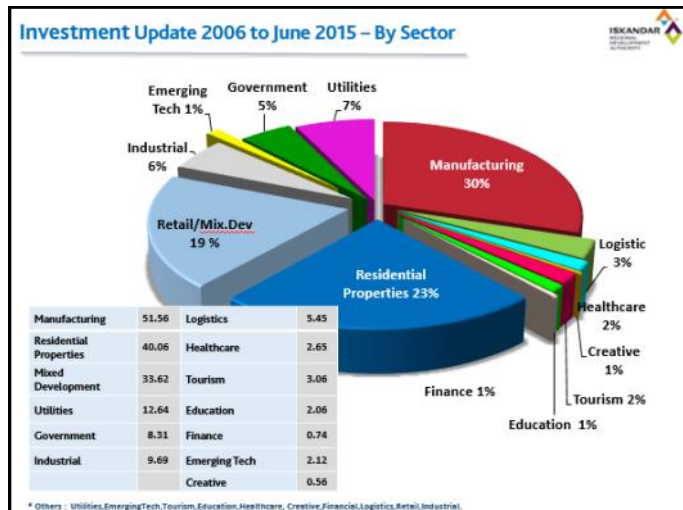
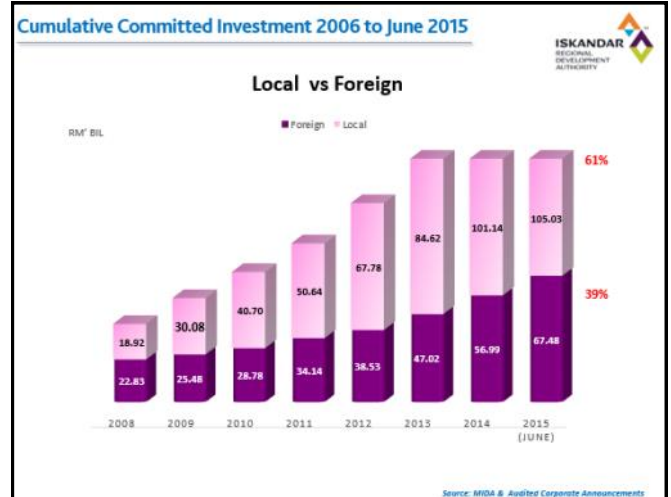
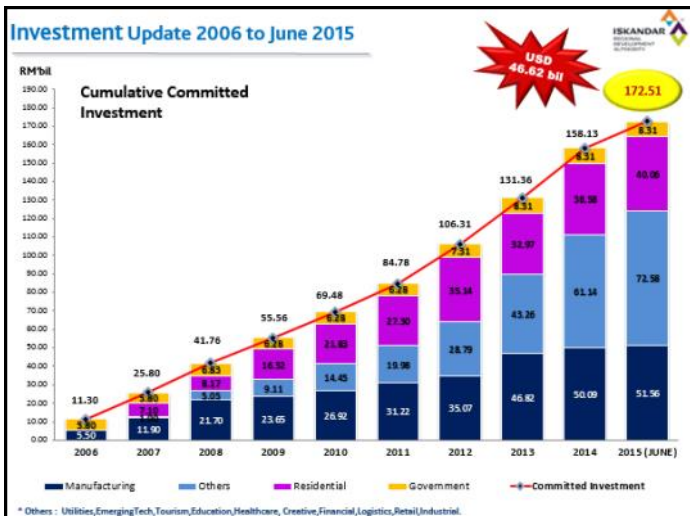




## Iskandar Malaysia's Cumulative Committed Investment Continues To Grow ....

From January 2015 to June 2015, Iskandar Malaysia has managed to attract committed investments of RM14.38 billion, making a total cumulative committed investments of RM172.51 billion for the period of 2006 to June 2015.

Local investments continued to dominate the investment landscape in Iskandar Malaysia, accounting for 61% or RM105.03 billion of the total cumulative committed investment of RM172.51 billion, while foreign investors took up the balance of 39% which equivalents to RM67.48 billion.

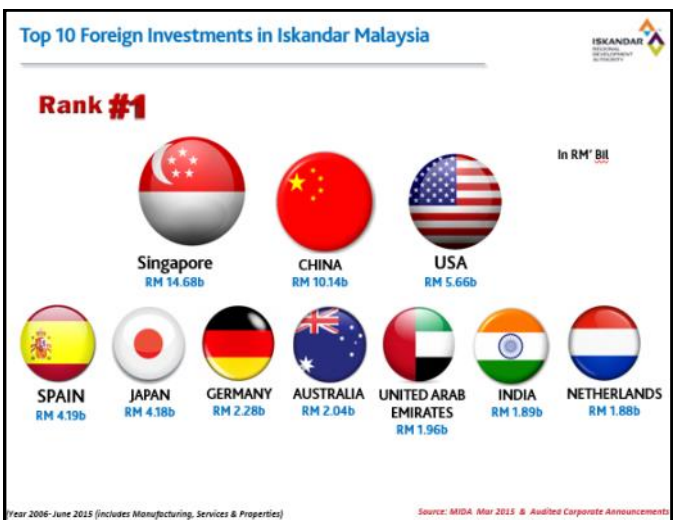


Out of the total cumulative committed investments of RM172.51 billion, 51% or RM87.81 billion had been realized to-date.

Manufacturing remained the largest contributor of committed investments at 30% or RM51.56 billion followed by residential properties at 23% or RM40.06 billion and retail / mixed development at 19% or RM33.62 billion.

Singapore, with total investments of RM14.68 billion, remained the largest foreign investor in Iskandar Malaysia with strong presence in the manufacturing, services especially in education and healthcare as well as properties.

Nonetheless, for 2015, China had overtaken USA as the second largest foreign investor in Iskandar Malaysia with total investments worth RM10.14 billion as compared to RM5.66 billion for USA.



## Iskandar Malaysia's Cumulative Committed Investment Continues To Grow ....(cont.)

### BizWatch

Judging from the size of investments from China into the region, BizWatch is of the opinion that investments from China will overtake Singapore's number one position by 2016 driven by the strong investments by the Chinese property players in Iskandar Malaysia such as Greenland, Country Garden and R&F Properties.

With the current weak global economic environment, led by the concern over China's slower economic growth, IRDA will focus its investment strategies and targets mainly on ASEAN and Asia for new investments.

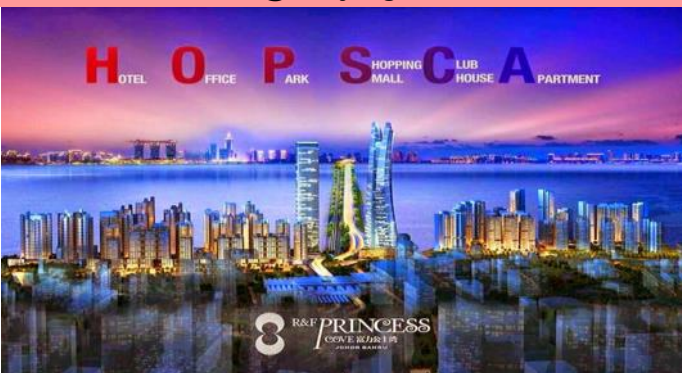
Singapore will remain the top country focus for ASEAN investments and the amount of investments is expected to increase through various initiatives under the Government to Government Joint Ministerial Committee. For Indonesia, the IRDA led, Iskandar Malaysia - Indonesia Trans regional Investment Promotion or IMITRA is expected to attract new investments from Indonesia as well as to further develop the demand market from Indonesia for our education and healthcare services.

For Asia, the focus countries will be Japan, Korea and China. Besides these countries, other target investment countries outside ASEAN and Asia will be USA and Germany.

### Country Garden Danga Bay



### R&F Princess Cove @ Tanjung Puteri



# BizWatch

## Can Iskandar Malaysia Succeed Without Singapore?

(extracted & adapted from iProperty, Khalil Adis)

### History between Singapore and Johor



With a history spanning back since the 14<sup>th</sup> century when Singapore was once the seat of governance for the Johor Sultanate to the signing of the treaty with

the British in the 18<sup>th</sup> century, Singapore's history and economy are often inextricably linked although Singapore is now a sovereign state.

While the imposing palace in Singapore still remains today, it has been converted into a mosque housing the Johor Royal Mausoleum and where members of the royal household were laid to rest at a nearby cemetery – a reminder of its glorious past.

Over the other side of the Causeway, however, is where Johor's exciting future lies, Iskandar Malaysia.

Home to the current Sultan of Johor, it appears the history is set to intertwine yet again with Iskandar Malaysia as a sort of hinterland for Singapore, as the Sultan admits.

The future is in Johor because Singaporeans, not just Chinese, will be buying homes in Johor. Homes are already beyond the reach of ordinary Singaporeans over there.

### From scepticism to optimism – the Singapore factor

When Iskandar Malaysia was first mooted in 2006 by former Malaysian Prime Minister Abdullah Badawi, Singaporeans were very sceptical about it.

It was only after the land swop deal was concluded in 2010, did sentiment turn positive.

Led by both the Singapore and Malaysian governments, both countries had agreed to jointly develop two iconic projects in Medini via Temasek Holdings and Khazanah Nasional.

Subsequently, Temasek Holdings via CapitaLand entered into a joint-venture agreement with Iskandar Waterfront Holdings to develop a land parcel at A2 Danga Island.

## Can Iskandar Malaysia Succeed Without Singapore?

(extracted & edited from iProperty, Khalil Adis) (cont.)

These factors gave Iskandar Malaysia the much needed confidence booster amongst Singaporeans to snap up properties just across the causeway.

At the peak of the market in 2013, almost 74% of non-Malaysian property buyers were from Singapore. (data from UEM Sunrise)

Figures from the Iskandar Regional Development Authority (IRDA) also showed that Singapore remains the top foreign investor during the period till now.

### Has Iskandar lost its appeal?

While Singaporeans will still look to Iskandar Malaysia to buy a property, buying activity is admittedly, not as robust as before.

Anecdotal evidence on the ground shows some developers are having problems moving units while property launches are not as well-received as before.

Various factors such as property cooling measures announced during Budget 2014, the flurry of project launches by Chinese developers and the recent toll hikes on both sides of the Causeway are causing some to stay away.

With Singapore as the top foreign investor, will this spell the end for Iskandar Malaysia?

Singapore investments include Ascott Somerset Puteri Harbour, Puteri Cove, Motorsports City and Vantage Bay, just to name a few.

### Too big to fail

While the Singapore factor may have given Iskandar Malaysia a boost on the international stage due to Singapore being a global city, it is unlikely Iskandar Malaysia will fail.

Here's why.

While Singapore may be the top foreign investor, majority of the investment are still driven by the domestic market.

Data from IRDA showed that RM105.03 billion or 61% of the total cumulative investments were from Malaysia while the rest or RM67.48 billion which is equivalent to 38% was contributed by foreign investors.

In addition, the residential property sector forms only RM40.06 billion or 23% of the total cumulative investments.

Majority of the investments were driven by the manufacturing sector at RM51.56 billion.

The biggest catalyst moving forward will be the cross-border rail link service linking Singapore's MRT to Johor Bahru's new Rail Transit System (RTS).

Once completed in 2019, it will result in more investments coming into Iskandar Malaysia and it will become the norm for Singaporeans to live in Johor and work in Singapore.

As the RTS-MRT link shows, even as we brace towards the future, the history and economies of these two countries remain inextricably intertwined.

Like it or not, Singapore still needs Iskandar Malaysia as much as it needs Singapore.

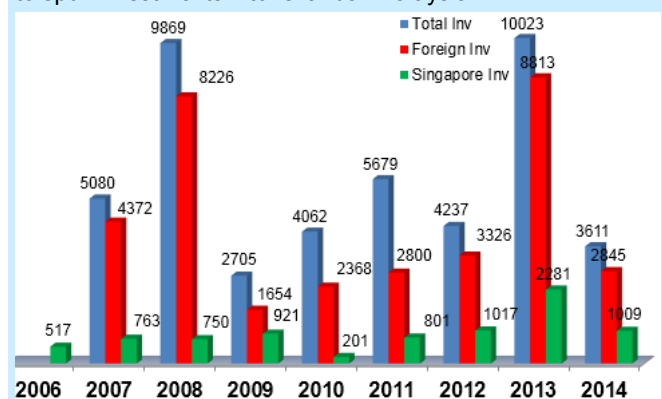
### Singapore's investments in the manufacturing sector

Of the total committed investments from Singapore (2006 to 2014) of RM14.7 billion, more than 50% of the investments have been in the manufacturing sector amounting to more than RM8 billion. The balance had been invested in education through Raffles Education Group (Raffles University, Raffles American School, MDIS Malaysia, Excelsior International School, Pegasus International School), healthcare (Regency Specialist Hospital and Econ Medicare, both of which are undertaking expansion to increase the number of beds), tourism (FASTrack Iskandar- motorsports city), integrated industrial park (Nusajaya Tech Park), amongst other projects.

On connectivity, KTMB has started its shuttle train service Shuttle Tebrau from Johor Bahru to Singapore in June 2015 with 14 services (7 from JB and 7 from Singapore). The 5 minutes journey will enhance connectivity between two countries and complement the existing buses and taxis.

On the ground, both countries are working towards improving the immigration clearance at the Causeway and the Second Link.

There will always be the strong synergistic relationship between Iskandar Malaysia and Singapore and it will continue to spur investments into Iskandar Malaysia.



Singapore's investments in the manufacturing sector  
Source: MIDA, analysis and graphics IRDA

## Eastern Gate Development —The Next Growth Centre for Iskandar Malaysia

### BizWatch



The Eastern Gate Development Zone will be the next growth centre in Iskandar Malaysia, offering good prospects for developers and investors.

Khalil Adis from Khalil Adis Consultancy Pte

Ltd said the zone would be the perfect place for developers targeting first-time house buyers in Iskandar Malaysia.

He said its close proximity to Pengerang, where the multi-billion Pengerang Integrated Petroleum Complex is taking shape, would further boost demand for properties in the zone.

"Prices of residential properties in the Eastern Gate are still affordable to most first-time house buyers in Iskandar Malaysia," he said in a talk on "First-time and Affordable Homes for Johoreans" held during the StarProperty.my Fair 2015 at Johor Baru City Square.

Khalil said the average selling price of the houses by developers in the zone, at between RM200,000 (S\$67,462) and RM300,000 each, would attract first-time house buyers.

Key developers with landbanks in Flagship D are UM Land Berhad (Bandar Seri Alam), I&P (Camwood@Taman Pelangi Indah), Ecoworld, SP Setia, amongst others.

Flagship D is also the industrial heart of Johor anchored by the Pasir Gudang Industrial Estate, Tanjung Langsat Industrial Complex and new industrial areas such as Eco Business Park III, Seri Albion and others. Flagship D is also the home of multinational companies such as MMHE, Lotte Titan, Panasonic, Hitachi, Kiswire, Technip, Trafigura, and many more. Recent investment include the RM200 million Lotte Ube plant to manufacture polybutadiene rubber in Tanjung Langsat.



The plant of Lotte Ube Synthetic Rubber at the Tanjung Langsat Industrial Complex

The Eastern Gate Development is one of the five nodes in Iskandar Malaysia.

The area of development which is the nearest development in Iskandar Malaysia to the Pengerang Integrated Petroleum Complex (PIPC) is expected to benefit from the strong investments in the manufacturing sector in the various industrial parks in Pasir Gudang and Tanjung Langsat as well as the multi-billion investments in Pengerang and Desaru. There is available good eco-system in Flagship D to support the growing development. Education institutions comprising both public and private education congregate in the City of Knowledge, Bandar Seri Alam (UiTM, Universiti Kuala Lumpur MITEC, Excelsior International School, Pegasus International School, Malaysia Arts School). Complementing this with private hospitals such as Regency Specialist Hospital, KPJ Pasir Gudang, good affordable accommodation and improving connectivity makes this an attractive investment location.



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### Editorial

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