discerning international investors are on the lookout for. They also have the infrastructure link to get across to Changi Airport in Singapore or alternatively from the island republic to Kuala Lumpur in three hours. Intellectual property support is also a key deciding factor for companies like Solexel which has its own R&D centres.

With its aim to become the world's third-largest solar photovoltaic cell producer, Malaysia's investment package has also attracted Tokuyama, Osram, Fuji, Rohm-Wako and Nichia over the past three years. Clustering the small businesses with these major industries is important and this, he said, can be possible through private or joint-venture participation.

Solar technology is a major growth opportunity for Malaysia, with the energy technology industry enjoying a 20% annual growth rate. As of June 2011, the total solar energy investments totalled RM15.8 billion, involving various businesses that are due to create about 14,300 jobs.

Senai High-Tech Park is a wholly-owned subsidiary of Senai Airport Terminal Services Sdn Bhd, under the MMC Group of Companies.

Source: New Straits Times

Existing Investors





4.1.2 Petrochemical and Oleochemical

Malaysia is the home to both large oil and gas (O&G) and oleochemical industries which supports the development of a vibrant petrochemical and oleochemical (P&O) supply chain. Naturally, P&O is an important core industry in Johor supported by readily-available world class facilities, abundant availability of feedstock and reserves, and talent pool. The state government envisions Johor as a premier P&O hub in the region. The focus, apart from deep water O&G exploration and production, will be to develop upstream and downstream activities with added emphasis on high value-added industry activities. At present, the industry is focused on three key sub-sectors, as well as a host of auxiliary services.

Figure: P&O Investment Opportunities in Johor

Petrochemical	Oleochemical	Oil & Gas	Auxiliary Services
<ul style="list-style-type: none"> » Aromatics and olefins » Polymer production » Plastic fabrication 	<ul style="list-style-type: none"> » Palm oil refinery » Oleochem-based products » Derivative products 	<ul style="list-style-type: none"> » O&G processing » O&G support industries » O&G manufacturing 	<ul style="list-style-type: none"> » R&D for new derivate products » Industrial biotechnology » Green technology (biofuel, biodiesel and biomass) » Storage and bunkering activities

Petrochemical

Johor is one of the three states that have a designated petrochemical zone. At present, there are 36 petrochemical establishments in Johor. Almost all the multinational corporations are located in Pasir Gudang and Tanjung Langsat (42%); about 19% are in Tebrau; about 14% in Muar and 6% are in Batu Pahat. Johor is also the home state of the largest ever integrated petroleum complex project in the country, the Pengerang Integrated Petroleum Complex.

Oleochemical

Johor is the second largest crude palm oil producer in the country and the third largest oleochemical producer with a 25% production capacity of the country's oleochemical market. At present, there are 43 companies (both major and minor players) in Johor which are producing oil and processing basic oleochemicals which includes fatty acids, fatty alcohols, methyl esters, glycerine and acid distillates.

Oil & Gas

The O&G sector is listed as one of the 12 National Key Economic Areas (NKEAs) that aims to develop Malaysia as the main Asian hub for O&G related services. Johor is poised to tap on this national initiative due to its ample land, strategic location and global connectivity.

Plastic Products

The industry, though dispersed throughout the state, is mainly located in Johor Bahru. Ulu Tiram, Senai, Skudai, Masai, Kulai and Pasir Gudang are areas on the outskirts of Johor Bahru city which have high concentration of plastic industries. The plastic industry obtains its feedstock, particularly resins, from petrochemical industries such as Lotte Chemical Titan and Petronas who are among the main suppliers.

FEATURE STORY: Pengerang Integrated Petroleum Complex (Pipc) ———

January 2013

The Pengerang Integrated Petroleum Complex (PIPC) is one big step in creating value to the downstream oil and gas value chain in Johor.

Sited in Pengerang, it is one of the largest pieces of investments in the Pengerang district and is located on a single plot measuring about 20,000 acres. The project will house oil refineries, naphtha crackers, petrochemical plants as well as a liquefied natural gas (LNG) import terminal and a regasification plant.

In PIPC, oil refining facilities will add value to imported crude oil via the Pengerang Independent Deepwater Petroleum Terminal (PIDPT). New high-value and high-demand products and by-products, such as polymers, pharmaceutical products, and plastics, will be created from the refined feedstock. In creating these products, Malaysia's petrochemical complexes will be able to generate greater value and investments from its oil and gas sector.

As of January 2013, two major catalytic projects have been committed within the PIPC area. The RM5 billion Pengerang Independent Deepwater Petroleum Terminal (PIDPT) is a joint-venture between DIALOG Group of Malaysia, Royal Vopak of Netherlands and the Johor State Secretary Incorporated (SSI). Construction of Phase 1 of the project has already started and is scheduled for completion by Q1 2014 and the Phase 2 land reclamation is in progress. The total storage capacity available at PIDPT is planned for five million cubic metres by the year 2020.

The second mega-project within PIPC is PETRONAS' RM60 billion Refinery and Petrochemical Integrated Development (RAPID) Project. The RAPID project site preparation is in progress and is expected to be commissioned by 2016. RAPID will have a 300,000 bbl. per day refining capacity while additional petrochemical plants will generate value to petroleum products produced in RAPID.

Source: MPRC

Existing Investors





4.1.3 Agrofood and Processing

Malaysia is an emerging global food producer where nearly 75% of food exports are processed food and beverage products. Johor has always been a major food producer in the country, primarily in cocoa products, palm oil products and pineapple products. In 2015, Johor was the largest food producer for poultry, eggs, and vegetables in the country. Recently, the Johor government has been expanding its agriculture and food production and turning it into a premier hi-tech agrofood and processing hub. In 2015, the Johor government allocated RM1.3 million to assist agrofood and processing entrepreneurs. The fund was channelled to the Johor Agriculture Department for activities under the Agro-based Industries Development Programme, with the purpose of developing and strengthening small and medium enterprises involved in agro-based industries.

Figure: A&P Investment Opportunities in Johor

Processing, Packaging and R&D	A&P Centre of Excellence
» Palm oil-based products	» Agricultural biotechnology
» Cocoa-based products	» Food technology
» Herbal and plant-based products	» Halal testing and certification
» Halal derivatives	» Molecular marker discovery
» Livestock and aquaculture produce	

The state government recognises that there is a need to upgrade the food industry in Johor to enable it to evolve into a dynamic cluster. Three potential clusters were identified to drive this upgrade: Johor Bahru, Batu Pahat, and Muar. The upgrading will involve:

- Strengthening the role of the government to provide stability and efficient basic infrastructure
- Providing enabling conducive environment for learning and innovation in the food industry
- Ensuring that the food cluster is globally connected in terms of market, value chain, and supply chain
- Strengthening capacity of key suppliers
- Ensuring connectivity and coordination among the major players in the food industry as shown in the following cluster model.

Through this upgrading, Johor will be in a better position to partner with investors to tap into future A&P growth markets which include:

<p>Healthy Food</p>	<p>Healthy food are goods which are more nutritious, fresh, natural, and safe. Example includes organic food.</p>
<p>Convenient Food</p>	<p>Due to changes in lifestyle, consumers are now demanding for food that is easy-to-prepare, ready-to-cook, and ready-to-eat.</p>
<p>Minimally Processed Food</p>	<p>Greater concern for increased usage of food additives and preservatives, retention of nutritional value and fresh-like quality of food, have created demand for minimally processed food which are perceived to be more nutritious and natural.</p>
<p>Food with Wellness Industry</p>	<p>The human wellness industry is an emerging industry with an estimated current annual global value of more than US\$ 1.3 trillion. The wellness industry involves products and services intended to improve general wellbeing such as health, better appearance, slow down the effect of ageing, brain function, and reduce the risk of developing chronic diseases.</p>
<p>Natural Food Ingredients</p>	<p>The consumer trend for more natural and healthyl food products has also increased the demand for more natural food ingredients such as natural colours, flavours, preservatives, emulsifiers, stabilisers, acids and enzymes produced from plants and microbial sources.</p>
<p>Halal Food & Halal Ingredients</p>	<p>Increased awareness on halal related issues and the sizeable world Muslim population have created a tremendous market for halal processed food and halal food ingredients. This, together with Malaysia's aspiration to become an international halal food hub, has made halal food an emerging segment with very good potential to be exploited.</p>

FEATURE STORY: Bio Desaru

Bio Desaru is an initiative by J-Biotech to develop Johor’s Integrated Bio-Agriculture (AgBiotech) sector. As a motion to set a new benchmark and to be a role model for Malaysia’s agricultural industry, the Johor State Government has allocated approximately 9,000 acres of land in Desaru, in the Kota Tinggi district, to be developed as Bio Desaru The Organic Food Valley (Bio Desaru). The state envisions Bio Desaru as a Regional Organic Food Hub and Agro-Tourism Centre, significantly contributing to the growth of the agriculture industry and bioeconomy in Johor.

Bio Desaru comprises of the development of the main Integrated Biotech-Driven Agro-Food Production Hub in Johor which involves activities related to Bio-Agriculture, Bio-Aquaculture, Bio-Livestock, and Bio-Tourism. It complements Johor’s efforts to intensify the quality food value chain through the extensive and efficient application of modern technology in commercialised farming, and due focus on Bio-Security and eco-conservation as its mission and vision.

With a focus on developing commercial-scale farming, Bio Desaru aims to attract local and international investors for technology sharing collaboration and encourage modern practices in upstream activities. J-Biotech is also promoting Bio Desaru as the State Biotech-Driven Agro-Food Production Hub and a one-stop centre for organic and AgBiotech farm produce.

To date, there are 27 committed projects involving almost RM1.2 billion of total investments. Bio-Aquaculture activities contribute the highest share of the investment at approximately RM620 million, followed by Bio-Livestock activities at nearly RM380 million.



BIO-AGRICULTURE
RM240 million



BIO-LIVESTOCK
RM380 million



BIO-AQUACULTURE
RM620 million

Source: J-Biotech

FEATURE STORY: Hershey

Hershey to Invest US\$250 million in a New Plant in Malaysia

The Star

Johor, 4 October 2013

Hershey Company, the largest chocolate maker in North America, will invest US\$250 million (RM816 million) to build a state-of-the-art confectionery manufacturing plant in Malaysia, the company's single largest investment in Asia to-date.

Hershey Company, the largest chocolate maker in North America, will invest US\$250 million (RM816 million) to build a state-of-the-art confectionery manufacturing plant in Malaysia, the company's single largest investment in Asia to-date.

The company made the announcement on its latest investment in a joint media conference with the Malaysian Investment Development Authority (MIDA) today.

The new plant will be strategically located at the Senai Free Trade Zone in Johor, which will provide easy access for the company to tap over 25 markets in Asia, according to Hershey in a press statement on the project.

Malaysia also offers the company a well-educated human resource, stable political environment, a strong supply chain infrastructure and an internationally recognized Halal food manufacturing certification, that will provide an advantage for its products sold in the region.

The Malaysian facility will be installed with proprietary equipment and systems which have been developed to Hershey's specifications including high-speed wrapping machines.

The plant would feature the latest manufacturing technology, Hershey Senior Vice-President, Terence O'Day said.

The 700,000 sq ft plant which is expected to be completed in 2015, will create some 400 jobs. When operational, the plant will be one of the largest in Hershey's global manufacturing network and will be able to produce the widest range of its finished products outside the US and Mexico.

Some 90% of its products from the Malaysian plant will be for the export market.

The chocolate maker currently operates nine plants in the US and other manufacturing facilities in Canada, Mexico, India, Brazil and China.

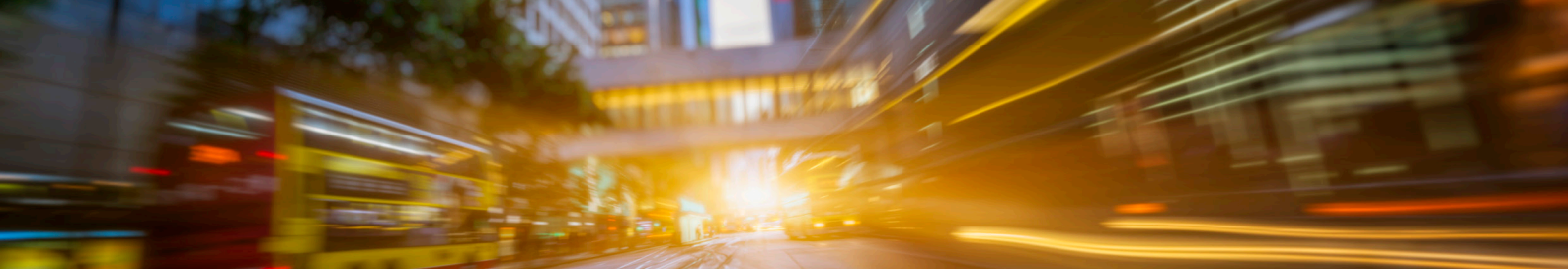
In welcoming Hershey's investment in Malaysia, MIDA Chief Executive Officer, Datuk Noharuddin Nordin said the company's decision to invest in Malaysia is a testament that the country continues to be an attractive location for multinationals making substantial commitments in the region.

Hershey's investment would also bring positive economic benefits to Malaysia in terms of job creation as well as businesses for local suppliers including local cocoa producers, Datuk Noharuddin added.

Source: The Star

Existing Investors





4.1.4 Logistics

Traditionally, Malaysia is one of the most internationally tradable countries in the world. This is due to Malaysia’s strategic location at the cross roads of East-West trade lanes. In 2015, the country recorded RM1.466 trillion in total trade. Out of this figure, RM779.95 billion were exports and RM685.65 billion were imports. Johor, the southernmost state in Peninsular Malaysia, serves as an international trade gateway in the region and is supported by well-developed “land-sea-air” linkages.

Figure: Multimodal Linkages in Johor

Road Network	Rail Network	International Airport	International Seaport
<ul style="list-style-type: none"> • North-South Expressway • Intra-Johor new roads and links • Links to east coast of Peninsular Malaysia via the Senai-Permas-Rinting Highway • Malaysia–Singapore Causeway Link • Malaysia–Singapore Second Link 	<ul style="list-style-type: none"> • KL-Singapore High Speed Rail • Padang Besar-JB electrified double tracking railway 	<ul style="list-style-type: none"> • Senai International Airport Close proximity to Singapore’s Changi Airport (1 hour drive) 	<ul style="list-style-type: none"> • Port of Tanjung Pelepas • Johor Port • Tanjung Langsat Port

Excellent multimodal linkages that are readily available in Johor are key enablers in developing Johor as a leading global supply chain hub. At present, there are four major logistics and transportation hubs in the state, namely Senai International Airport, Port of Tanjung Pelepas, Tanjung Langsat Port and Johor Port.

Logistics Investment Opportunities in Johor
<ul style="list-style-type: none"> » Regional Distribution Centres » International Procurement Centres » Integrated Logistics Services » International Integrated Logistics Services » Oil storage and trading hub » Halal logistics hub

Figure: Logistics facilities in Johor



FEATURE STORY: Southern Industrial And Logistics Clusters (SiLC)

The Southern Industrial and Logistics Clusters or SiLC is a flagship industrial development in Johor. Known as SiLC Nusajaya, the development is a world-class managed, clean and green industrial park planned and designed to meet the current demands for environmentally sustainable development. SiLC Nusajaya is developed to enrich investments and enhance businesses with all the right business reasons as the preferred location for industrial concerns.

Spanning 1,300 acres of contiguous development-ready land, SiLC Nusajaya has a cluster-based approach featuring advanced, innovation-driven industries augmenting the value chain of integrated 'clean' industrial sectors in four major areas – advanced technology, health & nutrition, logistics, and biotechnology.

Its proximity to Singapore, excellent connectivity and transportation infrastructure, coupled with modern reliable utility provisions has resulted in a high demand for industrial lots within SiLC Nusajaya.

SiLC Nusajaya has been experiencing an exponentially increasing high demand for its industrial lots. Phase 1 & Phase 2, covering a gross area of 590 acres, are all fully sold. The total sales value of all three phases to date is approximately RM500 million. Land value at SiLC Nusajaya has risen steadily from RM18 to RM40 per sq ft, representing more than a 100% rise.

American logistics giants Earle M Jorgensen (EMJ) established its first warehouse facility in Asia in SiLC Nusajaya. The RM36 million, 65,000 sq ft facility is EMJ's first warehouse facility outside North America.

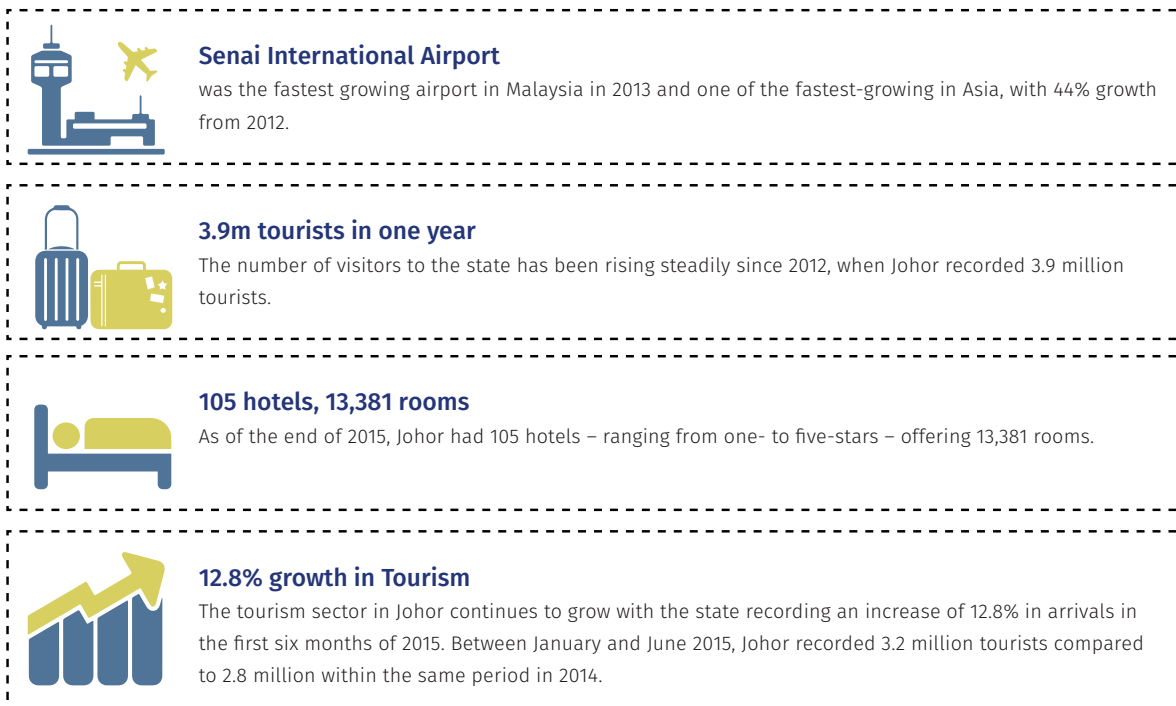
Source: http://www.nusajacity.com/business/bi_ind_silc.html

Existing Investors



4.1.5 Tourism

Tourism has always been a key economic driver for the state of Johor. From the urban edge of Johor Bahru and the outlet shopping complex and theme parks of the Iskandar Malaysia region to tropical getaways such as Tioman Island and the forest of Endau-Rompin, Johor offers a variety of unique experiences for tourists. These unique local characteristics and heritage reinforced Johor's status as the Southern tourist gateway destination city of Malaysia.



The major beachfront development in the state is now focused on Desaru in the far southeast, which is now accessible through a highway from Johor Bahru. Themed Attractions Resorts & Hotels, an investment company that is part of Khazanah Nasional, is spearheading the development, called Desaru Coast, and is set to include luxury hotels, retail and lifestyle centres, and a water adventure park. The first hotels are expected to open sometime in 2017.

Tourism Investment Opportunities in Johor

- » Theme parks and family entertainment centres
- » History, heritage, arts and culture
- » Eco-tourism and homestays
- » Food, dining and shopping
- » Outdoor activities, events and recreational tourism
- » Health and wellness tourism
- » MICE and accommodation

FEATURE STORY: Legoland

ASIA'S FIRST LEGOLAND

Johor, October 2013

The Legoland Malaysia theme park, the first of its kind in Asia, is situated in Nusajaya, Johor. Situated on 76 acres of land, the park is the sixth Legoland park to open in the world. Previous parks are located in Billund, Denmark (1968), Windsor, England (1996), California, USA (1999), Germany (2002), Florida, USA (2005).

Legoland is built with over 40 interactive rides, shows and attractions. One of the main attractions here is the Miniland. More than 30 million lego bricks were used in the building of these monuments including the Petronas Twin Towers, The Merlion Statue, and Taj Mahal.

These well-known buildings are built using lego bricks, an interactive world on a scale of 1:20 where people, trains and aeroplanes come to life at the touch of a button. Other attractions at the park include Lego City, Land of Adventure, Imagination, Lego Kingdom and Lego Technic. In the theme park, there is also an Observation Tower which is the highest tower in Legoland Malaysia, some 60 meters from the ground. This is also the third Legoland observation tower in the world after Denmark and Germany.

According to Legoland Malaysia, domestic visitors (including Singapore) make up 80% of visitors to the park, while the rest are international travellers. "Malaysians make up 50% of the total number of visitors to the theme park," said Legoland Malaysia, which was opened to the public on September 15 last year.

Source: Tourism Malaysia

Existing Investors





4.1.6 Textile

The textile industry is one of the traditional economy bases in the country. However, due to intensified global competition, Malaysia’s textile manufacturers are moving up the value chain by venturing into higher value-adding activities, e.g. automation and computerised manufacturing, and undertaking R&D activities to develop new processes and applications. Johor’s textile industry is more focused on the apparel sub sector where approximately 73% of the establishments in this sector are involved in manufacturing apparel for babies and adults. Many of these establishments are located in Batu Pahat, Kluang and Muar.

Structure of the Textile and Apparel Industry in Johor, 2005

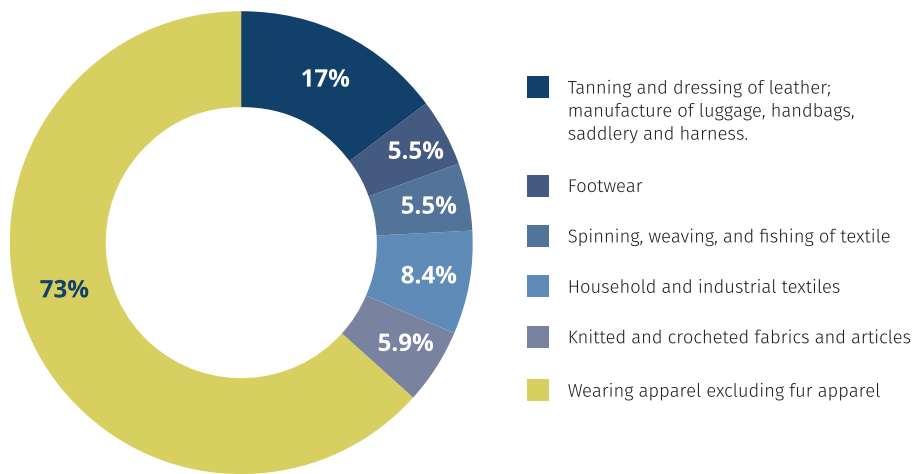


Figure: Textile Investment Opportunities in Johor

Enablers	Investment Opportunities
<ul style="list-style-type: none"> » Close linkage with ASEAN network » Established industry with operational capabilities » Ready access to skilled labour at competitive costs » Well established logistic infrastructure » Available land for cluster development 	<ul style="list-style-type: none"> » Natural or man-made fibres » Yarn of natural or man-made fibres » Woven fabrics » Knitted fabrics » Finishing of fabrics such as bleaching, dyeing and printing » Non-woven fabrics » Specialised apparel » Technical or functional textiles and textile products

FEATURE STORY: D&Y Textile And Garment (China) Group

China's D&Y Group to invest RM640m in Johor

The Sun Daily

15 July 2014

China-based D&Y Textile and Garment (China) Group (D&Y Group) plans to invest about RM640 million in Johor through its subsidiary D&Y Textile (Malaysia) Sdn Bhd.

D&Y Group chairman Zhao Huanchen said Malaysia is the first Southeast Asian country that the D&Y Group has ventured into.

"D&Y Group's textile facility in the Sedenak Industrial Park in Kulai will house a spinning centre of 200 thousand spindles and bring into Malaysia advanced textile technologies.

"All products from the Johor plant will be exported overseas, and this is expected to generate annual foreign exchange earnings amounting to US\$350 million for Malaysia. This venture will create better job opportunities and help boost the local textile industry," he said in a statement yesterday.

The D&Y Group signed an agreement with United Overseas Bank (Malaysia) Bhd (UOB Malaysia) yesterday, for credit financing services, settlement services, and a range of comprehensive financial services.

UOB Malaysia deputy CEO and head of wholesale banking Kevin Lam said that the D&Y Group's investment into Malaysia would help boost the country's economy and is an affirmation of Malaysia's attractiveness for foreign businesses seeking cross-border business expansion opportunities.

"As Malaysia is the first country in D&Y Group's expansion into Southeast Asia, UOB Malaysia is honoured to lend our expertise and finance D&Y Textiles to unlock its business potential in this region," said Lam.

Headquartered in Shandong Province of China, the D&Y Group is a large-scale enterprise that deals with a comprehensive range of areas from textiles, clothing, imports and exports and transnational production operations.

With over 10,000 employees presently, the company produces 80,000 tons of cotton yarn, 30 million meters of denim, five million meters of wool and five million pieces of clothing on an annual basis.

For 2014, the Group is forecasted to generate an export volume of US\$220 million, a total turnover of RMB3.5 billion, profits and tax of RMB300 million and profits of RMB150 million.

Source: The Sun Daily

Existing Investors





4.1.7 Rubber Based Products

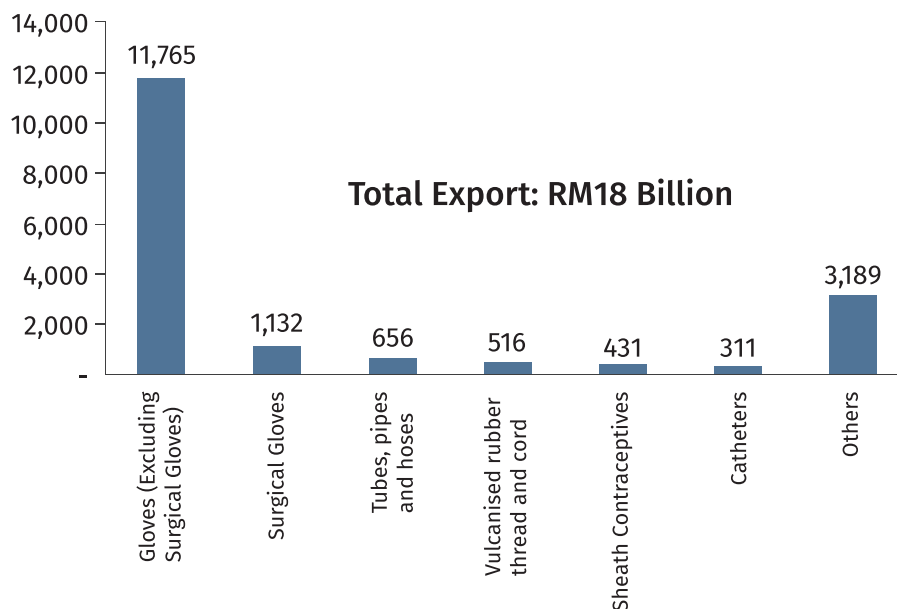
Malaysia has traditionally been a world leading rubber product exporter. It is the world's eighth largest consumer of rubber and the seventh largest consumer of natural rubber (NR). At the same time, Malaysia is currently the world's fifth largest producer of NR after Thailand, Indonesia, Vietnam and China. NR production in Malaysia increased by 4.1% from 0.67 million tonnes in 2014 to 0.72 million tonnes in 2015. On the other hand, exports of rubber products from Malaysia surpassed RM15 billion in 2014 and reached RM18 billion in 2015.

At present, there are more than 500 rubber product manufacturers currently operating in the country. These manufacturers are involved in the production of latex products, tyres and tyre-related products, and industrial and general rubber products. In Malaysia, the largest rubber sub-sector is latex products, specifically in household and medical gloves. The gloves sector alone made up about 70% of the export of rubber products in 2015.

Johor is also home to a few major rubber product manufacturers in the country. Chief among them is the recently launched Lotte Ube Synthetic Rubber, which is also the first polybutadiene rubber plant in Malaysia.

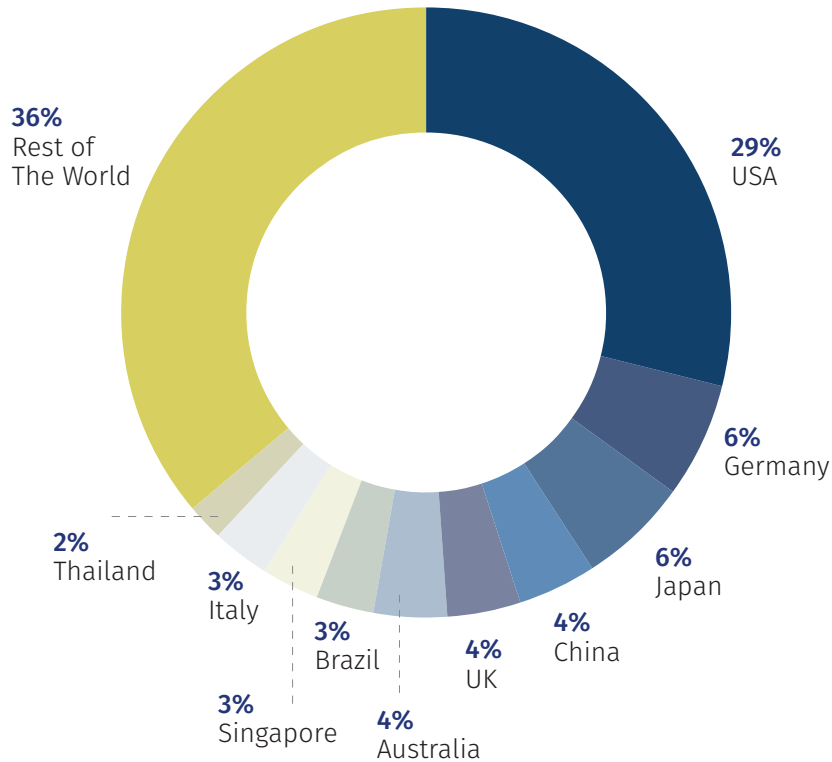
Facts and Figures

Export Volume of Selected Rubber Products, 2015



Household and medical gloves made up more than 70% of the country's total export of rubber products in 2015.

Export Destination of Rubber Products, 2015



Source: Department of Statistics, Malaysia

USA remained as Malaysia’s largest export destination for rubber products, with exports amounting to approximately RM5.2 billion in 2015.

Rubber-based Product Investment Opportunities in Johor
» Gloves (including surgical gloves)
» Tubes, pipes and hoses
» Vulcanised rubber thread and cord
» Sheath contraceptives
» Catheters
» Seals and gaskets
» Foam products
» Procured tread
» R&D activities

FEATURE STORY: Lotte Ube Synthetic Rubber

Lotte Ube Synthetic Rubber, The First Polybutadiene Rubber Plant in Malaysia Pasir Gudang, 24 August 2015

In response to the growing demand for butadiene rubber in the Asian region, a joint venture has been established between Lotte Chemical Corporation, South Korea, Ube Industries Ltd, Japan, Lotte Chemical Titan (M) Sdn. Bhd., Malaysia and Mitsubishi Corporation, Japan to manufacture and market butadiene rubber (BR).

The joint venture is Lotte Ube Synthetic Rubber Sdn. Bhd. with Lotte Chemical Corporation and Ube Industries Ltd each having a 40% stake while Lotte Chemical Titan (M) Sdn. Bhd and Mitsubishi Corporation each having a 10% stake. The joint venture is capable of producing 50,000 tons of BR annually, with plans to add a further 22,000 tons per annum as demand dictates.

BR is mainly used in tyres, high impact polystyrene (HIPS), and shoe soles. Demand for BR is expected to grow by some 6 to 7% per annum in the future, particularly in the Asian market which is the biggest market for BR. In the tyre market, many BR manufacturers focus on supplying BR to major tyre manufacturers as they are moving ahead with plans to increase their production capacity in the Asian region.

How it started

In 2011, Lotte Chemical Corporation and Ube Industries Ltd first commenced discussions on investing in a new BR Plant in Malaysia.

Lotte Chemical Corporation and UBE Industries Ltd finally agreed to select Tanjung Langsat, Johor for this significant investment. The reason for this decision was simple:

- The Johor State Government and Malaysia offered excellent infrastructure support and fiscal incentives respectively;
- Lotte Chemical Titan (M) Sdn. Bhd. could supply butadiene, the feedstock necessary for the production of BR; and
- Ube Industries Ltd has technical know-how and a wide sales and marketing network.

The Joint Venture agreement was signed in April 2012 by the 4 shareholders, and 6 months later, in March 2013, the joint venture company, Lotte UBE Synthetic Rubber Sdn. Bhd. was established.

This joint venture company is a symbolic demonstration of the synergistic collaboration of 3 countries, namely South Korea, Japan and Malaysia, coming together and sharing their respective resources to achieve a win-win strategy for all.

Dato' Azman Mahmud, CEO of MIDA said, "The implementation of this project demonstrates continued investors' confidence that Malaysia provides a conducive business environment for long term investments. This catalytic and strategic project will bring along many spill-over effects. It will also add to Malaysia's exports as 80% of their products will be exported."

"The local workforce will be able to migrate to higher value manufacturing through the transfer of the company's cutting edge technology and technical know-how as the project will provide opportunities in highly skilled jobs, which constitutes more than 90% of the jobs created. I am positive that LUSR will provide potential business opportunities to supporting industries not only in Johor but in other parts of Malaysia," he added.

Source: MIDA

Existing Investors



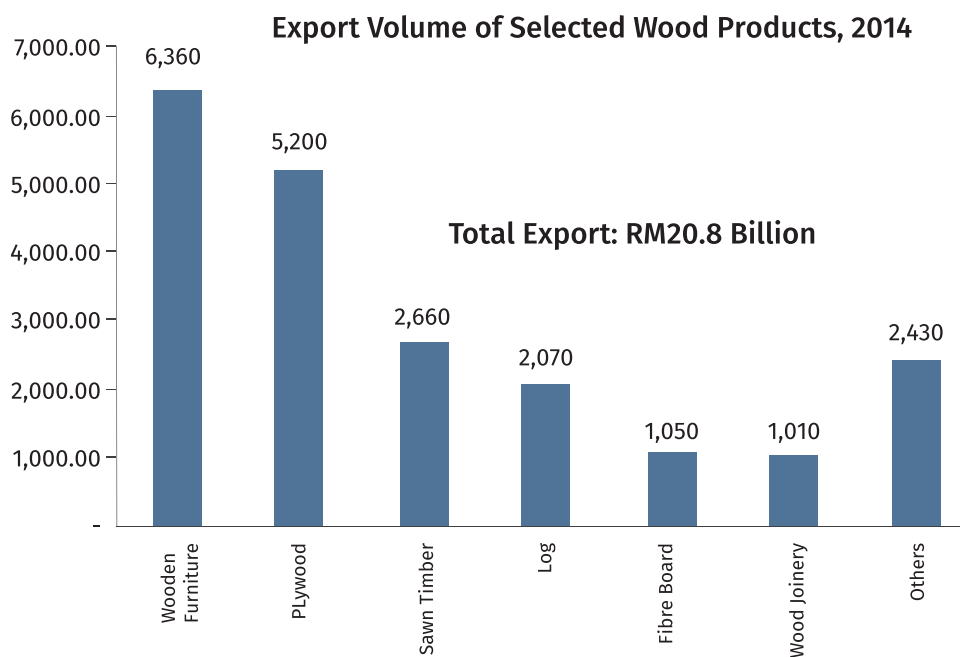


4.1.8 Wood Products

The wood-based industry is one of the major revenue contributors to Malaysia’s economy. The major sub-sectors in the industry are:

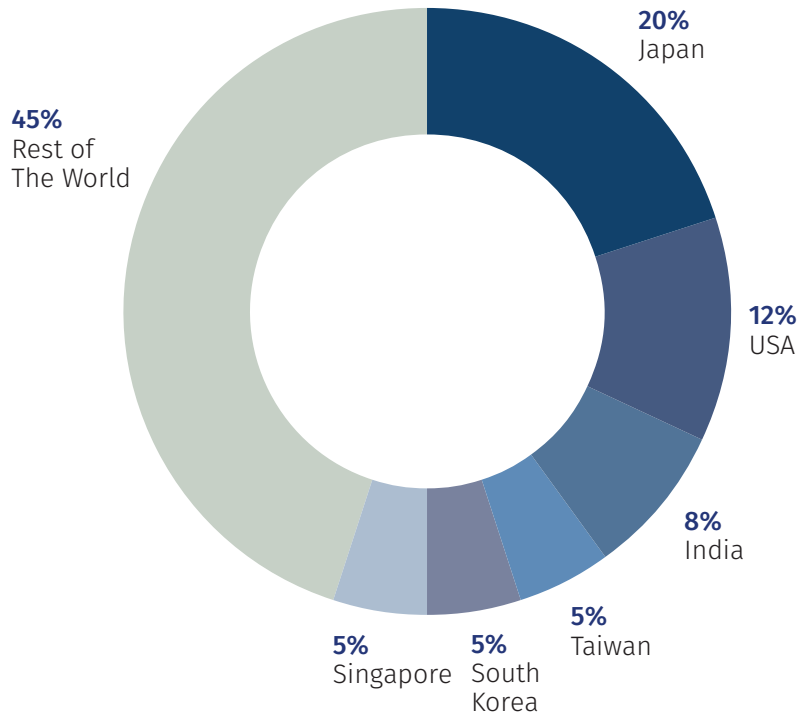
- Sawn timber, veneer and panel products which include plywood, and other reconstituted panel products such as particleboard/chipboard/fibreboard;
- Mouldings and builders’ joinery and carpentry (BJC) such as doors/windows and its components panels and flooring board/parquet;
- Furniture and furniture components

Facts and Figures



Wooden furniture is the main downstream activity of Malaysia’s timber industry and contributes 31% of that industry’s total export value in 2014. Plywood is the second major export product and contributed around 25% of the industry’s total export in 2014.

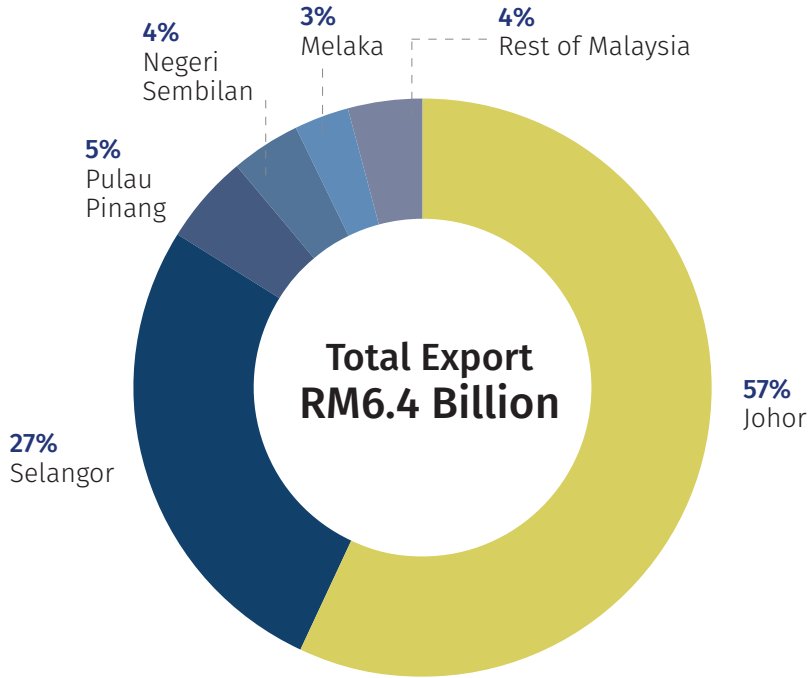
Export Destination of Wood Products, 2014



Japan remained as Malaysia’s largest export destination for wood products, with exports amounting to approximately RM4.2 billion in 2014. The whole value chain of Malaysia’s wooden furniture industry is composed of small and medium enterprises. It is among the very few Malaysian industries able to transform raw materials into final products and penetrate the global market.

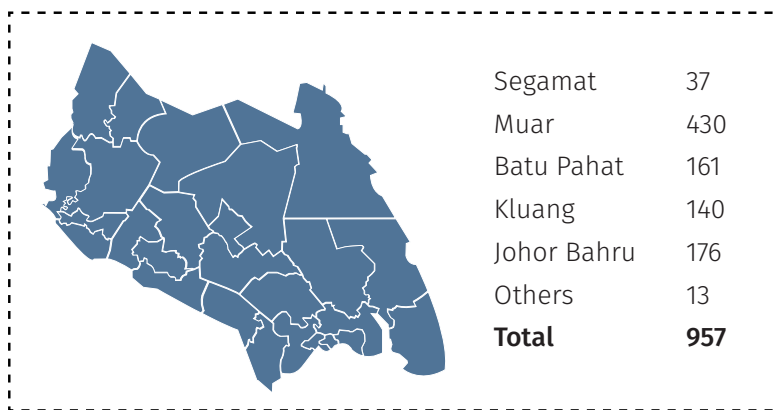
Malaysia is currently the world’s tenth largest furniture exporter, the third in Asia and second in Southeast Asia. Johor is the largest exporter of wood furniture in Malaysia. Furniture exports from Johor contributed 57% of the RM6.4 billion worth of Malaysian wood furniture exports in 2014. In 2014, there were a total of 957 wooden furniture manufacturers in the state where the Muar district is the most successful furniture cluster. The wooden furniture cluster has existed in Muar for more than three decades and currently has around 430 manufacturers.

Export Volume of Wooden Furniture by State, 2014



Johor is the largest exporter of wood furniture in Malaysia. Furniture exports from Johor contributed 57% of the RM6.4 billion worth of Malaysian wood furniture exports in 2014.

Figure: Distribution of Wooden Furniture Manufacturers in Johor, 2014



Wood Product Investment Opportunities in Johor	
Production of engineered wood	<ul style="list-style-type: none"> » Particleboard » Fibreboard pellets » Briquettes and other composite products
Structural products	<ul style="list-style-type: none"> » Structural plywood » Oriented strand board (OSB) » Structural composite materials » Glue laminated timber (Glulam) » Laminated veneer lumber (LVL) » Strand lumber (parallel or oriented)
Non-structural engineered woods	<ul style="list-style-type: none"> » Particleboard » Medium density board (MDF)

FEATURE STORY: Wood Furniture Industry Development Roadmap

Johor MB launches roadmap for development of state wood furniture industry

New Straits Times

Johor Bahru, 11 August 2016

Menteri Besar Datuk Seri Mohamed Khaled Nordin today launched the state roadmap for the development of Johor's wood furniture industry.

The five-year plan outlines the development aspects and ways to sustain the sector amidst the many challenges, including shortage of manpower and unlicensed factories.

Khaled said Johor's wood furniture industry was a big contributor to Malaysia's wood furniture exports, accounting for more than 60% of the overall wood furniture exports from Malaysia last year.

"The purpose of the roadmap is to maintain the competitiveness of Johor's wood furniture industry and to transform Johor into the biggest manufacturer of wood furniture in Malaysia, with a global significance."

"The roadmap is important and timely because in 2015, furniture exports from Johor contributed RM4.51 billion or 62% of the RM7.29 billion worth of Malaysian wood furniture exports," said Khaled in a speech at the launch of the roadmap at Galeri Glulam.

Also present were Deputy Plantation Industries and Commodities Minister Datuk Datu Nasrun Datu Mansur and Malaysian Timber Industry Board director-general Datuk Dr Jalaluddin Harun.

Khaled said the Johor Corporation is in its final stages of acquiring land in Muar for the development of the Muar furniture hub, while nearby Tangkak will become a centre for exhibiting wood furniture in Johor.

Source: New Straits Times

Existing Investors





4.2 Emerging Industries

Apart from the core industries, the state government is determined to transform Johor’s economy by tapping into new high growth areas. These emerging industries are mainly centred in the Iskandar Malaysia region. Together with the core industries, they are expected to drive the state’s economic growth in the next two decades.

4.2.1 Finance, Insurance, Real Estate & Business Services (FIREB)

Located between the two international financial hubs of Kuala Lumpur and Singapore, Iskandar Malaysia is strategically positioned to be a FIREB hub for the region.

At present, the industry is focused on retail banking and foreign exchange activity, mainly due to its status as a border region. However, Johor aspires to become the regional hub in the financial and business services sector, capitalising on Malaysia’s reputation as a global leader in Islamic finance. The influx of financial institutions and expansion of financial and business related services also made Iskandar Malaysia an attractive destination for financial and business shared services operations.

The real estate industry is another key segment that contributed to the rapid growth of Iskandar Malaysia (about 20% of GDP in Iskandar Malaysia). Such rapid development offered major opportunities for real estate related services to be provided in the region. Meanwhile, the education enclave within Johor includes Iskandar Malaysia’s Educity and Bandar Seri Alam’s City of Knowledge, as well as the Pagoh University City. These developments will house international universities and higher education institutions with curriculum offerings in business and finance. With that in mind, Iskandar Malaysia is envisioned as a southern regional node for FIREB between Singapore and Kuala Lumpur.

FIREB Investment Opportunities in Johor	
Retail Banking	<ul style="list-style-type: none"> » Retail & wholesale banking » Islamic banking
Business Services	<ul style="list-style-type: none"> » Business process outsourcing » IT outsourcing » Knowledge process outsourcing
Real Estate	<ul style="list-style-type: none"> » Real estate investment trust » Asset investment
Insurance	<ul style="list-style-type: none"> » Asset management » Insurance

FEATURE STORY: Medini Business District

A Quality Business Environment

Poised to be the heart of Medini, the new 142-hectares development is almost 16% of Medini's mixed-urban 920ha RM62 billion township formerly known as Node 1 which is made up of nine enclaves including a city centre, residential areas, a creative park, a logistics village, wellness and amusement parks.

Medini's other advantage includes a comprehensive programme of financial and commercial incentives being offered to investors and tenants. These include tax exemptions over ten years and, exclusive to Medini, income tax breaks on all land sales until 2015 and on property sales or lease until 2020.

Located across a narrow stretch of water from Singapore, with excellent air and sea links, the Medini Business District (MBD) and Singapore's Central Business District (CBD) are less than 45 minutes apart. This not only facilitates efficient transport between the two countries, but also offers considerable opportunity for Iskandar-based companies to do business in one of the world's most important commercial and financial centres. MBD will complement existing operations of banks and financial institutions in Singapore, including hosting back-office operations.

The MBD also offers opportunities for greenfield developments, supported by transportation and telecommunications infrastructure. State-of-the-art information technology application will be made available via the engineered telecommunication network. The MBD offers companies the flexibility to employ foreign knowledge workers and there are government initiatives in place to provide skilled local labour.

Fast Facts about MBD

- The MBD concept capitalises on the advanced legislative environment that the Malaysian Government has put in place over the past 25 years to position MBD as the new heart of Islamic finance in Southeast Asia with strong links to the Middle East.
- With an estimated development cost of RM13.9 billion, the MBD offers world-class planned districts for financial institutions, banks and corporate headquarters, commercial office buildings, shopping centres, condominiums and serviced apartments, 4- and 5-stars hotels, conferencing and meeting facilities, as well as community service facilities.
- Integrated business, residential and leisure facilities with distinctive, sustainable architecture creates a 24/7 living and working environment.

Source: IRDA



Existing Investors

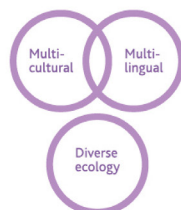
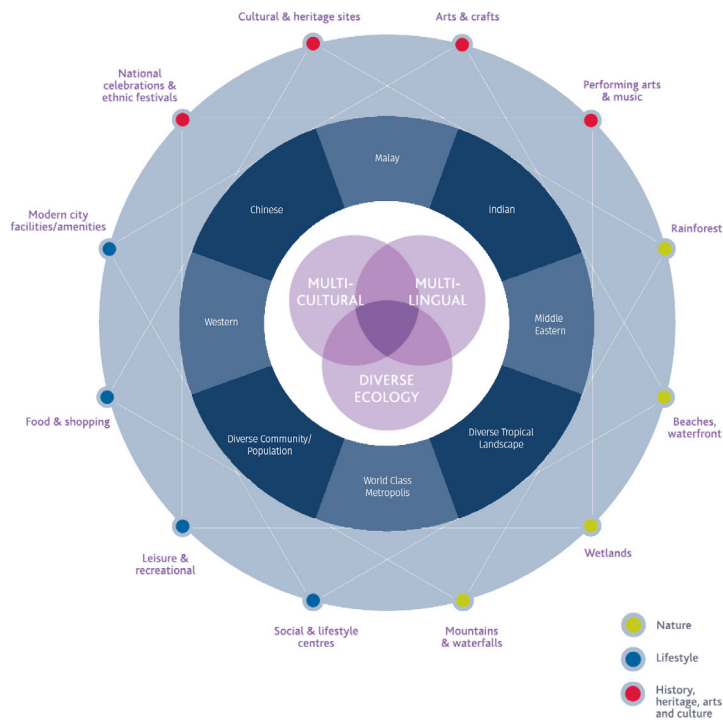
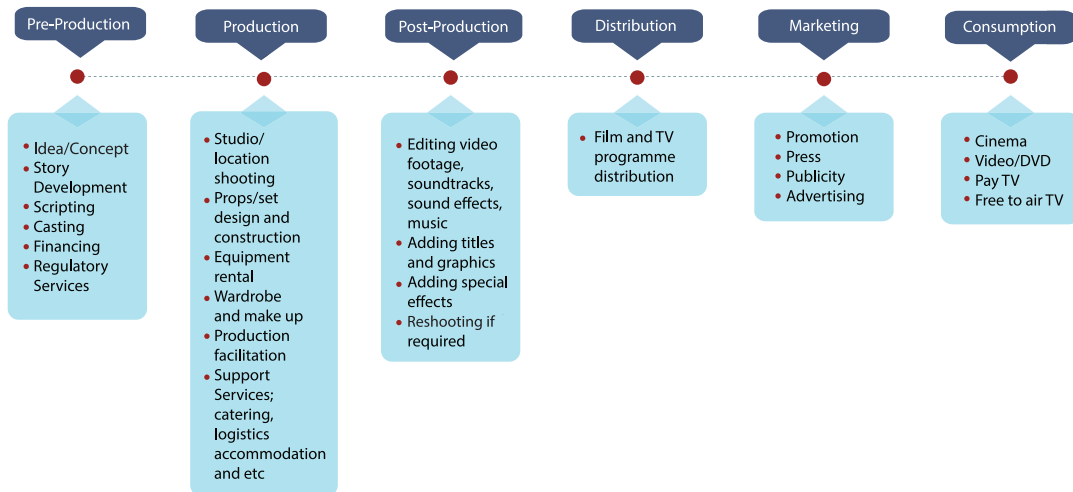


4.2.2 Creative

The creative industry is envisioned as a new catalytic industry for the state of Johor. The industry began modestly in 2010 and was dominated mainly by ICT companies unrelated to multimedia content development. However, the creative industry took a major stride in 2014 with the opening of Pinewood Iskandar Malaysia Studios. In addition to multimedia content development, the industry also includes creative arts such as fashion design, art decorations, and creative publishing. The industry presents new and exciting opportunities for Johor to transform itself into a high-income value adding and innovative economy. The industry is also expected to create a huge multiplier effect as it requires the support of SMEs to provide ancillary services across the entire value chain in pre-production, production, post-production, distribution, marketing and consumption.

Creative Investment Opportunities in Johor	
Creative Priority Sub-Sectors	<ul style="list-style-type: none"> »» Film and TV »» Animation and computer-generated imagery »» Games »» Online content »» Information and communication technology
Other Promoted Creative Sub-Sectors	<ul style="list-style-type: none"> »» Advertising »» Music »» Publishing »» Arts (performing/visual/crafts) »» Architecture/Interior design »» Fashion design

Figure: Creative Industry Value Chain



Malaysia's multi-racial environment (Malay, Chinese, Indian and indigenous people) and British colonial background provide a diverse culture which can cater to a number of key E&M markets such as China, US, UK and India.

Iskandar Malaysia offers a diverse environment for living and location shooting including a vibrant metropolis, exciting recreational and outdoor activities, large nature reserves and multi-racial talent pool.

Source: Iskandar Regional Development Authority

FEATURE STORY: Pinewood Iskandar Malaysia Studios

Pinewood Studios boost Malaysian investment zone

Yahoo News

July 2, 2014

Nusajaya (Malaysia) (AFP) - A Marco Polo-era replica ship floats in a massive water tank while just metres away ancient Mongol tents recreate the court of Kublai Khan -- welcome to Pinewood Studios' Asia production facility.

The 50-acre (20-hectare), US\$170 million complex in southern Malaysia's Iskandar investment zone is the studio's first in Asia and marks its expansion East in search of lower production costs.

Britain's Pinewood, a 78-year-old movie industry institution which boasts James Bond and the Harry Potter films in its portfolio, is the latest global entertainment brand to open operations in Iskandar.

Pinewood Iskandar Malaysia Studios (PIMS) opened its doors in June and is staging "Marco Polo" -- a sweeping 10-part historical drama about the 13th-century Italian explorer produced for US video streaming giant Netflix.

Government officials predict the complex, a licensee of Pinewood and owned by Malaysia's sovereign wealth firm Khazanah Nasional, will contribute around US\$560 million to the country's economy over the next eight years and 1,700 jobs annually.

With 100,000 square feet (9,300 square metres) of film and sound stages, sprawling backlots for outdoor shoots as well as two indoor television studios, the complex is one of Asia's largest and most modern video production centres.

More than 500 production staff from 18 countries are working on "Marco Polo", which is being produced by Hollywood heavyweight Weinstein Company and occupies most of the new studio, set next to a man-made lake and forest.

Lower production costs

Lake, a former studio executive in Australia, said Pinewood Iskandar is hoping to draw a broad range of international clients, attracted by lower production costs in Malaysia.

He also lauds its proximity to well-connected Singapore, with its western tip about 15 minutes away from the new studios by causeway.

Lake said the facility will also benefit from a new scheme rolled out by the Malaysian government last year that offers a 30 percent cash rebate on production and post-production spend for projects that exceed US\$1.6 million in value.

Foreign production companies in PIMS can leverage on its:

- Cost-effective location
- Malaysia's established production capabilities (including post-production, animation and visual effects)
- Both Malaysia and regional creative talent and resources (including Singapore, Thailand and Indonesia)

Source: Yahoo News

Existing Investors





4.2.3 Healthcare

The healthcare industry was identified as one of the key economic drivers under the National Key Economic Areas to drive the country's economy for the next two decades. In-line with the national agenda, Johor aspires to develop a seamless and integrated healthcare system that will elevate the state to become the preferred healthcare destination in the region. A key factor behind the rise of the industry was the changing demographic trends. In recent time, higher longevity levels, rise in the incidence of lifestyle diseases (e.g. chronic diseases, non-communicable diseases, and urban diseases) and rise in health consciousness are driving the demand for better healthcare services to be provided in the region. Healthcare services expenditure in Malaysia is expected to increase to US\$20 billion by 2020 according to an analysis by Frost & Sullivan.

Apart from the traditional and conventional healthcare services, Iskandar Malaysia witnessed some interesting development in the healthcare industry. For instance, some property developments were recalibrated towards providing integrated healthcare services (Rowsley's Vantage Bay healthcare city). In addition, Iskandar Malaysia is also committed to creating hallmark services that will turn the region into an ASEAN regional hub for medical tourism, tapping into the huge market within the ASEAN community (estimated population of 600 million). Iskandar Malaysia is also capable of offering premium healthcare services at competitive costs vis-à-vis other developed cities in the region such as Kuala Lumpur and Singapore.

Table: Specialist Hospitals in Iskandar Malaysia

No	Name of Hospitals	No. of Beds	Specialities
1	KPJ Johor Specialist Hospital	215	Anaesthesiology, Cardiology, Cardiovascular, Nephrology, Neurosurgery, Obstetrics & Gynaecology, Orthopaedic
2	Puteri Specialist Hospital	158	Anaesthesiology, Cardiology, Nephrology, Neurology, Neurosurgery, Obstetrics & Gynaecology, Orthopaedic & Spinal Surgery, Urology, Paediatric Surgery
3	Regency Specialist Hospital	218	Orthopaedic & Spinal Surgery, Paediatric Medicine, Anaesthesiology, Reconstructive, Plastic & Cosmetic Surgery, Cardiology, Neurosurgery
4	Columbia Asia	82	Anaesthesiology, ear, nose, & throat, Gastroenterology, Ophthalmology, Oral & Maxillofacial Surgery, Orthopaedic & Trauma Surgery, Urology, Occupational Medicine
5	Gleneagles Medini Hospital	286	Anaesthesiology, Anaesthesiology, Oncology, Cardiology, Ophthalmology, Cardiothoracic Surgery, Orthopaedic Surgery, Colorectal Surgery, Paediatric, Ear, Nose & Throat Surgery, Paediatric Surgery, General Surgery, Physician, Geriatric, Plastic & Reconstructive Surgery, Hand & Microsurgery, Psychology, Obstetrics & Gynaecology, Urology

Comparative Medical Costs for Selected Procedures (2012)

State	Cardiac Surgery (valve replacement)	Open Heart Surgery	Breast Augmentation / Reduction
Iskandar Malaysia	Min RM35,000	RM60,000	RM8,900
Kuala Lumpur	Min RM45,000	RM40,000	RM28,000
Pulau Pinang	Min RM34,300	RM30,300	RM10,000
Singapore	Min RM42,000	RM140,000	RM91,700

Healthcare Investment Opportunities in Johor

Enablers	Investment Opportunities
<ul style="list-style-type: none"> » Tap on Malaysia’s large private healthcare market » Competitive and high quality healthcare services » Multi-lingual and quality workforce at affordable cost » Establish regional COE for healthcare research and innovation, with best in class facilities » Various fiscal and non-fiscal incentives 	<ul style="list-style-type: none"> » Specialist medical services » Diagnostic medical services » R&D/COE for healthcare » Traditional complementary medicine » Wellness services » Medical equipment manufacturing » Medical tourism

FEATURE STORY: Gleneagles Medini Hospital

IHH set to ride on Gleneagles Medini

The Star

Petaling Jaya, 11 February 2016

IHH Healthcare Bhd's newest hospital, the RM400 million Gleneagles Medini, is likely to break even faster, given its world-class services and facilities and close proximity to Singapore, according to AmResearch.

"We remain upbeat on Gleneagles Medini, following our visit to the facility recently. Sitting on 15 acres of land, Gleneagles Medini is currently the only tertiary hospital operating in Medini.

"The hospital offers world-class specialist treatments using state-of-the-art medical equipment to cater to both local and foreign patients," it said in a report.

AmResearch said the hospital had been approved for Singaporeans to use their Medisave savings scheme – making it one of only three in Malaysia.

"This approval is positive to attract more Singaporeans, given the close proximity to the Tuas Second Link."

"To this end, we understand the management is looking to offer free shuttle buses to transport patients across the causeway," it said.

Given its location, AmResearch believes the hospital is a strong draw to Singaporeans as well as those (locals and expatriates) living in the Nusajaya area.

"The hospital is in the midst of increasing medical coverage by insurance companies," it said.

Open since November 2015, the RM400 million hospital is currently operating with about 40 beds and has treated more than 1,000 patients, including Singaporeans, and delivered 32 babies.

The hospital will have a maximum capacity of 300 beds and 162 medical suites. Currently, there are 32 specialist and centres of excellence in cardiology, oncology, orthopaedics, women and children, and ophthalmology.

Notably, AmResearch said the hospital offered single-bed and double-bed rooms, as well as junior suites at competitive prices.

“This is especially attractive to Singaporeans to access world-class medical treatments and boarding at cheaper prices.”

“For example, the health screening packages are about 30% cheaper than those offered in Singapore,” said AmResearch, which is maintaining its “hold” call on IHH Healthcare as it deems the counter to be fairly valued at this juncture.

Analysts noted that IHH Healthcare has done well, posting a three-year earnings per share compounded annual growth rate of 23.8%.

Its earnings before interest, taxes, depreciation and amortisation margins remain strong at 26.2% in the past two financial years.

IHH Healthcare has also been on an expansion drive, entering growth markets such as China, India and more recently, Myanmar.

Source: The Star

Existing Investors





4.2.4 Education

Johor is poised to be the new education hub in Malaysia. Strategically located at the southern tip of Peninsular Malaysia, Johor is ready to attract students from all over the world. Significant projects in this sector include EduCity, Bandar Seri Alam City of Knowledge and Pagoh University City which house internationally renowned campuses from prestigious educational institutions. Together with existing highly reputable local educational institutions such as University of Technology Malaysia and University Tun Hussein Onn Malaysia, Johor is well positioned to become the choice destination for renowned players and international students.

On the other hand, equipping local residents with the skills companies need and providing a conducive environment for highly educated workers is seen as crucial to the state’s development goals. As such, the state government and IRDA are working with the Ministry of Education and Ministry of Human Resources to develop talent in Johor and ensure residents have the skills to meet investors’ needs. It is also striving to improve the capability and capacity of local training institutes, which are benefitting from the renewed emphasis on technical and vocational education and training (TVET) at the national level.

Education Investment Opportunities in Johor	
Priority Sub-Sectors	Opportunities
Early childcare	» Scaling up early childcare and education centres
Basic education	» Scaling up international schools
Higher education	Building education discipline clusters in » Islamic finance and business » Health sciences » Advance engineering, science and innovation » Hospitality and tourism » Maritime & logistics » Creative/ICT
Training centre	» Scaling up private teacher training to expand private teacher training
International agenda	» Expanding international distance learning to champion Malaysia’s international education brand

FEATURE STORY: Educity

EduCity well on track

The Sun Daily

3 June 2014

EduCity comprises universities of higher education, academia-industry action and R&D centres, student accommodations, as well as world class recreational and sports facilities.

List of academic institutions at EduCity:

- Newcastle University Medicine Malaysia
- Netherlands Maritime Institute of Technology
- Raffles University Iskandar
- University of Southampton Malaysia Campus
- University of Reading Malaysia
- Marlborough College Malaysia
- Management Development Institute of Singapore
- Raffles American School
- Johan Cruyff Institute Malaysia
- Multimedia University

University of Reading Malaysia, University of Southampton Malaysia Campus and Newcastle University Medicine Malaysia are set to help redefine the higher education landscape in the country.

The three world-renowned British universities, part of EduCity Iskandar in Johor, are keen to set the record straight: they believe with the integrated campus concept fully in place, EduCity will succeed in achieving its goal of becoming a world-class education hub.

All three institutions naturally have plans for expansion in terms of campus, student numbers and academic programmes.

University of Reading Malaysia's campus will be ready in September 2015 and their targeted number is 2,500 students.

Osborne said if it begins well, they have an option to expand to the site next door which will offer a larger range of disciplines, with an increase in student numbers.

University of Southampton Malaysia Campus, for their part, will be starting their aerospace engineering programme which will be unique in Malaysia. For them, it is also important to build on research and they have the highest research income per academic of any campus in Malaysia.

As for Newcastle University Medicine Malaysia, they have roughly 180 staff and 1,000 students in their campus plan. There are also longer plans for expansion in 2018 or 2019.

Source: The Sun Daily

FEATURE STORY: Bandar Seri Alam City Of Knowledge

Bandar Seri Alam, the ‘City of Knowledge’ promises education at every level for residents.
Business Capital Asia
12 November 2015

Aside from EduCity, Bandar Seri Alam has also carved an identity as an education hub in Iskandar Malaysia. Acknowledged as the City of Knowledge, Bandar Seri Alam is home to several universities, a Japanese school, Nam Heng Chinese Primary School as well as seven other national primary and secondary schools.

It has been recognised as the “Education Hub” for the Eastern Corridor of Iskandar Malaysia by the Iskandar Regional Development Authority (IRDA) and is the largest fully integrated urban development in the region, with land spanning across 3,800 acres.

List of academic institutions at Bandar Seri Alam:

- Universiti Teknologi MARA
- Excelsior International School
- HELP University College
- Malaysian Arts School
- Universiti Kuala Lumpur
- Asia Metropolitan University
- MARA Junior Science College
- Pegasus International School
- Japanese School

The University Kuala Lumpur (UniKL) takes up 60 acres and commenced operations in 2011 and specialises in Industrial Process Instrumentation and Control Engineering. The university is equipped with the latest technology and state-of-the-art laboratories, workshops and equipment. Currently 3000 students are enrolled.

University Teknologi Mara (UiTM)'s 'high tech campus' is built on 200 acres and commenced in 2013. The university offers programmes for all Engineering faculties (Civil, Electrical, Mechanical and Chemical) as well as the Faculty of Business and Management and as of 2013 had 4000 students enrolled.

Asia Metropolitan University started in 2010, claiming 12 acres in the 'City of Knowledge' and offers a comprehensive range of medical, nursing and allied health programmes at all levels. It also has state-of-the-art academic and recreational facilities.

Mara Junior Science College sits on 50 acres and is a full boarding school that has been offering the Malaysian National Curriculum for 13-17 year olds since 2011. 1200 students are enrolled.

Malaysia Arts School opened its doors in the 'City of Knowledge' in 2013 and occupies 52 acres. In addition to offering the Malaysian National Curriculum for 13-17 year olds, the school offers a myriad of fine arts subjects including drama, dancing and music just to name a few.

Pegasus International School is part of the KinderWorld Education Group. Built on 10 acres in the 'City of Knowledge', the school opened to its first intake in 2013. The campus is being developed in phases; when fully developed, it will be able to take in 2500 students and offer boarding for 300 students.

Excelsior International School is built on 20 acres and commenced in 2013 and offers internationally accredited programmes, such as Cambridge International Examinations and International Baccalaureate. 1,300 students are enrolled but this has the potential to increase to 3000 in the coming years.

Lastly, the Japanese International School is built on 5 acres and opened its doors in 2011 and caters to the township's Japanese residents.

According to Freddie Lee Ah Choy, Executive Director of Seri Alam Properties, the township offers education at every level. "You can be educated all the way from kindergarten to university."

"A lot of families are buying their homes here to plan for their children's education," said Lee.

Once those children have graduated, they can subsequently attain work within Seri Alam's numerous commercial industries. Once they retire, they can enjoy their time playing golf in the township's Octville Golf and Country Club.

Awards and accolades

The Sapphire 8 residences won three awards at the Asia Pacific Property Awards 2013 held at Shangri-La Hotel Kuala Lumpur. The three awards were for Development Multiple Units Malaysia, Property Single Unit Malaysia and Architecture Single Residence Malaysia.

At the 2014 – 2015 Asia Pacific Property Awards, Seri Alam took home a couple accolades, including a High Commendation for Development Marketing, as well as a High Commendation for their own four-storey Office Development, which Lee said is a “very pleasing area to work in.”

Source: Business Capital Asia

Existing Investors





4.2.5 Biotechnology

Biotechnology is an emerging industry in Johor. The state is fast becoming a favourite destination for foreign investors in biotechnology activities, recording more than RM3 billion in investments between 2006 and 2014. A majority of the investments were foreign direct investments from countries like India, Thailand, USA, Taiwan and Switzerland. Even though it is a relatively new industry in Johor, the state government is aiming to compete with other advanced countries in the region such as India, Japan, South Korea, Taiwan and Singapore in the near future. Johor's bioeconomy encompasses all economic activities that are derived from the production of renewable biological resources and their conversion into other usable products through the application of biotechnology. At present, there are six sub-sectors in Johor's bioeconomy.

Johor's Bioeconomy and Investment Opportunities	
Bioeconomy Sub-sector	Investment Opportunities
AgBiotech	<ul style="list-style-type: none"> » Planting materials (plant tissue culture) » Crop nutrition/enhancers (bio-fertiliser, soil enhancer) » Crop protection (bio-pesticide, bio-herbicide) » Emerging areas (genetically modified organism, polyiodisation)
BioIndustrial	<ul style="list-style-type: none"> » Bioremediation (bacteria, fungi) » Fine chemicals » Specialty chemicals
BioMedical	<ul style="list-style-type: none"> » Contract manufacturing » Contract research » Contract research & manufacturing services » Medical devices » Stem-cell
Bio-based	<ul style="list-style-type: none"> » Energy sources » Bio-plastic » Oleochemicals » Biomaterials
Waste-to-Wealth	<ul style="list-style-type: none"> » Biofuels » Compost » Recyclables
BioMass	<ul style="list-style-type: none"> » Green chemicals » Wood & palm biomass

FEATURE STORY: Bio-Xcell

Potential in Johor for biotech sector

The Star

14 December 2015

Johor has the potential to emerge as one of the leading biotech players in the region focusing on agro-based activities due to its position as the leading agricultural producer in Malaysia.

Malaysian Biotechnology Corp Sdn Bhd (BiotechCorp) chief operating officer Razwin Sulairee Hasnan Termizi said Johor's strategic location was also another advantage to attract investors in the biotech industries.

"Johor has the right ecosystem and is in a good position to become a regional biotech hub," Razwin told a press conference at the launch of Purple Fiesta @ BioXCell Malaysia 2015 here last Saturday.

Johor had to reduce its dependency on labour-intensive manufacturing activities and focus on capital-intensive investments including the "clean and green" biotech activities.

The state should focus on three main segments in the biotech sector – agro-based products, health products including pharmaceutical, and industrial biotechnology, he said.

"BioXCell provides the best platform for biotech companies to spearhead the development of the biotech sector for Johor."

Malaysian BioXCell Sdn Bhd, a joint-venture company between BiotechCorp and UEM Sunrise Group Bhd in 2009, is developing the 65.15ha biotechnology park. He said Malaysia needs about 160,000 workers in the bio-based industries by 2020.

Source: The Star

Existing Investors



CROPCARE BIOTECH (M) SDN BHD



4.2.6 Halal Products

The global Halal industry was estimated to worth around US\$2.5 trillion in 2015, with Malaysia contributing approximately US\$12 billion. The state government recognises that there is a huge potential for the Halal industry in Johor with its strategic location and increasing global Muslim population of 1.8 billion as of 2013 (~28.4% of global population). As one of Malaysia's largest food producers, Johor is also looking to develop its expertise in halal with industrial parks that have been designed to cater to industries following Islamic principles. In addition, the state government recognises that there is a need to consolidate and shift the agrofood and processing industry up the value chain. As such, the government strives to create an integrated Halal industrial park that focus on offering Halal food and non-food products and services (trading, logistics, finance, R&D, certification and verification, testing centres).

Halal Economy Investment Opportunities

- » Halal agrofood and processing
- » Finance services (Islamic banking)
- » Trading services
- » Logistics and warehousing
- » Certification and verification
- » Pharmaceuticals and cosmetics
- » R&D

FEATURE STORY: Johor Halal Park

Big plans for Johor Halal Park

The Star

12 February 2016

United Malayan Land Bhd (UMLand) is developing the 142-ha Johor Halal Park in a joint venture with Johor Biotechnology & Biodiversity Corporation (J-Biotech). Phase one is likely to be completed in the fourth quarter of 2016, with phase two targeted for 2018, to create a 350 acres international Halal Park which will be one of the catalyst projects in Eastern Iskandar Malaysia, Johor.

UMLand wants to position and develop its Johor Halal Park (JHP) as the leading halal bio-based and herbal-based park in the world. JHP chief executive officer Mohd Noor Abdul Salam said the location of the park in the Eastern Gate Development Zone of Iskandar Malaysia was the added advantage for the project. He said Iskandar Malaysia's close proximity to Singapore, an international trading and finance centre would be a strong selling point to attract investors from all over the world to the park.

“We have received strong interest from companies in China, Japan, South Korea, Taiwan and Singapore to set up their operations at the park,” Mohd Noor said in a media briefing here.

The 141.63ha project is located on a 141.63ha site in Cahaya Baru near Pasir Gudang with a gross development value of RM1.5 billion to be developed over the next five to seven years. The components in the park are a regional marketing and clearing house (RMCH), integrated packaging, warehousing and logistic (IPWL), one-stop centre, scientific and halal laboratory and incubator facilities of international standard.

Mohd Noor said phase one of the project on a 20.23ha land was progressing well and is expected to be completed by the end of the year while phase two covering 80.93ha would start soon and be ready by 2018. He said phase three on a 40.46ha site would start in 2017 with a completion date in 2020, adding that the industrial area covered 80.93ha, commercial (40.46ha), RMCH (12.14ha) and bio-processing hub (8.09ha).

J-Biotech chief executive officer Wan Amir Jeffrey Wan Abdul Majid said that Johor has the right eco-system to emerge as leading bio-based halal hub in the world. He said commitments from all stakeholders at the Federal and state governments were important in order for Johor to achieve that status.

“As the main food producer in the country, Johor has the added advantage to become a leading halal hub compared with other states in Malaysia,” added Wan Amir Jeffrey.

“The halal industry is a big business with the worldwide demand for halal consumer products worth US\$2.5 trillion last year. “Malaysia’s contribution is only about US\$12 billion,” he said.

Source: The Star



4.2.7 Information and Communication Technology - Data Centre

The Johor state government is looking to establish a second cyber city within the state that is capable of rivalling Cyberjaya, Selangor. The cyber city will be anchored around a global data centre hub that will be built in the Iskandar Malaysia region. This project is part of the state government's vision to become a regional ICT hub and be headquarters to global ICT companies in the fields of creative content, social commerce and shared services. This is also an important initiative to provide high value employment that will drive the state's economy further.

Johor's ICT Investment Opportunities

Enablers	Investment Opportunities
<ul style="list-style-type: none"> » Competitive cost of electricity » Ready access to skilled employees at competitive wage levels » Availability of land » Cheap access to land » Low construction costs » Well-established ICT infrastructure 	<ul style="list-style-type: none"> » Call and data centre » Back office operation

FEATURE STORY: Johor's Cyber City

Johor's Cyber City initiative is a catalytic project that aims at accelerating economic growth, especially for an emerging industry in the state. In 2015, the state government announced that Sedenak was to be transformed into a global data centre hub on a 50,000 acre plot of land. It is expected that the Sedenak Iskandar Data Hub will create a competitive ecosystem for local businesses to scale up their capabilities and competencies with knowledge sharing from established data centre players. Even before the initiative was announced, the state government was actively looking for partners to drive the growth of ICT industry. These initiatives resulted into a few major projects:

- VADs Bhd invested RM130 million to build a two-phase purpose-build data centre for its growing data business in the region. The data centre will be built in Nusajaya Tech Park and is expected to commence operation in 2017.
- Huawei (M) Sdn Bhd, the Malaysian subsidiary of the Chinese major tech player announced to build a RM430 million worth data hosting centre in Iskandar Puteri. The centre will be used to store data content from all over the world and offering its services to regional service providers.
- Puncak Semangat invested RM30 million to build a Synergycloud Data Centre at Senai Airport City. First phase of the project started operations in December 2014 while the second phase of the project is expected to be fully operational by 2017.

5. HOW WE HELP YOU GROW

The Johor State Investment Centre (JSIC) is a one-stop-centre that represents the state of Johor in dealing with investors and helps to position Johor as an attractive destination for investment. JSIC plays an important role in matters related to the promotion, facilitation, coordination and development of investments in a broad sector of industries. Ultimately, JSIC strives to help transform Johor into a regional hub for high-technology, knowledge-based and capital intensive industries.

What can JSIC do for you?

- Provide information about Johor's business climate and investment opportunities
- Assist interested investors via direct consultation and co-operation with relevant authorities at the federal and state level
- Help to facilitate meetings with relevant stakeholders
- Assist in presenting queries to different government services
- Provide guidance on matters pertaining to government policies and procedures
- Respond to enquiries and requests in the shortest possible time

In Malaysia, various tax incentives, both direct and indirect, are provided to investors who are interested in starting their businesses.

Direct tax incentives grant partial or total relief from income tax payment for a specified period, while indirect tax incentives are in the form of exemptions from import duty, sales tax and excise duty.

There are mainly two types of incentives provided to investors:

Pioneer Status (PS)

A company granted Pioneer Status is eligible for partial exemption from payment of income tax for a specified period.

Investment Tax Allowance (ITA)

A company may apply for Investment Tax Allowance and upon approval will be entitled to tax allowance on its qualifying expenditure (factory, plant, machinery or other equipment used for the approved project) incurred within a specified period.

5.1 Incentive Packages Available for Agricultural Sector

Companies producing promoted products or engaged in promoted activities in the manufacturing sector are eligible for the following incentives:

Incentive Packages for	Types of Incentives		
	PS	ITA	Other Incentives
Food Production	Yes	Yes	Re-investment incentive
Production of Halal Food	No	Yes	No
Halal Park Operator	Yes	Yes	No
Halal Industry Players	Yes	Yes	<ul style="list-style-type: none"> • Import duty and sales tax exemption • Double deduction on expenses
Halal Logistics Operators	Yes	Yes	No

Additional Incentives for the Agricultural Sector

- Re-investment Allowance
- Re-investment in Resource-based Industries
- Re-investment in Food Processing Activities
- Accelerated Capital Allowance
- Agricultural Allowance
- 100% Allowance on Capital Expenditure for Approved Agricultural Projects
- Incentives for Companies providing Cold Chain Facilities and Services for Food Products

For more information on incentives packages available for the agriculture sector, please visit www.mida.gov.my

5.2 Incentive Packages Available for Manufacturing Sector

Companies producing promoted products or engaged in promoted activities in the manufacturing sector are eligible for the following incentives:

Incentive Packages for	Types of Incentives		
	PS	ITA	Other Incentives
Manufacturing Companies	Yes	Yes	No
High Technology Companies	Yes	Yes	No
Strategic Projects	Yes	Yes	No
Small and Medium Enterprises	Yes	Yes	No
Investment in Selected Industries	Yes	Yes	No
Automotive Industry	Yes	Yes	• R&D grants • Excise duty exemption
Utilisation of Oil Palm Biomass	Yes	Yes	Re-investment incentive
Biotechnology Industry (Only applicable to companies with BioNexus status)	Yes	Yes	• Biotechnology Funding for BioNexus Status Companies • R&D incentives

Additional Incentives for the Manufacturing Sector

- Re-investment Allowance
- Accelerated Capital Allowance
- Incentive for Industrial Building System
- Group Relief

BioNexus Status

A company undertaking biotechnology activity may apply to obtain BioNexus Status from the Malaysian Biotechnology Corporation Sdn Bhd.

For more information on incentives packages available for the manufacturing sector, please visit www.mida.gov.my

5.3 Incentive Packages Available for Services Sector

Companies producing promoted products or engaged in promoted activities in the services sector are eligible for the following incentives:

Incentive Packages for	Types of Incentives		
	PS	ITA	Other Incentives
Tourism Industry	Yes	Yes	<ul style="list-style-type: none"> Enhanced incentives for undertaking new investment in hotels Re-investment incentive
Mine Wellness City Developer, Manager and Operator	Yes	Yes	Income tax exemption for developers, managers and operators
Environmental Management	Yes	Yes	<ul style="list-style-type: none"> Accelerated capital allowance Tax incentive for Green Building Index Certificate
Research & Development	Yes	Yes	<ul style="list-style-type: none"> Re-investment incentive Incentives for commercialisation of public sector R&D Double deduction for research and development Incentives for researchers to commercialise research findings
Medical Devices Testing Laboratories	Yes	Yes	<ul style="list-style-type: none"> Incentives for Upgrading of existing testing laboratories
Training Services	No	Yes	<ul style="list-style-type: none"> Deduction for cost of recruitment workers Deduction for pre-employment training Deduction for non-employee training Deduction for cash contributions Special industrial building allowance Tax exemption on educational equipment Tax exemption on royalty payments Double deduction for approved training Tax incentive for structured internship programme Double deduction for awarding scholarship
Approved Service Projects	No	Yes	<ul style="list-style-type: none"> Income tax exemption Exemption from import duty, sales tax and excise duty on raw materials, components, machinery, equipment, spares and consumables
Integrated Logistics Services	Yes	Yes	No
Cold Chain Facilities	Yes	Yes	No
Gas and Radiation Sterilisation Services	Yes	Yes	No

Incentive Packages for	Types of Incentives		
	PS	ITA	Other Incentives
Treasury Management Centre			<ul style="list-style-type: none"> • Income tax exemption • Withholding tax exemption on interest payments/ profits on borrowings • Full stamp duty exemption
Providers of Industrial Design Services	Yes	No	No
Private and International School operators	No	No	<ul style="list-style-type: none"> • Income tax exemption • Import duty and sales tax exemption for educational equipment • Double deduction for overseas promotional expenses
MSC Malaysia Status Company	Yes	Yes	<ul style="list-style-type: none"> • Eligibility for R&D grants • Duty-free import of multimedia equipment • Exemption from import duty, sales tax and excise duty on machinery, equipment and materials
Information and Communication Technology	No	No	<ul style="list-style-type: none"> • Accelerated capital allowance • Deduction of operating expenditure • Tax exemption on the value of increased exports
Shipping and Transportation Industry	No	No	<ul style="list-style-type: none"> • Tax exemption for shipping operation • Sales tax exemption on prime movers and trailers

Approved Service Projects

Refers to projects in the transportation, communications and utilities sub-sectors approved by the Minister of Finance.

Treasury Management Centre

Refers to a locally incorporated company that provides centralised treasury management services for its group of related companies within or outside of the country.

For more information on incentives packages available for the services sector, please visit

www.mida.gov.my

5.4 Incentive Packages Available from Iskandar Regional Development Authority (IRDA)

In addition to the incentives provided above, investors who invest in the Iskandar Malaysia region are eligible for incentives provided by IRDA. The incentives packages for targeted and promoted sectors are the Flagship Incentives Iskandar Malaysia (FIM) and the Iskandar Malaysia Incentive and Support Package (ISP). In addition, foreign knowledge workers in qualifying industries are eligible for a 15% income tax rate scheme, which is relatively lower than the usual income tax rate.

Promoted Sectors

- Creative industries and related services
- Educational services
- Financial advisory and consulting services
- Healthcare and related services
- Logistics services
- Tourism

IDR Status Company

A company that undertakes qualifying activities in the promoted sectors (creative industry, educational services, financial advisory and consulting services, healthcare services, logistics services and tourism industry) may apply to become an IDR-status company.

Incentives and Support Package (ISP)	
Approved developer	<ul style="list-style-type: none"> • Income tax exemption on income derived from disposal of land in Medini • Income tax exemption on income derived from sale or rental of a building in Medini
Approved development manager	Income tax exemption on income derived from the provision of management, supervisory and marketing services to an approved project in Medini
IDR-Status company	10 year corporate tax exemption or 5 years 100% ITA
Other incentives:	
<ul style="list-style-type: none"> • Foreign knowledge workers employed by an ISP approved company is eligible to import or purchase a duty free car for personal use • Flexibility to recruit foreign knowledge workers • Flexibility from foreign exchange administrative rules 	

Flagship Incentives Iskandar Malaysia (FIM)

Fiscal Incentives:

- Corporate tax exemption for 5 years or 100% ITA for 5 years
- Import duty and sales tax exemption on qualifying equipment and machinery

Non-fiscal Incentives:

- Flexibility to recruit foreign knowledge workers
- Flexibility from foreign exchange administrative rules set by Bank Negara Malaysia

For more information on incentive packages available for Iskandar Malaysia visitors, please visit <http://iskandarmalaysia.com.my/> or <http://www.medini.com.my/>

5.5 Other Incentive Packages

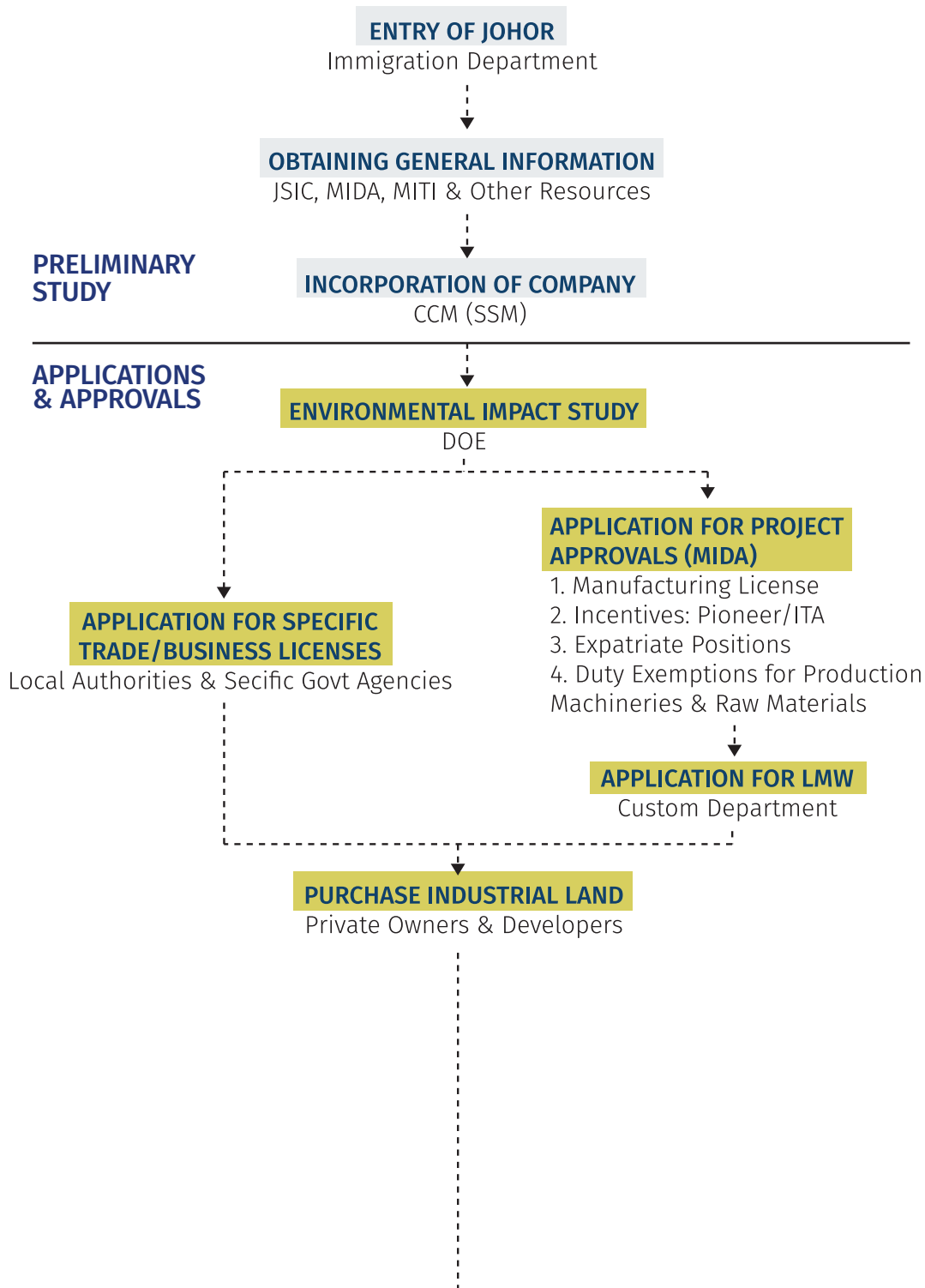
The following incentive packages may be applicable to the following sectors: manufacturing, agriculture, aerospace, tourism, environmental management, research and development, training, information and communication technology, approved service projects and manufacturing related services.

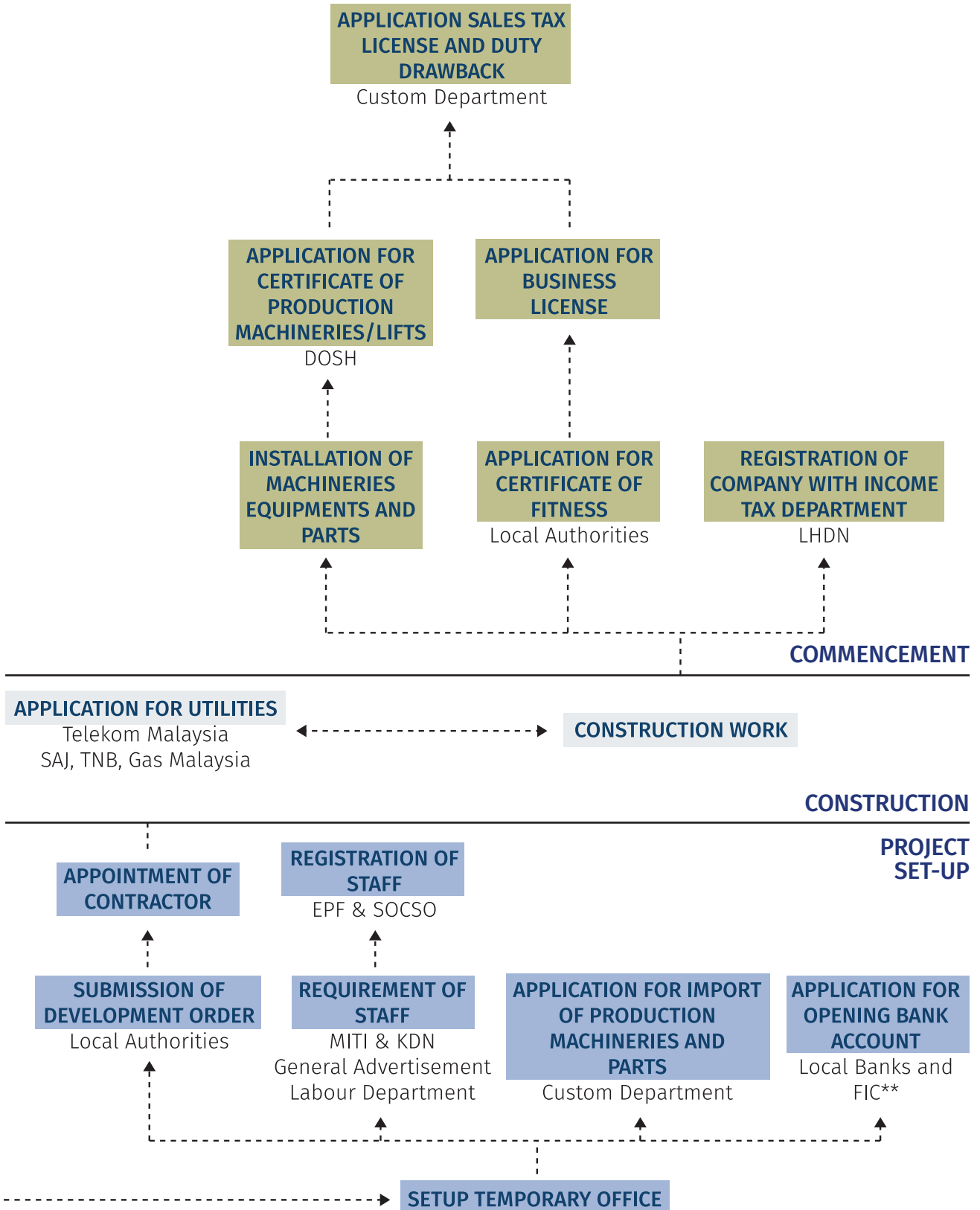
- Incentives for Principal Hub
- Industrial Building Allowance
- Industrial Building Allowance for Buildings in MSC Malaysia
- Deduction of Audit Fees
- Tax Incentives for Venture Capital Industry
- Tax Incentive on Costs of Dismantling and Removing Assets
- Incentive for Acquiring Proprietary Rights
- Tax Incentives for Small and Medium Enterprises to Register Patents and Trademarks
- Tariff Related Incentives
- Incentive for the Use of Environmental Protection Equipment
- Donations for Environmental Protection
- Incentives for Employees' Accommodation
- Incentives for Employees' Child Care Facilities

For more information, please visit www.mida.gov.my

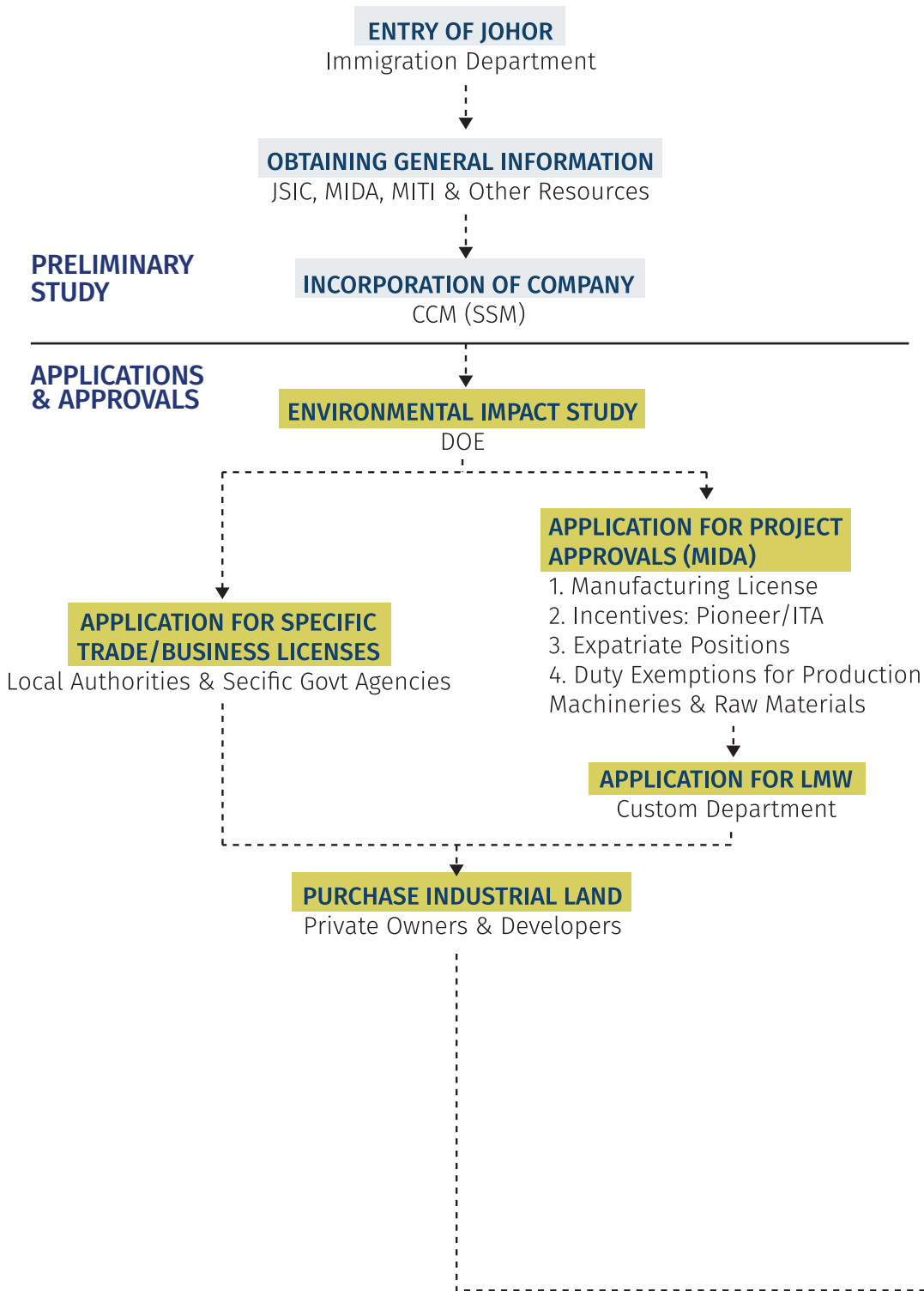
5.6 Step-by-step Guide to Operate a Business in Johor

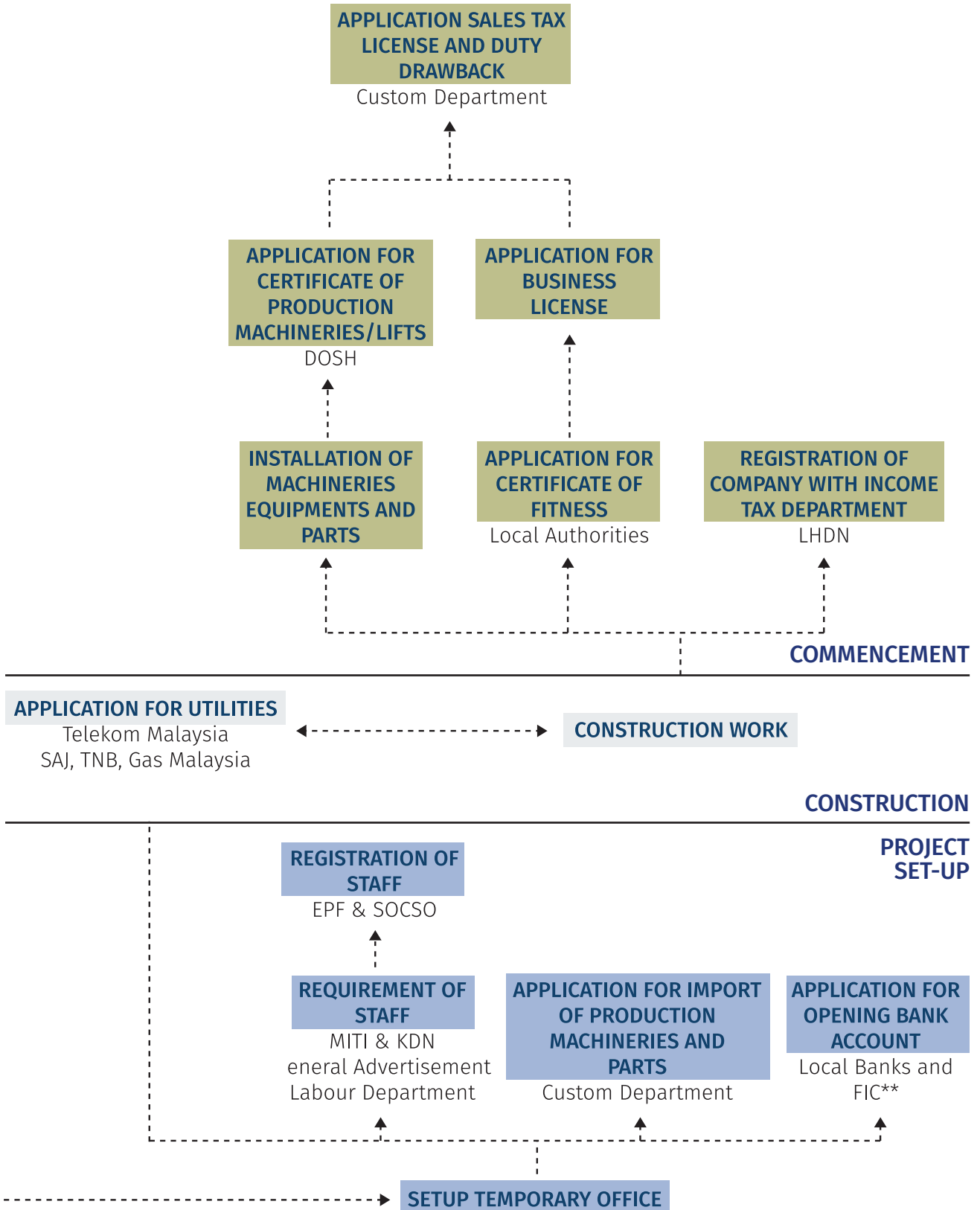
5.6.1 To Purchase New Industrial Land for Greenfield Development





5.6.2 To Lease / Rent Existing Factories / Premises







About JSIC

The Johor State Investment Centre (JSIC) was established on the 16th August 2004 under a direct administrative order of the Johor State Government. It comes directly under the purview of the "Menteri Besar" or the "Chief Minister". JSIC functions as a one-stop centre for forthcoming investors who are eager to discover various business opportunities in this robust southern state of Malaysia. Our primary function is to promote the State of Johor as the ideal investment destination in the region. We are a special purpose vehicle (SPV) responsible for achieving Johor's aspiration to become a regional hub for high-technology, knowledge-based and capital intensive industries.

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