Malaysia: Quick Facts

Key Economic Indicators
- Population: 26.6 million
- GDP: US$148 Billion in 2006
- High GDP growth: 5.8%
- High Gross national savings: 38.2% of GNP
- Low Debt service ratio: 4.3%
- Low Unemployment rate: 3.5%
- Low Inflation (CPI): 3.9%

- Total approved investments in the services sector in 2006 was US$15.3 billion
- Major investments by sub-sectors were:
  - Real estate: US$ 5.0 Billion
  - Hotel & Tourism: US$ 7.7 Billion

- Multinational corporations from more than 60 countries have invested in over 3,000 companies in Malaysia's manufacturing sector, attracted by the conducive business environment.
- Many of them have re-invested in multiple projects.
International Positioning of IDR

- The IDR lies at the heart of south east asia at the southern tip of West Malaysia within minutes from Singapore.
- Strategically located at the cross roads of East-West trade lanes.
- Mid-way between the rapidly growing Chinese and Indian Markets.

Geographical Coverage

- Singapore: Area - 690 km², Population - 4.1 M, Density - 6003.
- Dubai: Area - 3,885 km², Population - 1.2 M, Density - 309.
- Hong Kong: Area - 1,095 km², Population - 6.9 M, Density - 6301.

Geographical facts:
- Area – 2,217 sq km
  @ 547,821 acres
- >3 times size of Singapore
- 48 times size of Putrajaya

Area of Coverage:
- District of Johor Bahru
  - Mukim of Jeram Batu
  - Mukim of Sg. Karang
  - Mukim of Serkat
  - Pulau Kukup (in Mukim Ayer Masin)

Local Authorities:
- Majlis Bandaraya Johor Bahru
- Majlis Perbandaran Johor Bahru Tengah
- Majlis Perbandaran Kulai
- Pihak Berkuasa Tempatan Pasir Gudang
- Majlis Daerah Pontian (Partial)
The Vision

“A world class sustainable and environmentally friendly metropolis”
Yang Amat Berhormat Dato’ Sri Haji Abdullah Haji Ahmad Badawi
Prime Minister of Malaysia

“A Strong Sustainable Metropolis of International Standing”

“The Place in the world to work, live and do business”
YAB Dato’ Haji Abdul Ghani Othman
Chief Minister of Johor.

5 Flagship Zones

JB CITY CENTRE
New Financial District
Danga Bay Integrated Waterfront City
Upgrading of CBD
Tepi Timur Planning Mixed Dort,
Causeway

NUSAJAYA
Johor New State Admin Centre
University Park
Medical Hub
International Destination Resort
Southern Industrial Logistic Clusters

WESTERN GATE DEVELOPMENT
Tanjong Pelepas Port
Trade & Logistics
Rama 10
dor
Free Trade Zone
KAMPAN World Heritage Park
Tanjong Piai – Southernmost tip of Asia

EASTERN GATE DEVELOPMENT
Tanjong Langsat Technology Park
Kim-Kim Regional Distribution Centre
Free Trade Zone
Tanjong Langsat Port

SENAI-SKUDAI
Senai International Airport
Senai Cargo Hub
Senai Multimodal Centre
Skudai Knowledge Hub
Hi-Tech Park

The Primary Focus of Development will be concentrated in the 5 Zones
Zone A

Johor Bahru City Center
Causeway to Singapore

Danga Bay Integrated Waterfront City.

Financial District

Zone B

Nusajaya

SIILC
- Thematic Industrial Park
- GDV: RM 1.8bil

Destination Resort
- Theme Park
- GDV: TBD

EduCity
- Education Hub
- GDV: RM 2bil

JSNAC
- State Admin. Centre
- GDV: RM 1.5bil

Medical Hub
- Medical centre of excellence
- GDV: TBD

Waterfront
- Integrated lifestyle destination
- GDV: RM 1.5bil
Western Gate Development

Zone C

2nd Link to Singapore

RAMSAR Heritage Park

Port of Tanjung Pelepas

Eastern Gate Development

Zone D

Kim Kim Regional Distribution Centre

Pasir Gudang Port

Tanjung Langsat Technology Park
Zone E

Senai International Airport
Senai Cargo Hub
Hi-Tech Park
Multimodal Center

Special Economic Corridor

SEC - 44,990 hectares of land
Nusajaya-Johor Bahru-Pasir Gudang Corridor – will be the premier zone for development and investment. Existing Growth Nodes – will spearhead regional growth and be enhanced to entice and attract investors.

The main thrust of Development will begin in the Special Economic Corridor.
Development of IDR will be guided by 5 strategic pillars anchored by 3 key foundations:

- A strong and sustainable metropolis of international standing
- International Rim Positioning
- Creation of Catalyst Projects
- Establish Hard & Soft Infrastructure Enablers
- IRDA a Strong Regulatory Authority
- Balanced Socio-Economic Equity
- Equitable and Fair Distribution Among Stakeholders
- Growth and Value Creation
- Nation Building

The Development of the IDR focuses on the balancing of human and physical aspects of development while promoting sustainable development by being mindful of the environment.

What will be the key economic drivers for the IDR?

1. The Services sector is estimated to contribute US$10 billion in the IDR.
2. Sector which will be given special focus:
   a) Tourism
   b) Education
   c) Healthcare
   d) Logistics
   e) Creative Industries
   f) Financial Services

The Services sector will be the key economic driver in IDR.
Investment opportunities in the IDR relating to **Tourism** include:

- Luxury Resorts
- Hotels
- Theme Parks
- Eco-Tourism

Investment opportunities in the IDR relating to **Education** include:

- Universities
- Institutions of Higher Education
- International Schools
- Research & Development Facilities
- Training Centres
Investment opportunities in the IDR relating to **Logistics** include:

- Warehousing
- 3rd & 4th Party Logistics
- Haulage
- Air Cargo
- Regional Distribution Centres
- International Procurement Centres

Investment opportunities in the IDR relating to **Healthcare** include:

- Hospitals
- Specialist Clinics
- Alternative Medical Therapies
- Nursing Homes
- Medical Tourism
- Medical Research & Development
- Spas
Investment opportunities in the IDR relating to **Financial Services** include:

- Conventional Financial Advisory & Services
- Islamic Financial Advisory & Services

Investment opportunities in the IDR relating to **Creative Industries** include:

- Computer Animation Studios
- Video and Audio Post Production Service
- Sound Stages for video and film production
- Training facilities for creative arts and sciences
As announced on 29th August 2007, the current biggest investor is from the Middle East, as follows:

- Current total investment is about **RM4.2 billion**.
- **Mubadala Development Company** (the investment arm of Abu Dhabi) committed RM1.82 billion.
- Balance of RM2.38 billion comes from **Al Nibras 2 Ltd (subsidiary of Kuwait Finance House)** and **Abu Dhabi’s Millennium Development International Company**.
- Through partnership, this first integrated international city development, referred to as **NODE 1**, will be managed by Abu Dhabi based developer, **Atdar Properties PJSC**, which is the master developer.

**NODE 1** covers approximately **2,230 acres** of land in Nusajaya, between the new Johor State Administration Centre (JSNAC) and the Second Link.

- Concept involves creating a complete lifestyle with a balanced mixture of eastern culture, heritage and style of architecture, coupled with the latest technology, world-class logistics and security systems.
Development highlights on Three Clusters, namely:

- **Lifestyle and Leisure Cluster (1,240 acres)**
  - City Centre, Golf Village, Amusement Bay, Residential District and a Medical and Wellness Village.

- **Cultural Cluster (620 acres)**
  - Logistics Village, Creative Park and Heritage District.

- **Financial District (365 acres)**
  - International Financial District Zone.

**What are the key attractions for investors in the IDR?**

1. IDR offers **green field sites** for new development opportunities
2. **High upside potential** compared to more developed areas within Malaysia and the Region – Analysts forecasting 300% appreciation over the next 3 years
3. The **firm commitment of the Malaysian government** to support the project & open support by the Singapore government
4. High level of **Political and Economic Stability**
5. Pool of **skilled labour** with the freedom to employ foreign talent
6. Access to **World Class infrastructure** including Energy, Transportation and Communications
7. A **unique location** at the intersection of the main East-West trade lanes capable of **service the Indian and Chinese markets**
8. Well connected by air and sea
9. **Simplified and Transparent processes** to be implemented by IRDA will facilitate investment on a fast track
10. A very **business friendly environment** with English widely spoken and a Legal System based on the British Legal System
FAST FACTS ON IRDA

**IRDA Background**

- Iskandar Regional Development Authority ("IRDA") is a Federal statutory body responsible for realising the vision and objectives of IDR, i.e. to be a metropolis of international standing
- IRDA was established by a Federal Act of Parliament – IRDA Act 2007 (Act 664)
- It is a single authority or single reference point for promotions, approvals, implementations and regulations, aspires to carry best practices benchmarked against world standards
- The only agency that reflects a joint-commitment from Federal and State
- A Comprehensive Development Plan ("CDP") has been developed to steer the overall development framework for IDR, which include strategies for the physical, economic and social development as well as environment

**IRDA will be the single point of contact for all investor needs and the regulatory body for the IDR**
IRDA Key Functions

Planning
- Establish national policies, direction and strategies for IDR
- Integrate the planning policies and strategies of the Federal Government, State Government of Johore and local authorities applicable or relevant to IDR
- Identify and recommend new policies, laws and actions to enhance the competitiveness of IDR

Promotion
- Promote and stimulate IDR as a trade, investment and logistics centre, duty free area and tourist destination
- Promote private sector investment in the targeted sectors
- Facilitate and undertake economic, physical and social development in IDR

Process
- Act a principal coordinating agent on behalf of relevant Government agencies in relation to receiving, processing and expediting the requisite approvals – “One-stop Centre”
- Render administrative services and assistance to facilitate the requisite approvals in connection to matters within IDR

Organisation Structure

(Co-Chairmen)
Prime Minister
Chief Minister of Johor
Advisory Council
Board Members of IRDA
Chief Executive
Management of IRDA
Approvals and Implementation Committee
Membership of the IRDA Board

1. YABhg Tun Musa Hitam
2. YABhg Tan Sri Samsudin Osman
3. YABhg Tan Sri Kishu Tirathai
4. YABhg Dato’ Panglima Andrew Sheng
5. En Robert Kuok Hock Nien

Advisory Council

YAB Dato’ Seri Abdullah Haji Ahmad Badawi
YAB Dato’ Haji Abdul Ghani Othman

Co-Chairmen

The Board composition underlines the commitment of the Malaysian Government in ensuring the success of the IDR.
# INCENTIVES IN IDR

## Types of Incentives in IDR

<table>
<thead>
<tr>
<th>Existing Incentives</th>
<th>Customised Incentive</th>
<th>Initial ISP in IDR</th>
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<tbody>
<tr>
<td>• These are existing tax incentives offered to various industries and approved activities</td>
<td>• For investors who meet prerequisite criteria set out by MIDA and/or MOF</td>
<td>• Recently announced by YAB Prime Minister</td>
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<td>• These incentives are enacted in the Promotion of Investments Act (PIA) 1986 as well as through various gazette orders pursuant to Section 127 of Income Tax Act</td>
<td>• Bilateral in nature (based on request and consultation) with no specific guidelines</td>
<td>• Designed to encourage or kick-start early investment into IDR focusing on the targeted 6-services based sectors at designated nodes</td>
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<td>• Common ones are Investment Tax Allowance (ITA), Reinvestment Allowance (RA) and Pioneer Status, etc</td>
<td>• Customised based ultimately on the projected net economic benefit enjoyed from the investment</td>
<td>• Incentives are:-</td>
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<tr>
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<td>1. Corporate tax exemption for 10 years</td>
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<td></td>
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<td>2. Exemption from FIC ruling</td>
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<td>3. Allow to source capital globally</td>
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<td></td>
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<td>4. Can employ foreign workers without restrictions</td>
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How to Qualify for ISP in IDR?

- Must commence operation before 2015 and contribute to social development fund.
- Must only conduct business activities within the approved zones and/or outside Malaysia.
- Only for qualifying activities under the targeted 6-services based sectors.

6-services Sectors:
- Education
- Healthcare
- Creative
- Financial advisory & consulting
- Logistics
- Tourism

Details To Be Announced By Q3 2007

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