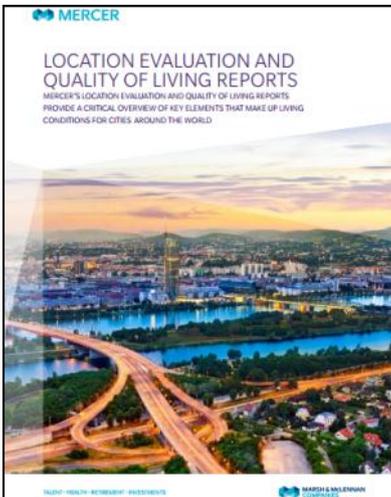


Singapore top in Asia again for quality of life, Kuala Lumpur second in Southeast Asia



Singapore may be the most expensive city in the world for expatriates but Singapore is once again the top city in Asia when it comes to quality of life, going by a Mercer survey.

Mercer conducts its Quality of Living Survey annually to help multinational companies and other employers determine expatriate pay packages when posting staff overseas.

Other key cities in Asia include Hong Kong (70), Seoul (72), Taipei (83), Shanghai (101), and Beijing (118).



Behind Singapore, the second highest-ranking city in Southeast Asia is Kuala Lumpur at 84, **Johor Bahru at 103**, Bangkok (117), Manila (136), and Jakarta (140). In South Asia, Colombo (132), ranks highest and is followed by emerging Indian cities Hyderabad (138) and Pune (145).

There were 12 Asia-Pacific cities in the top 50 which include 5 cities in Australia and 3 cities in Japan but European cities dominated the top ten places.

Mercer released its 2015 ranking on March 4, 2015, placing Singapore 26th globally but the highest in Asia, followed in the region by three Japanese cities - Tokyo (44), Kobe (47) and Yokohama (48).

Singapore has been ranked by Mercer in the top position in Asia for quality of living for several years. The global human resource consultancy evaluates local living conditions in more than 440 cities, based on factors such as political stability, level of crime, banking services, media censorship and housing, as well as availability of services such as health care, education and transport.

Vienna has the world's best quality of living with Zurich, Auckland and Munich in second, third, and fourth places respectively. In fifth place, Vancouver is the highest-ranking city in North America and the region's only city in the top 10.

At 230th place, Baghdad was the city with the poorest quality of living in the world.

TOP 10	
1	Vienna
2	Zurich
3	Auckland
4	Munich
5	Vancouver
6	Dusseldorf
7	Frankfurt
8	Geneva
9	Copenhagen
10	Sydney
BOTTOM 10	
221	Nouakchott
222	Conakry
223	Kinshasa
224	Brazzaville
225	Sana'a
226	N'Djamena
227	Khartoum
228	Port-au-Prince
229	Bangui
230	Baghdad



Singapore top in Asia again for quality of life, Kuala Lumpur second in Southeast Asia

BizWatch

The Mercer's Quality of Living Index evaluate factors within the following categories namely political and social environment, economic environment, social-cultural environment, medical and health considerations, schools and education, public services and transport, recreation, consumer goods, housing and natural environment.

Of these 10 categories, Singapore has managed to score good marks in all these categories which make them at the top of the Quality of Living Reports in Asia, followed by Tokyo, Kobe and Yokohama.

Globally, Singapore is ranked at 26th place, while Kuala Lumpur is at 84th place.

Interestingly, all the cities on the top 50 list are in developed countries.

In the same Index, Johor Bahru is ranked 103 ahead of other Southeast Asian cities such as Bangkok (117), Manila (136), Jakarta (140), Ho Chi Minh (153). Bandar Seri Begawan is ranked at 102, just one ranking above Johor Bahru. The entrance of Johor Bahru onto the Mercer list lends credence in our plan to develop a sustainable Iskandar Malaysia.

While Kuala Lumpur and Johor Bahru may be below Singapore in the Quality of Life Index, it can offer better opportunities when we compare the cost of living among the cities in Asia. In the Economist Intelligence Unit (EIU) Report, Singapore retained its position as the world's most expensive city ahead of Paris, Oslo, Zurich and Sydney. The EIU compares the cost of more than 160 services and products including food, clothing and utility bills.

Needless to say, costs are still reasonable in Kuala Lumpur and Johor Bahru.

The liveability aspect of Johor Bahru currently may lag behind Kuala Lumpur, but our strategic position next to Singapore and upcoming infrastructure projects and initiatives makes it an exciting emerging city to live and work and bringing up the family.

BizWatch

BizWatch (cont.)

BizWatch is of the opinion that in the next few years, Iskandar Malaysia or Johor Bahru will be able to move up its position in the Mercer's Quality of Living Reports.

In the next few years, Iskandar Malaysia should be able to improve in all the categories evaluated in the Quality of Life Index.

With strong economic growth and political stability, Iskandar Malaysia has already attracted foreign and domestic investments represented in the RM158 billion in cumulative investments (2006—2014). Johor is the top state for investments in the manufacturing sector in 2013 and 2014. This will provide good business opportunities for investors and entrepreneurs.

On top of that, superb and first class infrastructure such as roads connectivity, ports and airports within the region are factors that one should take into considerations in considering a place to do business or to live.

Ample international schools and private higher education institutions as well as good medical facilities and hospitals around Iskandar Malaysia will be a plus point for Iskandar Malaysia.

Iskandar Malaysia also offers world class recreational facilities such as LEGOLAND, Puteri Harbour Family Theme Park and Angry Birds Themepark as well as a host of natural and cultural attractions.

The commitment from IRDA to promote the green economy and a low carbon lifestyle will build towards a sustainable development which will offer a more holistic and liveable environment for all.



Office and Industrial Development in Iskandar Malaysia

(adapted from the WTW 2015 Property Outlook,)

BizWatch



M6 Office at Medini Nusajaya

While there is strong slew of developers, both local and foreign focusing on developing high rise residentials in Iskandar Malaysia, there is also a growing interest to develop offices, commercial buildings and industrial sites. With the strong committed investments especially in the manufacturing sector as well as in the tourism, education and healthcare sectors, there is a need for good commercial spaces to house the operating offices besides an increasing demand for good industrial sites.

The WTW 2015 Market Outlook is positive on office, retail and industrial spaces for Iskandar Malaysia.

Office Sector

Purpose-built offices retained its position as the preferred choice for major corporations, specifically in the main markets (i.e Klang Valley, Penang, Johor, Kota Kinabalu and Kuching). The office sector remained stable in 2014 and is expected to be resilient in 2015.

Demand for office space has been stable and the vacancy rate was about 25% in 2014. The rental rate for prime office space in Johor Bahru remained steady at RM2.80 to RM3.50 psf per month while it was RM1.80 to RM2.50 psf for other office building.

In 2014, Medini 6, a four 2-storey office blocks with total GFA of 80,000 sq ft was completed. The building represented the first major commercial building in Medini, Nusajaya is fully tenanted and Huawei Technologies, a leading global ICT solutions provider occupies some 10,000 sq ft. The average rental rate of Medini 6 is about RM4.50 psf which is the highest in Johor Bahru. Adjacent to Medini 6 is Medini 7, a 4 storey office building with estimated GFA of 140,000 sq ft is scheduled for completion in mid 2015.

The increasing interest for office space was reflected in the good sales performance of Sunway Iskandar Citrine in Medini where all of the 167 units of office suites were fully sold for RM760 psf on average. The purpose-built office tower will be completed by 2017.

Industrial Sector

In 2013, Johor and Iskandar Malaysia received the highest investments in the manufacturing sector by state and by corridor with RM14.4 billion and RM10 billion respectively. In 2014, Johor retained its top position as the magnet for investments in the manufacturing sector with approved investments of RM20.18 billion. The momentum and implementation of these manufacturing projects will create the demand for good industrial areas.

Terraced factories continued to be the main product comprising 58% of the total supply of industrial properties. Nusajaya continued to be the most sought after area in 2014 and the lack of supply has pushed up the value in the sub-sale market. For example, industrial plots in SiLC Industrial Park have increased from RM55 to RM75 psf in 2013 to RM75 to RM80 psf in 2014 while semi-detached factories changed hands at RM370 psf on average. In the nearby Nusa Cemerlang Industrial Park, semi-detached factors were transacted at about RM330 psf on average.

Two new industrial developments were launched in 2014. The Nusajaya Tech Park, a joint venture between Ascendas and UEM Sunrise has a total development size of 519 acres with its 2-storey semi-detached and detached factories in Phase 1 priced between RM380 to RM445 psf. The first batch of Phase 1 factories is expected to be completed by 4Q2015.

Tropicana Business Park with 300 acres and 72 units of 2 1/2 storey terraced and semi-terraced factories were launched with selling price of RM350 and above psf.

Further in Kulaijaya but a mere 20 minutes to Nusajaya is the i-Park@Indahpura Phase 3 and SME City, developed by AME and AME+Axis Joint Venture.

These new industrial parks will incorporate green features and will come with integrated facilities including workers' accommodation, common recreational space and high security. We can expect these industrial parks to set the new standards for industrial park development not only in Johor but also in Malaysia.



Artistic impression of detached factories at Nusajaya Tech Park

PM launched the Services Sector Blueprint and Logistics and Trade Facilitation Masterplan

(Bernama 16 March 2015)



Datuk Seri Najib Tun Razak launched the Services Sector Blueprint and Logistics and Trade Facilitation Masterplan which outlined the strategic steps to optimize the sector's contribution to the nation's economy.

The services sector is the main driver of the economy and key generator of job opportunities, contributing some 55% to the gross domestic product (GDP) in 2014 and provided 8 million jobs.

"In 2020, the sector's contribution to GDP is expected to increase to 58%, with growth of 6.7% annually for the 2016 to 2020 period", he said in his speech.

The Services Sector Blueprint outlined several changes including internationalization of services companies, improving human capital development and integrated sectoral governance reform. There will be some 29 action plans out of which 11 would be to stimulate export of services.

Among the identified services sector are tourism, knowledge intensive sub-sectors such as ICT, private education, healthcare, construction and professional services, all of which have huge potential to drive exports.

"At the same time, focus will be given to the logistics industry which has strong network with other economic sectors", he said.

The Logistics and Trade Facilitation Masterplan was formulated to provide strategic direction to increase economic efficiency and stimulate exports.

IM BizWatch

The identified sub-sectors for export of services are the same services sectors that we are promoting in Iskandar Malaysia which are tourism, private education, healthcare and professional services. We should leverage on the strategic projects (existing and upcoming) in Iskandar Malaysia and the initiatives in the Blueprint to craft a strong value proposition for investors to invest in Iskandar Malaysia.

BizWatch

Coronation of HRH Sultan Ibrahim of Johor 23 March 2015



Sultan Ibrahim Ibni Almarhum Sultan Iskandar was crowned the fifth Sultan of Johor on 23 March 2015 in a coronation ceremony steeped with tradition and heritage of Johor. The last coronation ceremony held for a Johor ruler was held 55 years ago for the coronation of the late Sultan Ismail (1959-1981) on Feb 10, 1960.

The same ceremony was crowned Raja Zarith Sofiah Almarhum Sultan Idris Shah as the Permaisuri of Johor.

The Johor Council of Royal Court president Datuk Abdul Rahim Ramli noted that unlike in other states, in Johor, the selection, appointment and proclamation of the successor to the throne would suffice to confirm the installation of the head of state.

Thus the coronation is not part of the process of installing a Sultan but based on the traditions of the Johor royal court, a coronation could be held anytime on the request of the proclaimed Sultan.

The crown was specially commissioned by the late Sultan Sultan Abu Bakar (1862-1895) designed by royal jeweler JW Benson from London.

March 23rd is now officially been gazetted as Hari Keputeraan Sultan Johor public holiday to coincide with the official crowning of the Sultan of Johor to replace the November 22nd public holiday.



Editorial

Economics and Investment
Iskandar Regional Development Authority
Low Mei Leong meileong@irda.com.my
Arif Kasmuri arif.kasmuri@irda.com.my

Articles are adapted from public documents. Comments are personal views of authors and professional advice should be sought when making business decisions. IRDA will not be liable for the accuracy and/or validity of the above statements.