Johor Economic Transformation Plan (JETP).

Final Report –Executive Summary

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Executive Summary.

Executive Summary.

Johor Economic Transformation Programme (JETP) in Summary.

Lab & Stakeholder Engagements	**Strategic Leadership Engagement (SLE)** **70+ State Leaderships** engaged from various agencies & state GLCs	**Focus Group Discussion Lab** **132 participants** from private and public sector, academic & SMEs	**Stakeholder Engagements** **150+ stakeholders** engaged, both private sector and public sector
Identified Investments	**A total of 83 projects have been identified, with a potential investment value exceeding RM167 billion** These projects, spanning 10 priority sectors, were identified through extensive stakeholder engagements and have undergone a rigorous investment filtration process to assess their potential high impact		
Strategic Interventions	**13 flagship strategic interventions across 4 categories have been identified to accelerate project implementation and capture emerging opportunities** The proposed strategic interventions aim to address systemic bottlenecks such as water self-sufficiency, digital customs, regulatory sandboxes, and talent pipelines while unlocking opportunities in areas like green industry and advanced TVET		
Potential Impacts	**Potential GDP:** **RM62 billion** in potential additional GDP beyond organic growth to RM262 billion, surpassing Johor's goal of reaching RM260 billion in GDP by 2030	**Potential Employments:** **112,000** approximately of new employment opportunities are projected to be created from these identified investments	

Johor state is projected to achieve high-income state status by 2030 with the projected increase in GDP per capita to approximately RM70,000 by 2030 from RM59,000 in 2024

Source: PASB Analysis

Our findings suggest that Johor has positioned itself as a premier investment destination, but strategic interventions are required to unlock full realisation of these approved projects

Johor has highest approved investments in the country, largely driven by data center investments

Approved investments in Johor in recent years have relied heavily on data centres, while manufacturing has seen a plateau in both investment value and project numbers

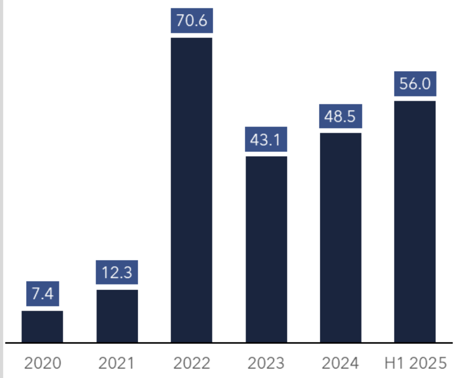
Despite being Malaysia's top investment destination, Johor's implementation rate averages just 72%, below the national average of 87%

Only 60% of approved projects in the services sector have been implemented while the manufacturing sector shows a higher implementation rate of 88%

Recognising these challenges, JETP pivots Johor's economic strategy from simply securing more investment approvals to ensuring faster and broader realisation of those already approved

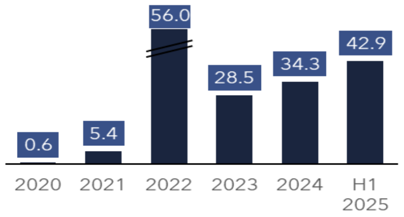
Johor Approved Investments, 2020 –H12025

Total Approved Investment:
RM237.9 billion

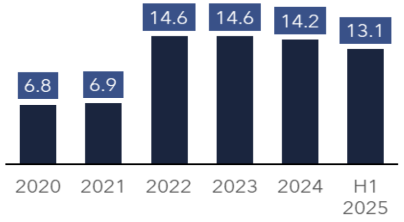


Approved Investments by Sectors, 2020 –H12025

App. Investments (Services):
RM167.7 billion

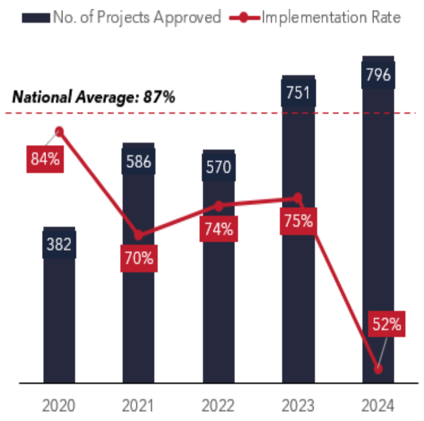


App. Investments (Manufacturing):
RM70.2 billion



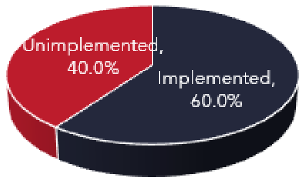
Projects Implementation Rate, 2020 –2024

Implementation Rate Average:
72%

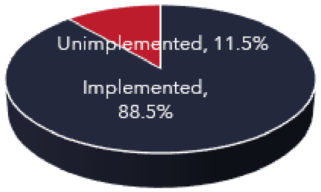


Implementation Rate by Sectors, 2020 –2024

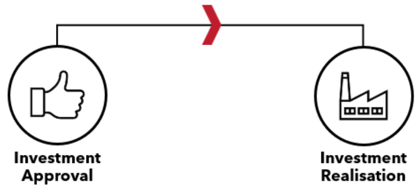
Implemen. Rate (Services):
60%



Implemen. Rate (Manufacturing):
88.5%



JETP Focus



Key Strategic Interventions:

- Infrastructure Readiness
- Investors Friendly Policy
- Incentives & Investment Facilitation
- Talent & Workforce

Source: PASB Analysis

To accelerate the realisation of investments and drive long term economic sustainability of the state, strategic interventions were developed and detailed

JETP recommends 32 strategic intervention initiatives across 4 key categories

The Initiatives were co-developed with key stakeholders across public sectors that will address roadblocks and enable new opportunities

Out of the 32 initiatives, 13 were shortlisted as flagship initiatives that the state must prioritise to catalyse transformative change that are designed to generate strong multiplier effects across across the economy in Johor

JETP Focus

- Infrastructure Development — 13
- Ease of Doing Business — 5
- Private Investment Catalyst — 8
- Talent & Capacity Building — 6

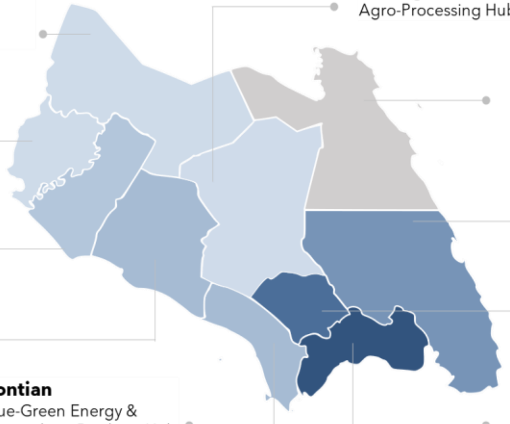
JETP Flagship Strategic Intervention Initiatives

1. Advancement Towards Treated Water Self-sufficiency
2. Digitalisation of Customs Clearance Processes
3. Johor Transition Industrial Cluster
4. Elevated Autonomous Rapid Transport (EART)
5. Lebuhraya Pantai Timur (LPT) 4
6. Enhancing Mersing's International Connectivity
7. Revitalisation of Segamat In-land Port
8. Johor Regulatory Sandbox
9. Developing a Strategic Industrial Land Consolidation & Release Programme (SILCRP)
10. Establishing Mersing as a Special Tourism Investment Zone (STIZ) and Free Commercial Zone (FCZ)
11. Operationalising JS-SEZ Productivity Linked Waged Policy
12. Developing Johor’s Dual-Track TVET Programme
13. Establishing Johor’s Innovation Corridor

To further drive economic inclusivity and long-term growth, each district will play a key role in contributing to a thriving and vibrant economy

While JS-SEZ will be the core anchor of the state's economy, there is an increasing need to ensure economic inclusivity across other districts

JETP recommends that each district could play a complementary role to one another which builds the foundation of a thriving economic ecosystem spanning diverse sectors



Segamat
High-Value Crops and Biomass Processing Region

Tangkak
Strategic Transit Centre and Eco-Tourism Hub

Muar
Industrial Energy Complex, Integrated Tourism & High Value Food Processing Industry Hub

Batu Pahat
High-Value Manufacturing and Processing Industry

Pontian
Blue-Green Energy & Aquaculture Products Hub

Kluang
Agro-Processing Hub, Agriculture and Logistics Hub

Mersing
Blue Economy and Eco-Tourism Hub

Kota Tinggi
Green Chemistry, Agriculture and Tourism Hub

Kulai
AI and High-tech Manufacturing Hubs, Digital Economy, Aerospace and Export-oriented Services

Johor Bahru
AI and High-tech Manufacturing Hubs, Digital Economy, Aerospace and Export-oriented Services

Simultaneously, the exponential interest and development of Data Centers across the state presents a unique opportunity to harness infrastructure dividends which can propel Johor to capture high-value industries

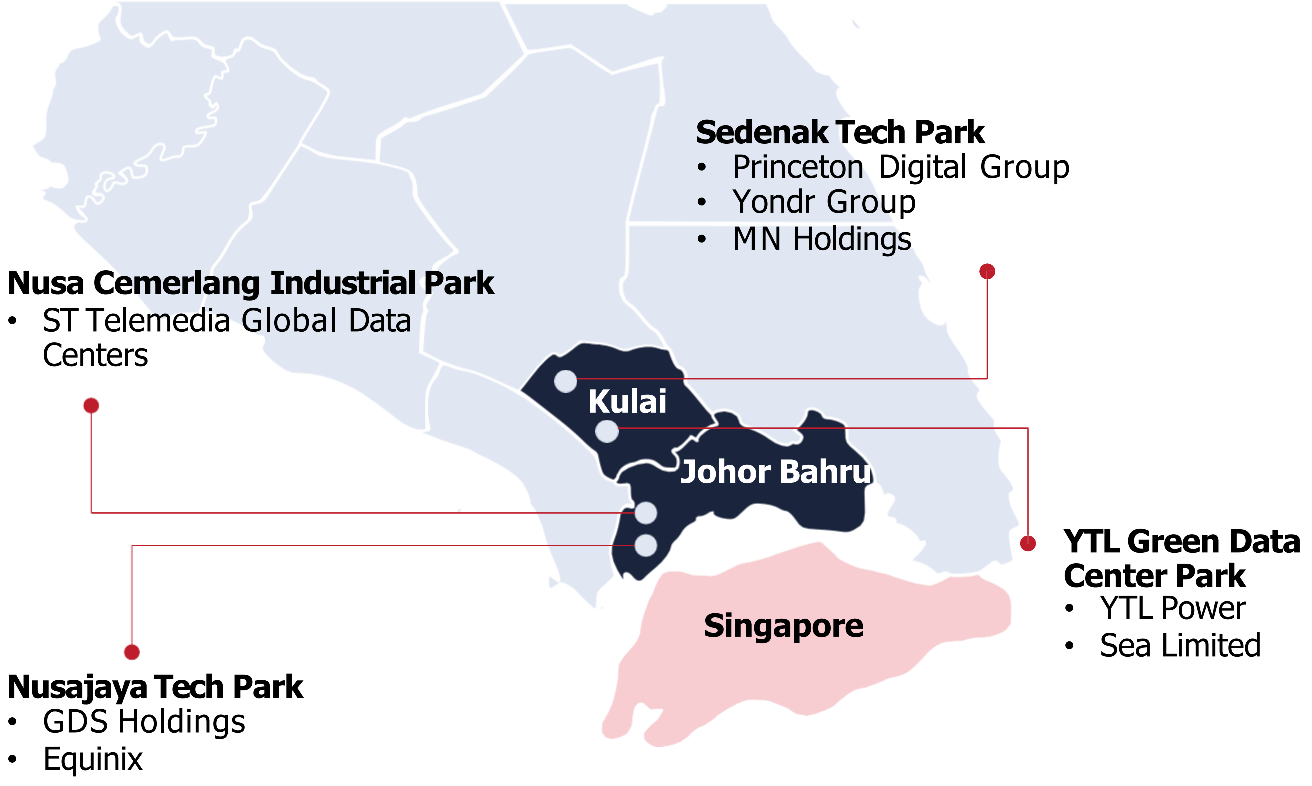
Influx of Hyperscale Data Center Investments > *Massive Upgrades to Core Infrastructure* > *Spillover Benefits to Surrounding Industrial Zones*

Long-Term Outcome
- The improved infrastructure paves the way for high-value industries thus presenting Johor as a regional tech-driven industrial hub

Johor's growing data center presence has elevated its global profile, prompting accelerated infrastructure development to boost investor confidence in long-term utility security

Data Centers in Johor

NON-EXHAUSTIVE



Johor stands to benefit from "infrastructure dividends" resulting from the influx of data center investments into the state

Influx of Hyperscale Data Center Investments
- Leading global tech firms such as Microsoft, AirTrunk, and BridgeDC are investing in Johor to expand their hyperscale data center

Massive Upgrades to Core Infrastructure
- Significant improvements in power supply, fibre connectivity, water access, and road networks are underway to support data center operations

Spillover Benefits to Surrounding Industrial Zones
- Upgraded utilities in data center areas extend to nearby manufacturing parks, warehouses, and logistics hubs—enhancing speed, bandwidth, and reliability for advanced industries like EV assembly and cross-border e-commerce

Long-Term Outcome
- The improved infrastructure paves the way for high-value industries, especially advanced manufacturing adopting Industry 4.0 technologies such as robotics, automation, and AI—strengthening Johor's position as a regional tech-driven industrial hub.

Source: MIDA, PASB Analysis

Through lab and extensive engagements with various stakeholders, the team has identified 83 high impact projects that need to be prioritized based on the established filtration criteria

Project Filtration Process

Project Lists	Filtration Process	Shortlisted Projects

State & Federal Plans
90 Projects

State & Federal Agencies
1,813 Projects

Direct Industry Players
42 Projects

Filtration #1: Alignment with priority sectors and sub-sectors

Projects must align with prioritised sectors

Filtration #2: Investment Approval Status

Projects must not be cancelled and not yet implemented

Filtration #3: Data Completeness (i.e., those with clear investment values and project owners)

Projects must have complete information on investment value and project owners

Filtration #4: Projects' Investment Value Minimum of RM50 million

Projects must be above RM50 million investment

83 Shortlisted Projects

1,945 projects in total from these sources	**1,282 projects** satisfy this criteria	**868 projects** satisfy this criteria	**118 projects** satisfy this criteria	**83 projects** satisfy this criteria	**83 shortlisted projects** in total

Source: Various state and federal documents, MIDA, IRDA, Invest Johor, ECERDC, various state's GLCs, selected industry players

The 83 shortlisted projects have an earmarked total investment value of RM167.4 billion

Total Investment Value

RM 167.4 billion

Total Investment Value of Identified Projects

Number of Projects

83

Total Number of Identified Projects

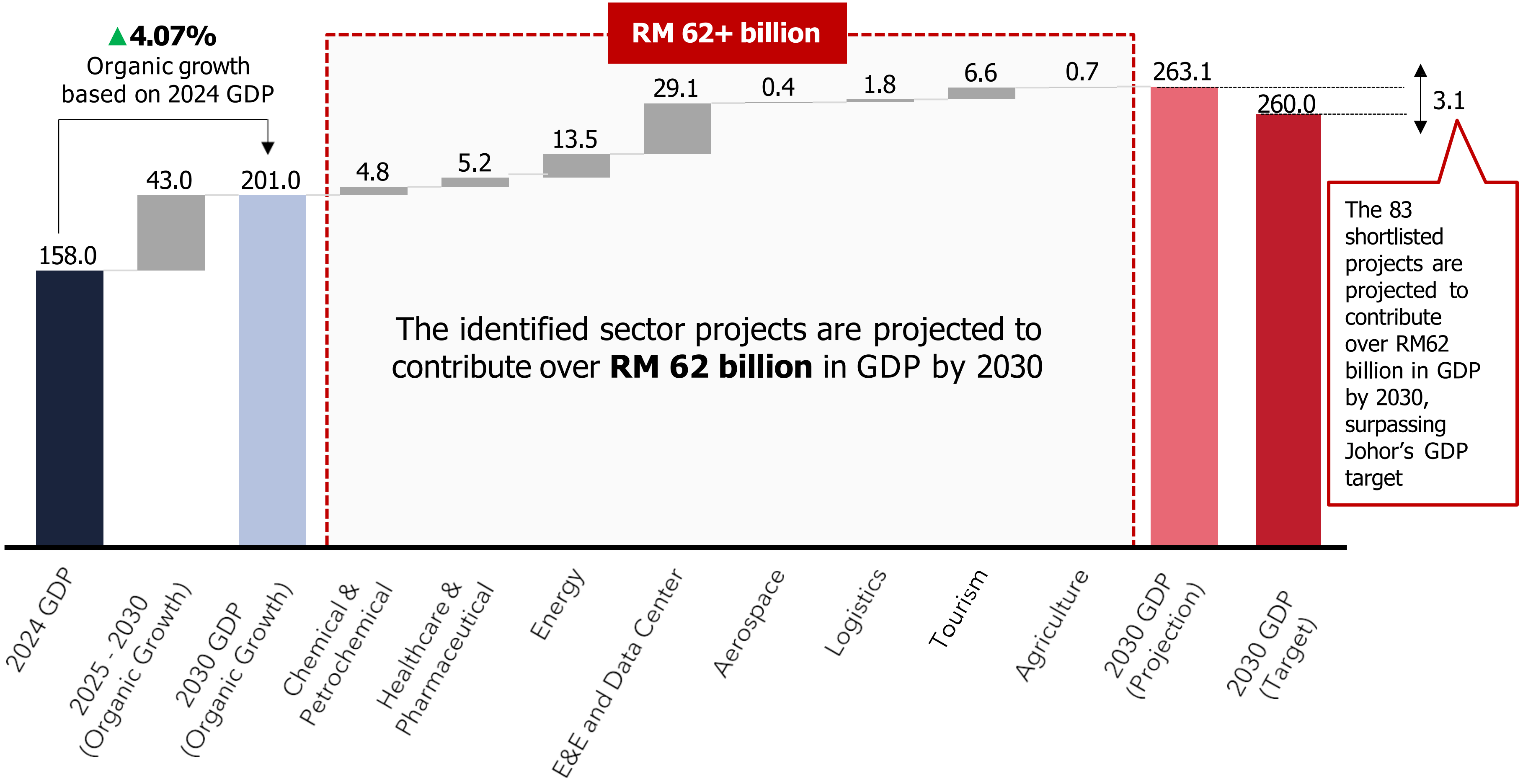
Sector	Investment Value	Projects
Chemical & Petrochemical	RM17.5 billion	13 Projects
Healthcare & Pharma.	RM7.3 billion	18 Projects
Energy	RM28.2 billion	9 Projects
E&E and Data Centers	RM95.8 billion	27 Projects
Aerospace	RM3.0 billion	1 Project
Logistics	RM3.4 billion	4 Projects
Tourism	RM11.3 billion	7 Projects
Agriculture	RM0.9 billion	4 Projects

Source: Various state and federal documents, MIDA, IRDA, Invest Johor, ECERDC, various state's GLCs, selected industry players

The shortlisted projects are projected to generate over RM62 billion in GDP by 2030, raising Johor's total projected GDP to RM263 billion and enabling the state to meet its 2030 target

GDP Growth Projection (RM'bil), 2025 –2030

RM Billion



Sector Projects GDP Contribution:

- The JETP sector projects are key to Johor's goal of reaching a RM260 billion GDP by 2030
- The current 83 shortlisted projects contribute over RM62 billion to Johor's economy by 2030
- Data center and energy are the primary contributors, highlighting their critical role in Johor's economic growth

Source: DOSM, PASB Analysis

Adjusting RM263 billion GDP to *current prices,* Johor is projected to reach close to RM70,000 in GDP per capita by 2030

Johor GDP Per Capita (Current Prices), 2024 - 2030
GDP Per Capita (RM), Population ('000)

GDP 2030:

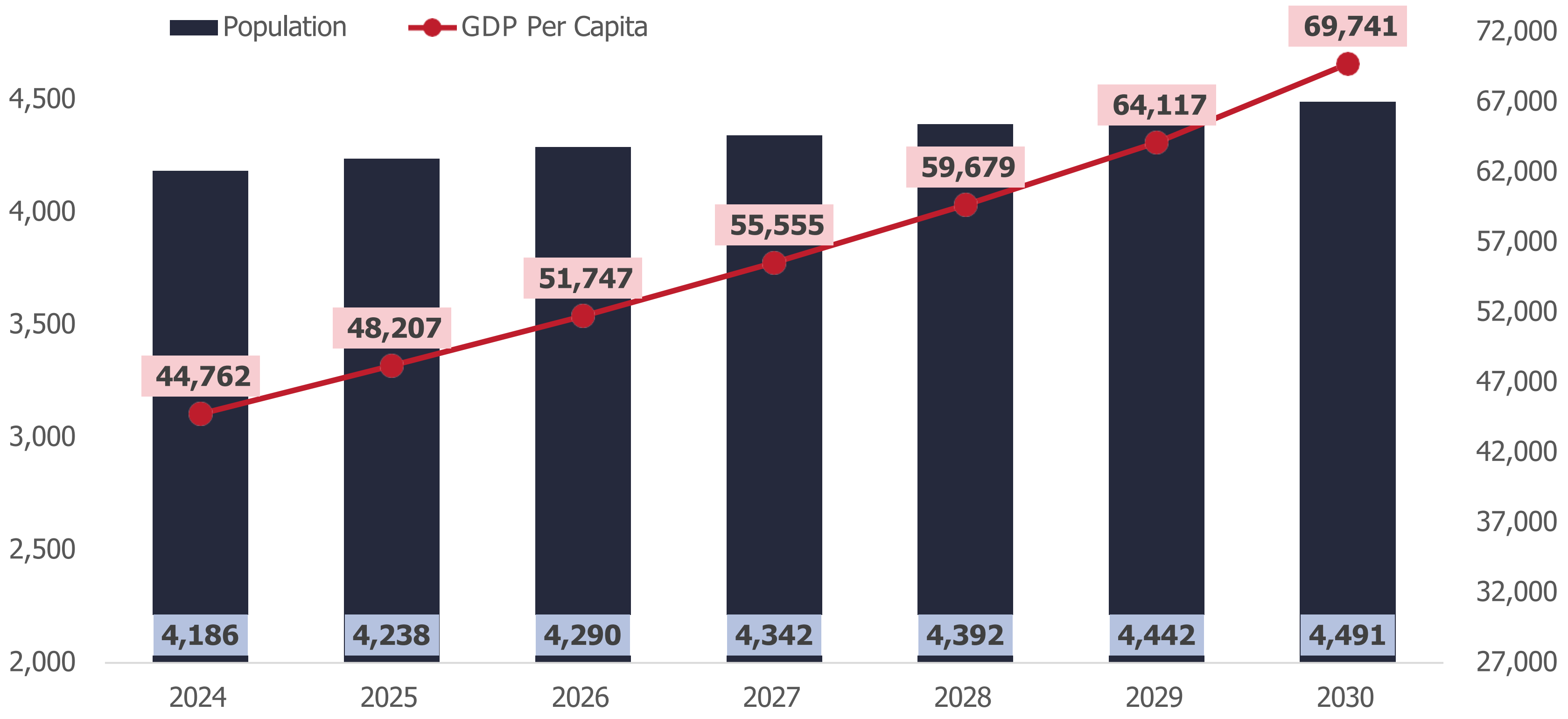
2030 GDP (constant price): RM263 billion

X

GDP Deflator: 119.1%

=

2030 GDP (current price): RM313 billion



CAGR 2024 –2030:

GDP Per Capita: +7.7%

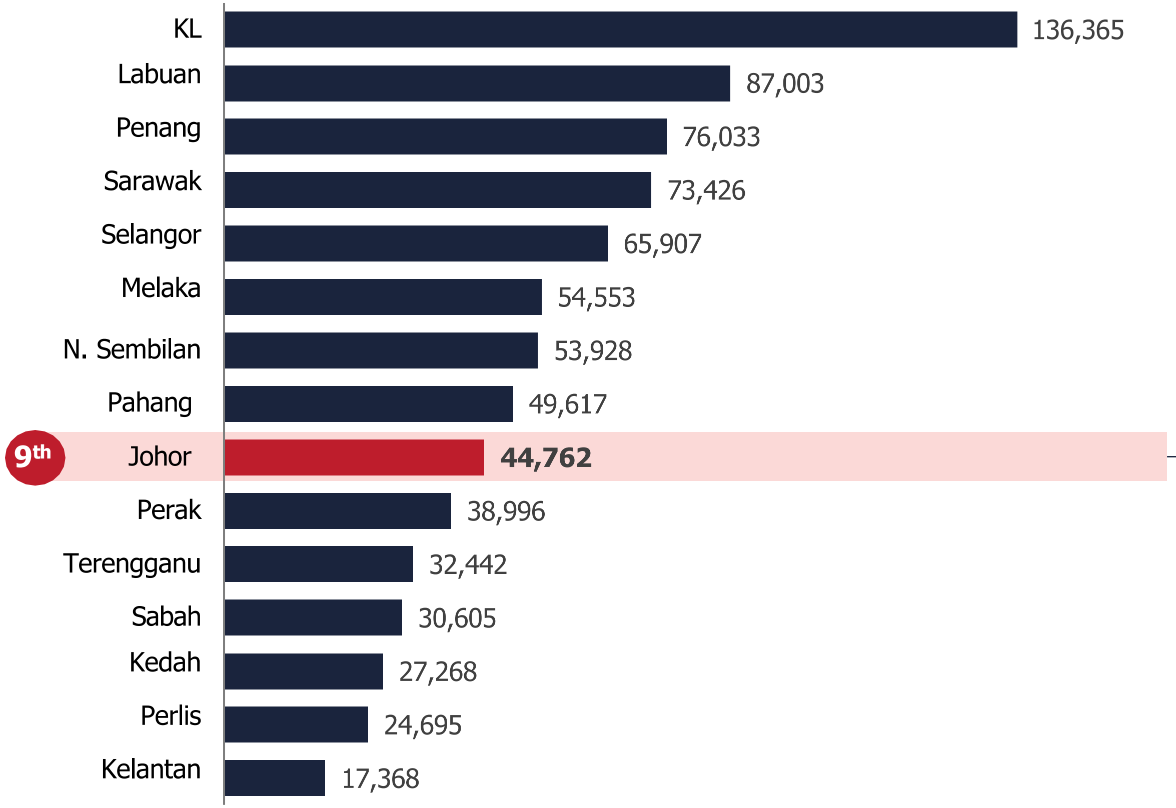
Population: +1.2%

Johor's GDP per capita is expected to increase at CAGR of 7.7% reaching RM69,741 by 2030

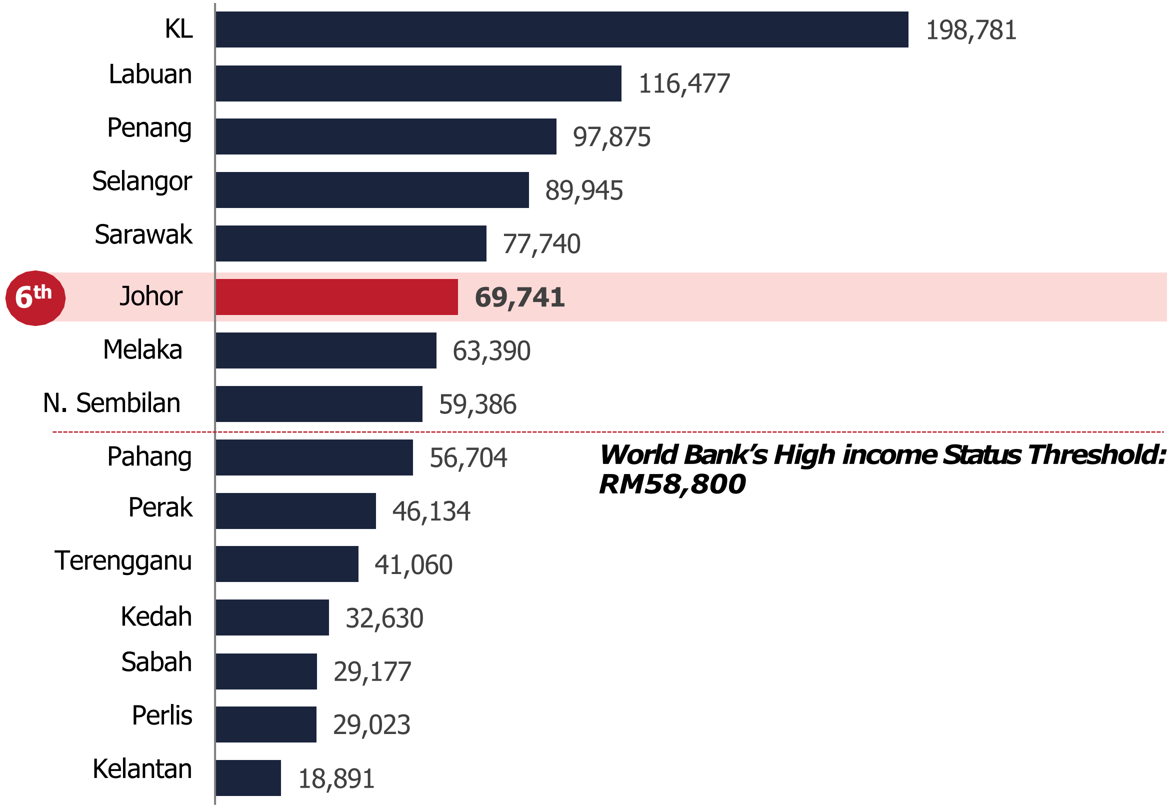
Source: DOSM, PASB Analysis

At RM70,000 GDP per capita, Johor is projected to become a high-income state by 2030, based on the World Bank's current threshold of RM58,747[1]

GDP Per Capita (Current Prices) by States, 2024
(RM '000)



Projection on GDP Per Capita (Current Prices) by States, 2030
(RM '000)

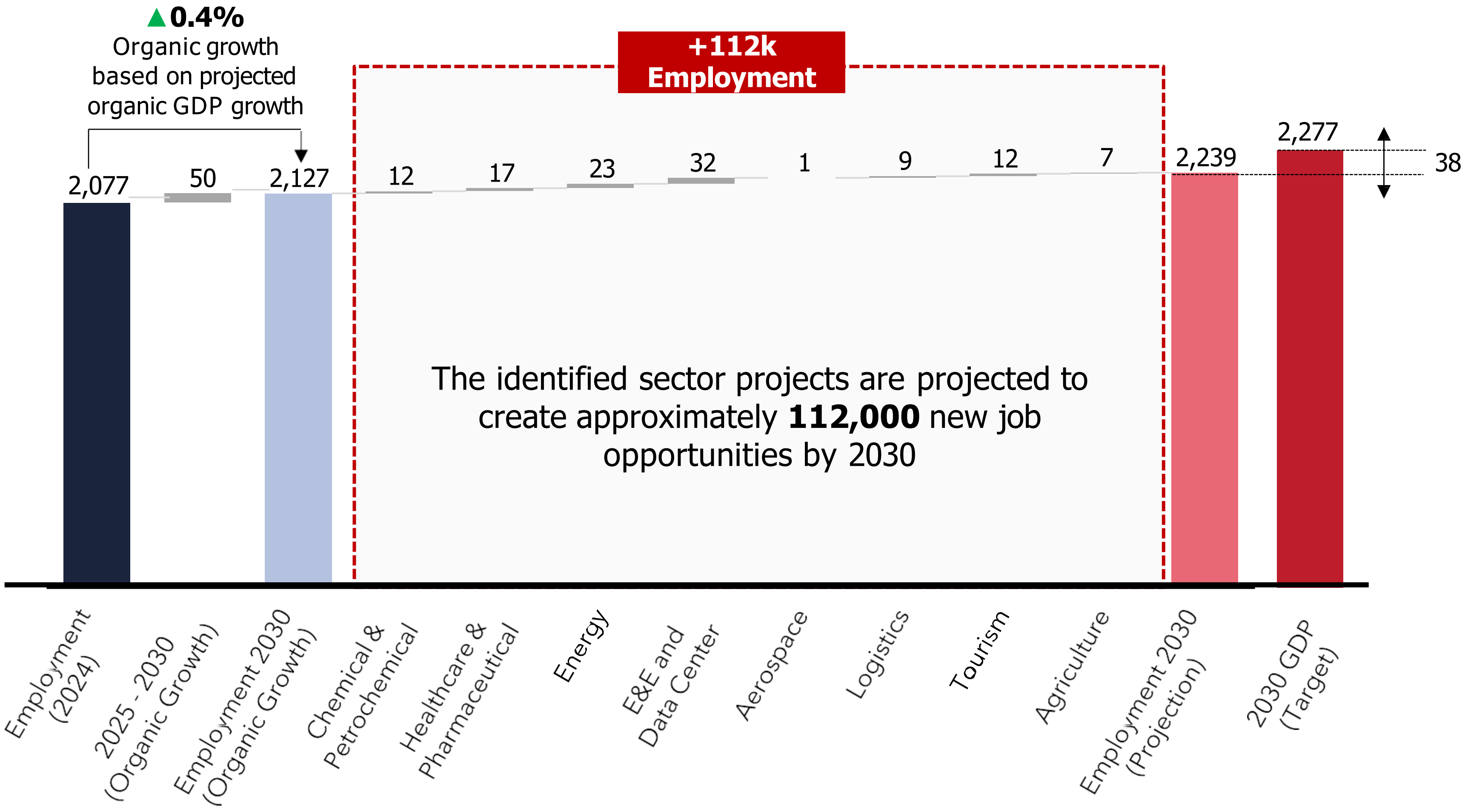


Johor's GDP per capita is projected to grow at a CAGR of 7.5%, improving its national ranking from 9th to 6th by 2030, uplifting the state to surpass World Bank's definition of high-income status

Source: DOSM (2024). A high-income nation is defined by the World Bank as one with a gross national income (GNI) per capita of $13,936 or more in 2024, subject to change on a yearly basis. [1]

The shortlisted projects are simulated to contribute approximately 112,000 new employment opportunities to Johoreans by 2030

Total Employment Projection, 2025 –2030
(‘000)



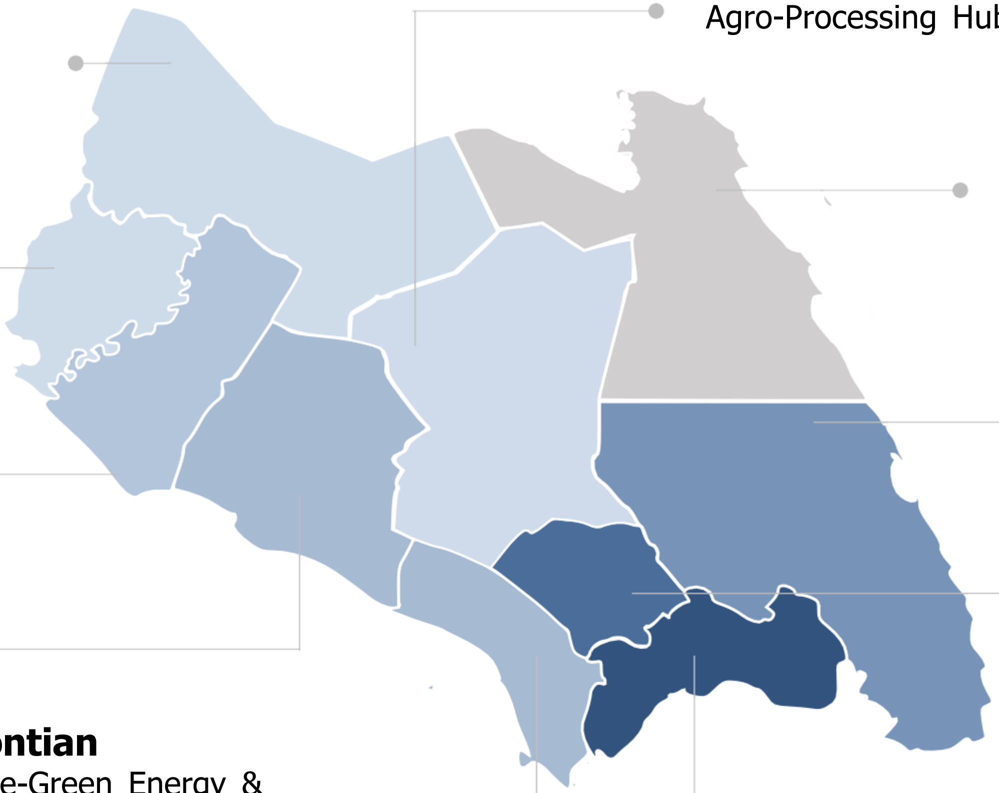
Sector Projects Employment Contribution:

- The identified sector projects are projected to contribute approximately 112,000 new job opportunities for Johoreans by 2030, aligning with Johor’s economic growth trajectory
- Key sectors such as E&E and Data Centers and Energy are major drivers of employment generation, with the largest projected contributions to job creation
- The total employment growth, factoring in both the shortlisted projects and organic growth, is expected to result in over 162,000 job opportunities by 2030

Source: DOSM, PASB Analysis

With an emphasis on ensuring all districts in Johor complement one another on an economic perspective, strategic roles were identified across respective districts based on its potential

District Future State



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High-Value Crops and Biomass Processing Region

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Strategic Transit Centre and Eco-Tourism Hub

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Green Chemistry, Agriculture and Tourism Hub

Kulai
AI and High-tech Manufacturing Hubs, Digital Economy, Aerospace and Export-oriented Services

Johor Bahru
AI and High-tech Manufacturing Hubs, Digital Economy, Aerospace and Export-oriented Services

Cumulative 5-Year Manufact. Approved Investment (2019-2023, RM'Bil)

<1 | 2 - 4 | 5 - 7 | 8 - 10 | 25 - 35

Source: DOSM.
Note: Data on Approved Manufacturing Investment in the Mersing District was not published

13 Flagship Initiatives:

Flagship Initiatives were selected based on their overall economic impact and ease of implementation respectively

Out of the 32 initiatives, 13 flagship initiatives were shortlisted to be further prioritised and accelerated (1/2)

Key Flagship Initiatives	Implementing Party
1. Advancement Towards Treated Water Self-sufficiency	1. Ranhill SAJ, Johor Special Water (JSW), PDT, etc.
2. Digitalisation of Customs Clearance Processes	2. Jabatan Kastam Diraja Malaysia (JKDM)
3. Johor Transition Industrial Cluster	3. MyDigital, Johor State Government
4. Elevated Autonomous Rapid Transport (EART) 5. Lebuhraya Pantai Timur (LPT) 4	4. Ministry of Transport (MOT)
6. Enhancement of Mersing's International Connectivity	5. Ministry of Transport (MOT)
7. Revitalisation of Segamat In-land Port	6. Ministry of Transport (MOT), Majlis Perbandaran Segamat
8. Johor Regulatory Sandbox	7. Johor State Investment, Trade and Consumer Affairs Committee
9. Developing a Strategic Industrial Land Consolidation & Release Programme (SILCRP)	8. JCORP

Resolving Roadblocks

Emerging Opportunities

Source: Co-Creation through engagement with Stakeholders, PASB Analysis
Note: Numbers assigned to flagship initiatives serve only as identifiers and does not indicate priority

Out of the 32 initiatives, 13 flagship initiatives were shortlisted to be further prioritised and accelerated (2/2)

13 Flagship Initiatives:

Flagship Initiatives were selected based on their overall economic impact and ease of implementation respectively

Key Flagship Initiatives	Implementing Party
10. Establishing Mersing as a Special Tourism Investment Zone (STIZ) and Free Commercial Zone (FCZ)	9. Majestic Johor
11. Operationalising JS-SEZ Productivity Linked Waged Policy	11. Johor State Human Resources Committee
12. Developing Johor's Dual-Track TVET Programme	12. JSkills
13. Establishing the Johor Innovation Corridor	13. IRDA, Johor State Investment, Trade and Consumer Affairs Committee, JTDC

Resolving Roadblocks

Emerging Opportunities

Source: Co-Creation through engagement with Stakeholders, PASB Analysis
Note: Numbers assigned to flagship initiatives serve only as identifiers and does not indicate priority

02

Project Background.

Johor Economic Transformation Programme (JETP)

PEMANDU's role in the development of JETP is divided into two key phases

Project Phase	Description	Key Deliverables
 **Phase1:** Strategic Leadership Engagement	Facilitate high-level discussions with Johor's senior leadership to define the state's strategic direction for economic transformation	• *Baseline assessment* • *True North targets for JETP* • *Prioritised sectors of JETP*
 **Phase 2:** Lab	Conduct multi-stakeholder engagements with public and private sector representatives to identify key investment challenges and develop actionable strategies	• *Lab preparation materials* • *Interim Lab Report* • *Final Lab Report*

The JETP development began in January and concluded with a final lab report consolidating key findings, strategies, and interventions as a guideline for the state government

Jan – Feb '25	Feb – Jun '25	Jun – Aug '25
Phase 1: Strategic Leadership Engagement	**Phase 2: Lab**	**Phase 3: Post Lab**
Baseline Assessment • Assess Johor's economic landscape, strategic plans, and recent developments • Identify key gaps and benchmark Johor's performance against relevant comparisons	**Stakeholder Engagements** • Conduct interviews with key stakeholders to identify catalytic projects across sectors • Identify bottlenecks that hinder investment and project implementation	**Strategic Interventions / Initiatives** • Prioritise key issues that need to be addressed to accelerate investment realisation • Develop strategic interventions to resolve implementation barriers
Strategic Leadership Engagement (SLE) • Engage state leadership to align on Johor's transformation direction • Define the True North targets for 2030 and prioritised sectors for JETP	**Focus Group Discussion (FGD)** • Facilitate FGDs with stakeholders in prioritised sectors • Co-develop sector visions and strategies aligned with JETP objectives	**Validation & Co-creation** • Validate the proposed interventions with relevant agencies and stakeholders • Refine and co-create detailed implementation plans for the state government

Output / Deliverables

Phase 1	Phase 2	Phase 3
Baseline assessment	Lab preparation materials	Final lab report
True North targets & prioritised sectors	Interim lab report	

JETP was developed through extensive stakeholder engagements, adopting a co-creation approach to ensure the plan is practical and implementable

Phase1: Strategic Leadership Engagement

JETP Official Launch

200+ Participants
from various government agencies, local and district offices, state GLCs and private sector industry players

Key Discussion Items:
- Johor baseline assessment
- True North visioning exercise

Strategic Leadership Engagement

70+ State Leaderships
leaders of various government agencies, local and district offices and state GLCs

Key Discussion Items:
- True North targets
- Sectors prioritisation

Phase2: Lab

Stakeholder Engagements

150+ Stakeholders Engaged
from both private sector and public sector

Key Discussion Items:
- Investment opportunities
- Key issues & challenges

Focus Group Discussion (FGD)

132 Total Participants
from private and public sector, academic and industry experts

Key Discussion Items:
- Sectoral vision
- Sectoral growth strategies

Phase 3: Post Lab

Initiatives and Implementation Plan Development

40+ Stakeholders
engaged involving private and public sector representatives to ensure alignment in initiative ownership and clear implementation plan

Key Discussion Items:
- Targeted initiatives requiring state government intervention
- Implementation plan

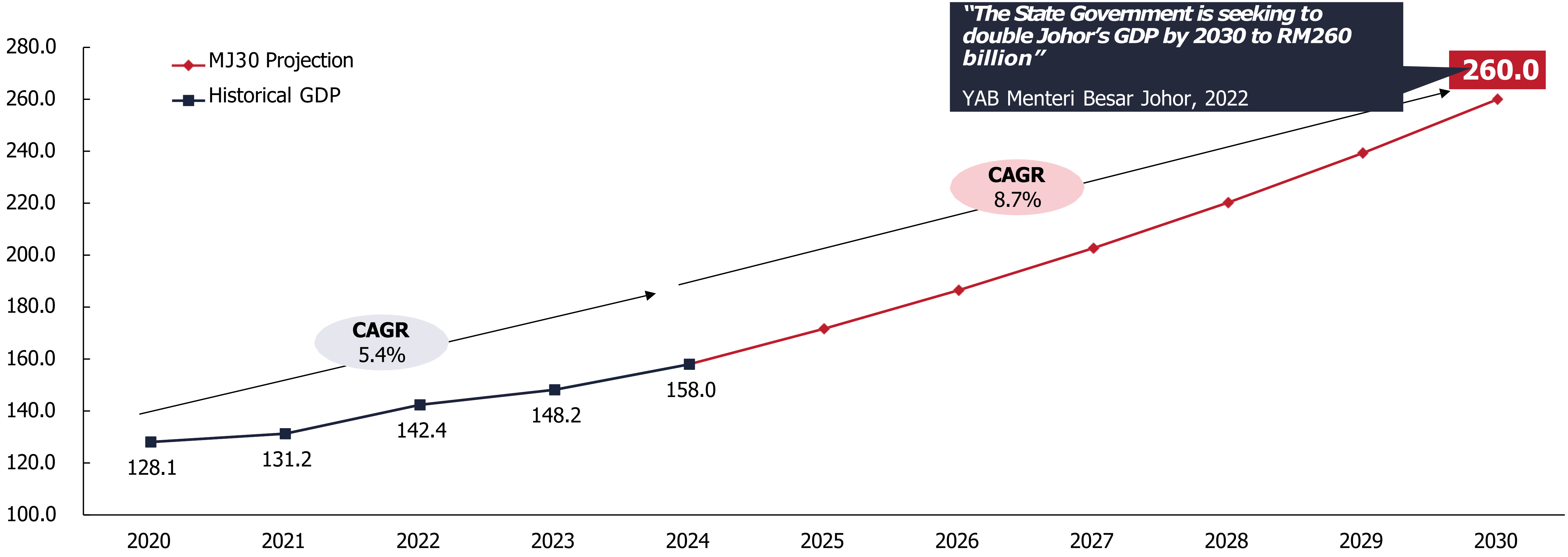
Source: PASB Engagements

03

JETP True North Targets.

Under MJ30, the state government aims to double Johor's GDP to RM260 billion by 2030, positioning the state as an advanced, high-income economy with sustainable and inclusive growth

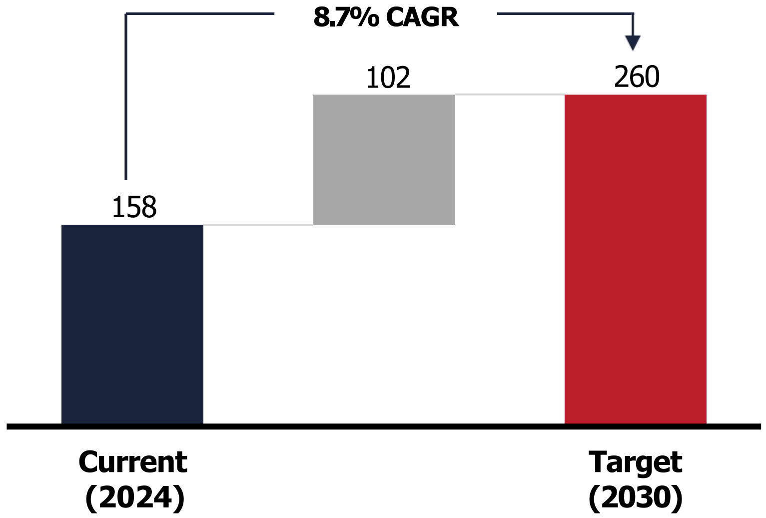
Johor's Historical and Projected GDP (Constant Prices), 2020-2030
RM Billion



Source: DOSM, Maju Johor 2030, PASB Analysis

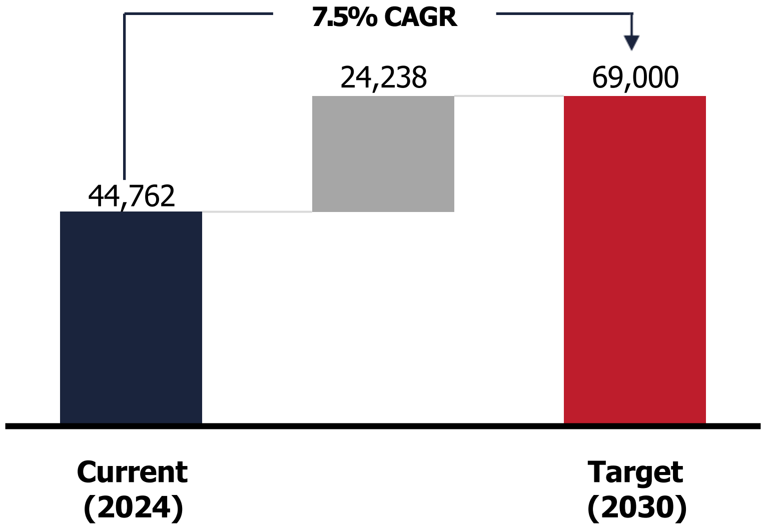
On 21 February during the Strategic Leadership Engagement, 3 key goals have been set for JETP for Johor to achieve by 2030 –in alignment to MJ30

GDP (RM Billion)



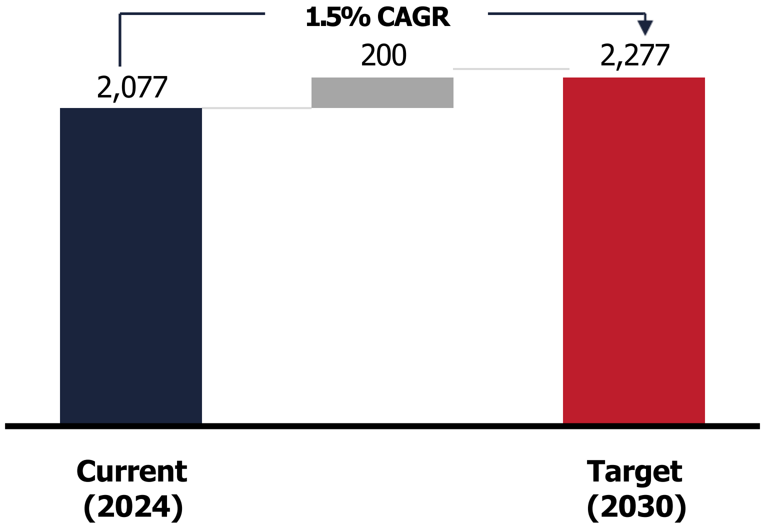
- Realising the next wave of private-sector investments is **projected to lift Johor's GDP to RM260 billion by 2030**, achieving an accelerated 8.7% CAGR and firmly positioning the state on a high-income, innovation-driven growth trajectory

GDP 2030 Per Capita (RM)



- By accelerating and strengthening high-value sectors, **Johor's GDP per capita is projected to rise to over RM69,000 by 2030**, growing at 7.5% CAGR and firmly positioning the state **above the World-Bank high-income benchmark**

New Employment Opportunities ('000)

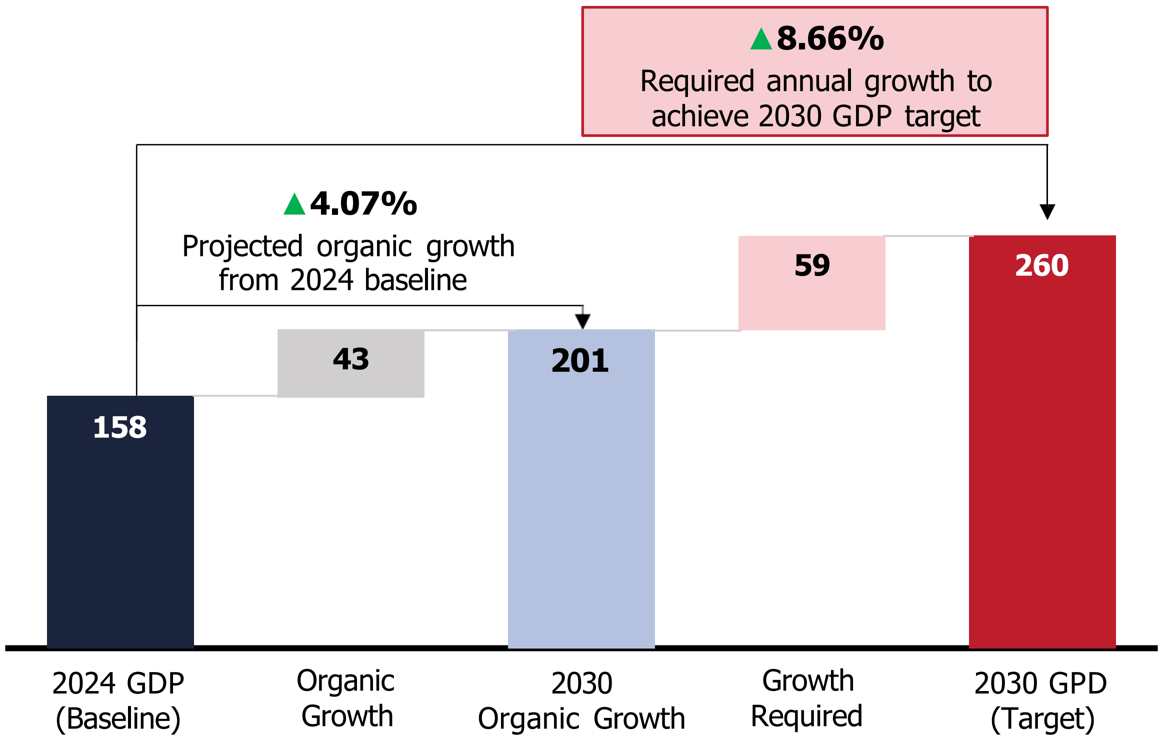


- The successful realisation of private-sector investments across Johor's prioritised sectors is **projected to create more than 200,000 new, high-quality job opportunities**, expanding employment at a steady 1.5% CAGR and strengthening the state's long-term economic resilience

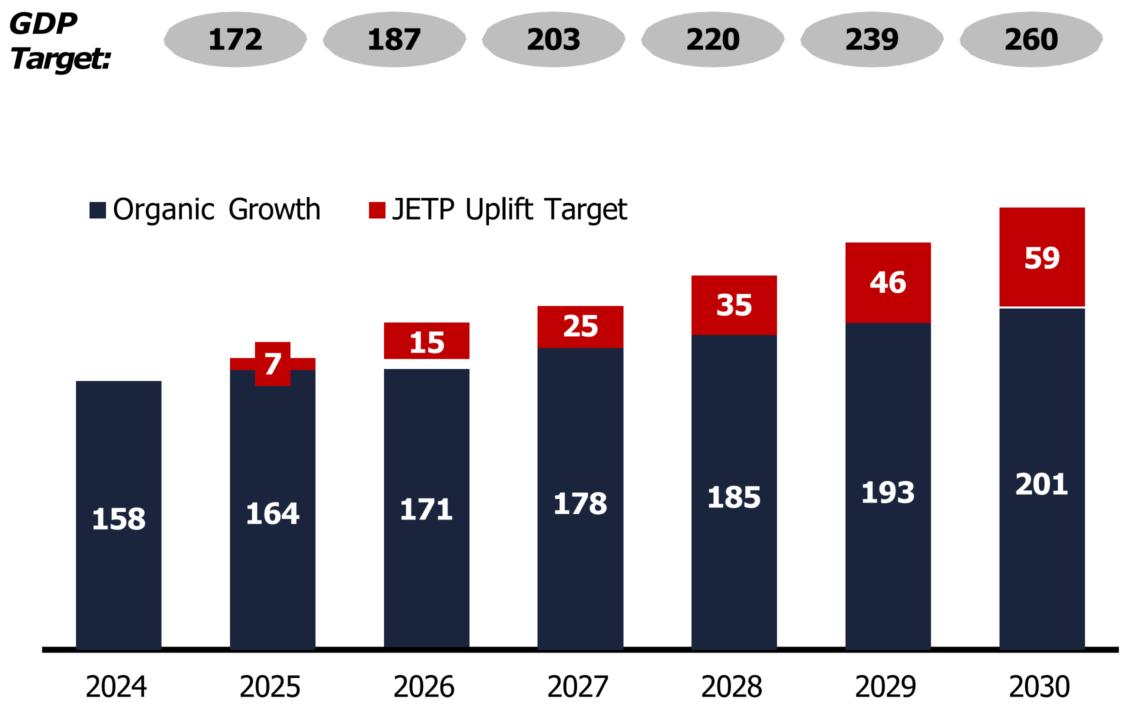
Source: PASB analysis, Outcome from JETP SLE with YAB Menteri Besar Johor

With a GDP target of RM260 billion by 2030, Johor requires an additional RM59 billion uplift beyond organic growth to meet this goal

Johor's GDP Target (Constant Prices) by 2030
RM Billion



Johor's Annual GDP Target (Constant Prices), 2025 –2030
RM Billion



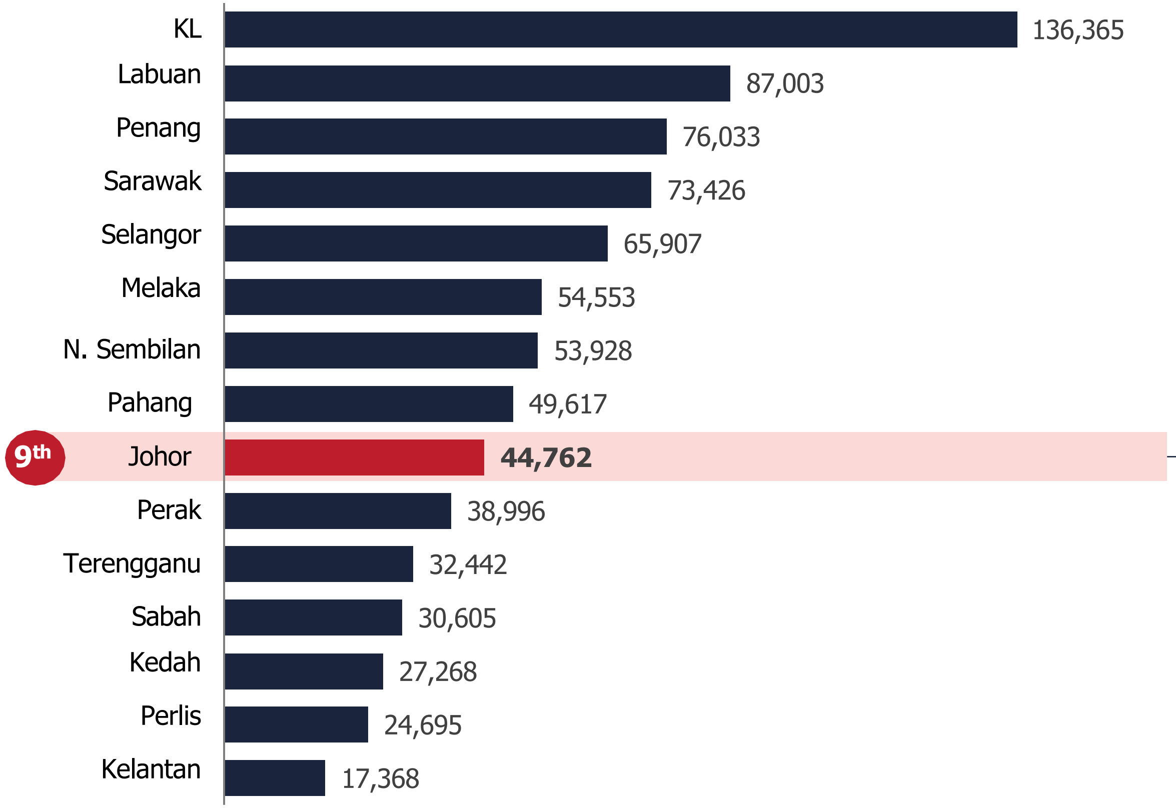
Assumptions:

- Between 2016 and 2024, Johor's GDP grew at 1.01 of the national GDP growth rate
- Given that the national GDP is expected to grow at an average rate of 4% annually through 2030, Johor's GDP is projected to grow at an average rate of 4.07% per year. At this rate, Johor's GDP is anticipated to reach RM201 billion by 2030
- To meet Johor's goal of achieving a GDP of RM260 billion by 2030, an additional RM59 billion in economic growth will be required to achieve the goal with an annual growth of 8.66%

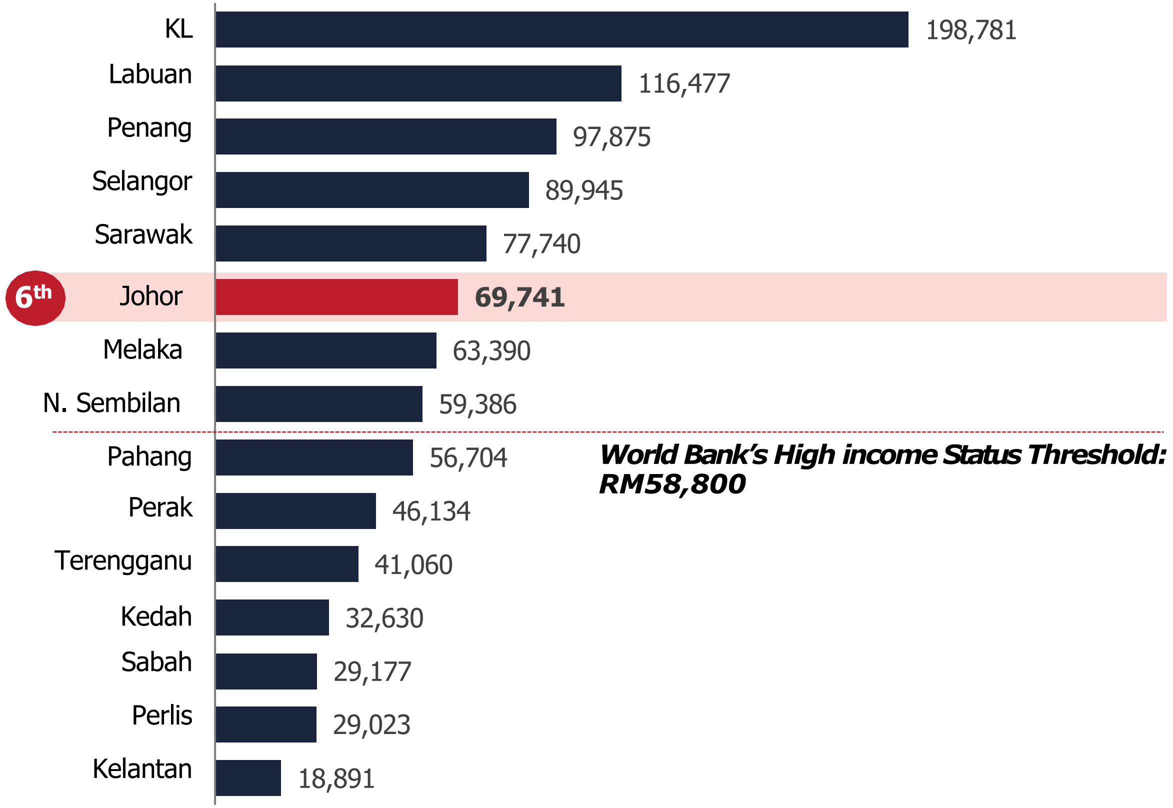
Source: DOSM, Bank Negara Malaysia, IMF, PASB Analysis
Note: The projected organic growth is based on correlation of Johor's historical growth against national growth between 2016 to 2024

At over RM69,000 GDP per capita, Johor is projected to become a high-income state by 2030, based on the World Bank's current threshold of RM58,747[1]

GDP Per Capita (Current Prices) by States, 2024
(RM '000)



Projection on GDP Per Capita (Current Prices) by States, 2030
(RM '000)

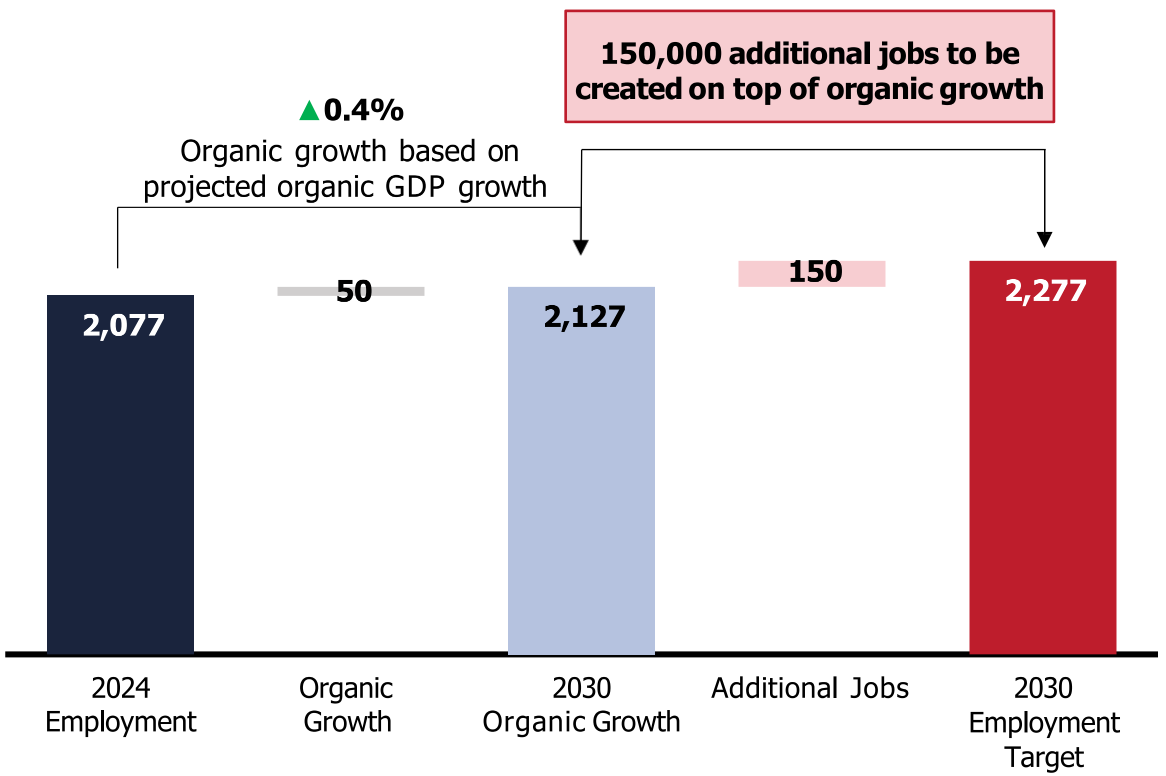


Johor's GDP per capita is projected to grow at a CAGR of 7.5%, improving its national ranking from 9th to 6th by 2030, uplifting the state to surpass World Bank's definition of high-income status

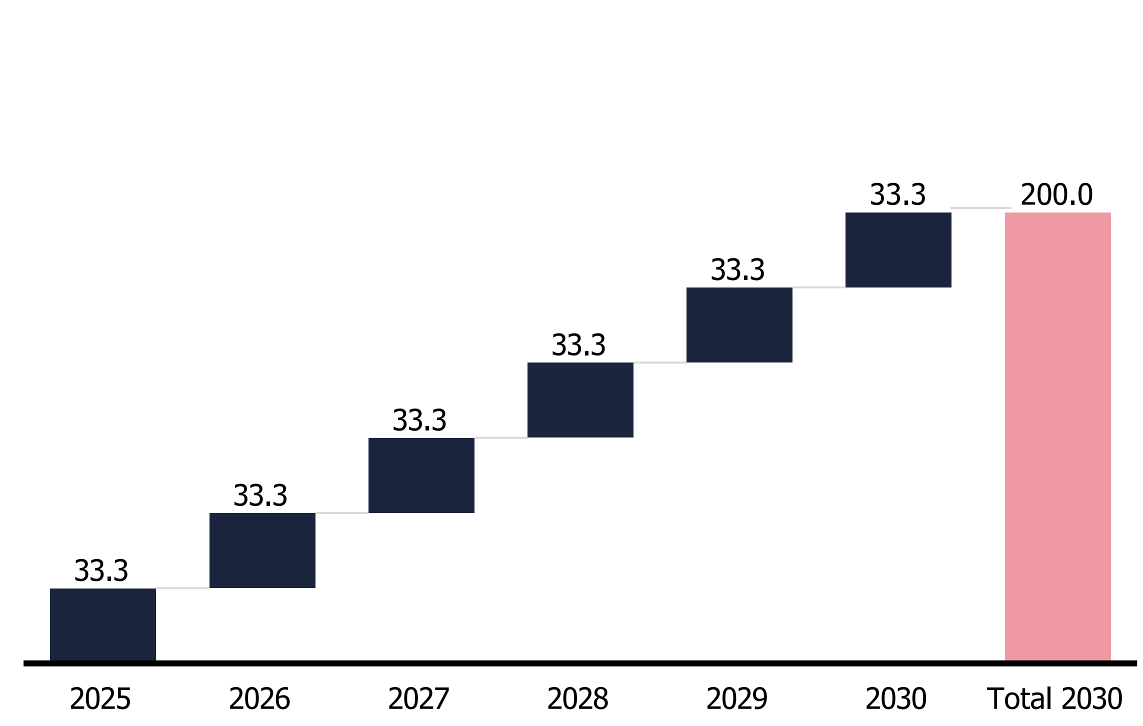
Source: DOSM (2024). A high-income nation is defined by the World Bank as one with a gross national income (GNI) per capita of $13,936 or more in 2024, subject to change on a yearly basis. [1]

At RM260 billion GDP, it is projected that the state will generate an additional 200,000 jobs by 2030, including those from organic growth

Johor's Total Employment Targets by 2030
Number of Employment, Thousands ('000)



Johor's Annual Additional Employment Target, 2025 –2030
Number of Employment, Thousands ('000)



Assumptions:

- Between 2021 and 2024, Johor's employment grew by 2.0% annually, while GDP rose by 5.4%, yielding an employment elasticity of 0.366
- Assuming a GDP CAGR of 4.07%, the same elasticity, and 3% annual labour productivity growth (based on recent trends), employment is projected to grow by 0.4% annually from 2025–2030—adding about 50,000 jobs through organic growth
- To reach the RM260 billion GDP target by 2030, Johor must grow at 8.7% annually. With the same elasticity and a higher productivity gain of 4% per year (reflecting tech adoption), employment growth is estimated at 1.5% annually

Source: DOSM, PASB Analysis

04

Johor Economic Restructuring Approach.

The development of JETP is anchored on four key components that form the foundation of its strategic framework, guiding Johor's transformation into an advanced state

Key Guiding Principles in JETP Strategic Framework

Strategic True North

Set and define the strategic True North targets that are quantifiable that are aligned with Johor's long-term ambitions

Where to Play

Identify Johor's strategic strengths and high-potential sectors that will generate sustained economic impact

How to Succeed

Formulate targeted strategic interventions to attract investments and address key implementation barriers

Implementation

Establish a comprehensive implementation plan outlining timelines, KPIs, responsibilities, and governance structure for effective delivery

Source: PASB Analysis

Based on Johor's RM260 billion GDP target, the study outlines 25 sectoral strategies, 28 district strategies and 35 strategic interventions

JETP True North Targets

GDP 2030 (Constant Prices):	GDP 2030 Per Capita:	Total Employment:
RM260 billion (CAGR: 8.7%)	**RM69,000**	**2.3 million** (CAGR: 1.5%)
Baseline: RM158 billion (2024)	*Baseline: RM44,762 (2024)*	*Baseline: 2.1 million (2024)*

25 Sectoral Strategies

28 District Strategies

32 Strategic Interventions

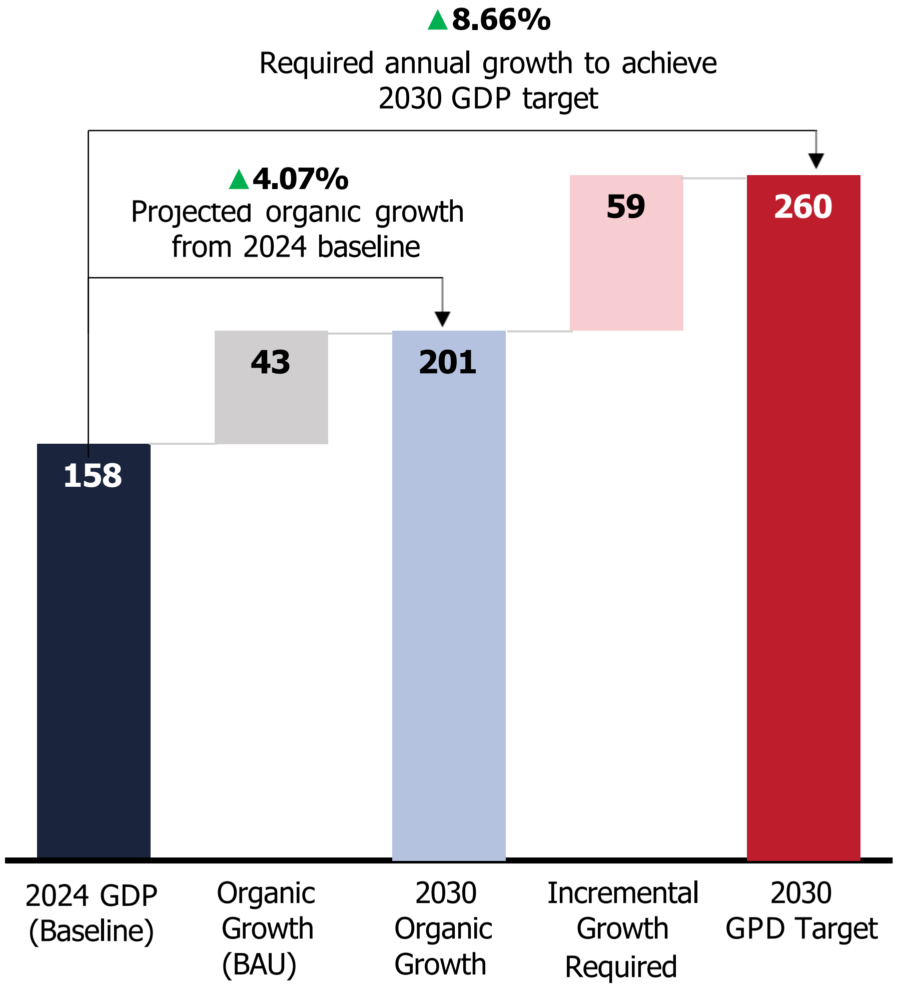
10 Sectoral Coverage

1. Chemical & Petrochemical
2. Healthcare & Pharmaceutical
3. Energy
4. Electrical & Electronics
5. Aerospace
6. Logistics
7. Tourism
8. Agriculture
9. Digital Economy
10. Manufacturing

Source: PASB Analysis

Johor stands at a strategic crossroad, with organic growth projected to reach RM201 billion by 2030, but a targeted uplift of RM59 billion is needed to achieve RM260 billion GDP goal

Johor's GDP Target by 2030
RM Billion



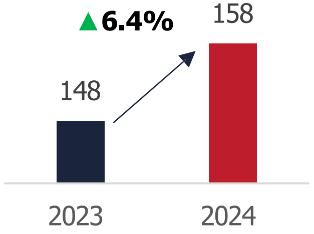
Johor is well-positioned to elevate its economy to RM260 billion, backed by strong fundamentals that enable it to seize emerging opportunities

Strategic Location

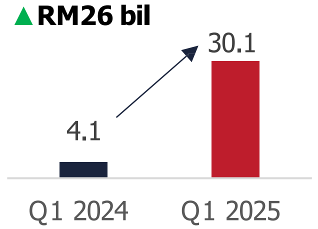
- Proximity to Singapore positions Johor as a key node for trade, logistics, and cross-border investment, particularly through the Iskandar Malaysia economic corridor

Strong Growth (GDP & Investments)

GDP:



Approved Investments:



Broad Base Talent & World Class Infrastructure

1.96 million

2nd
largest talent pool in Malaysia

Major Infrastructure
- PTP
- Johor Port
- Port Tanjung Langsat
- Senai Int. Airport

Establishment of JS-SEZ & SFZ

JS-SEZ
- Aims to boost cross-border economic integration with Singapore through seamless investment and talent mobility

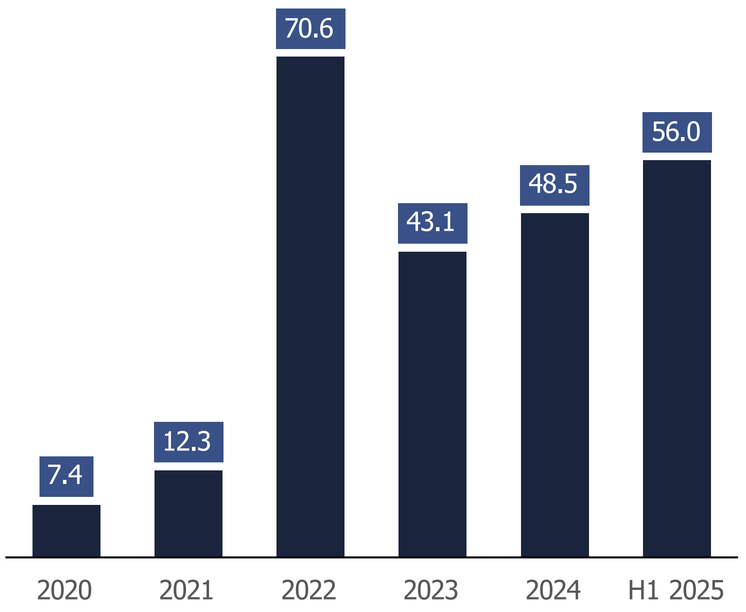
SFZ
- Positioned to become a financial services hub offering competitive incentives to attract global firms and digital finance players

Johor's strong fundamentals, strategic proximity to Singapore, and vibrant sectors offer a unique platform for accelerated growth—provided decisive action is taken

Source: DOSM, MIDA, PASB Analysis

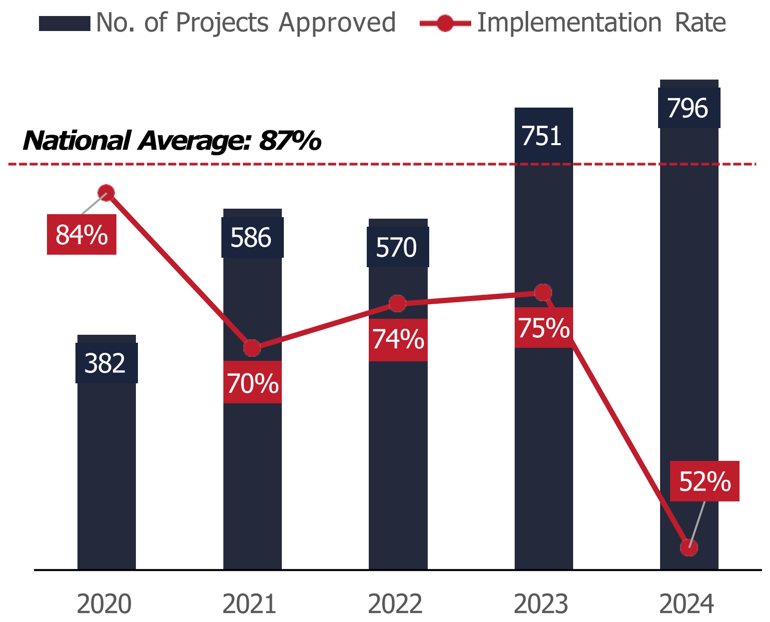
Despite being Malaysia's top investment destination with RM237.9 billion in approved investments between 2020 –H1 2025, Johor's implementation rate averages just 72%, below the national average of 87%

Total Approved Investments, 2020 –1H2025
RM Billion



Total Approved Investment:
RM237.9 billion

Approved Projects Implementation Rate, 2020 –2024
%



**Note: Implementation rate data for H1 2025 is not yet obtained*

Implemented Projects:
2,156

Unimplemented Projects:
929

The real challenge is translating approved investments into GDP, jobs, and tangible economic impact through effective implementation

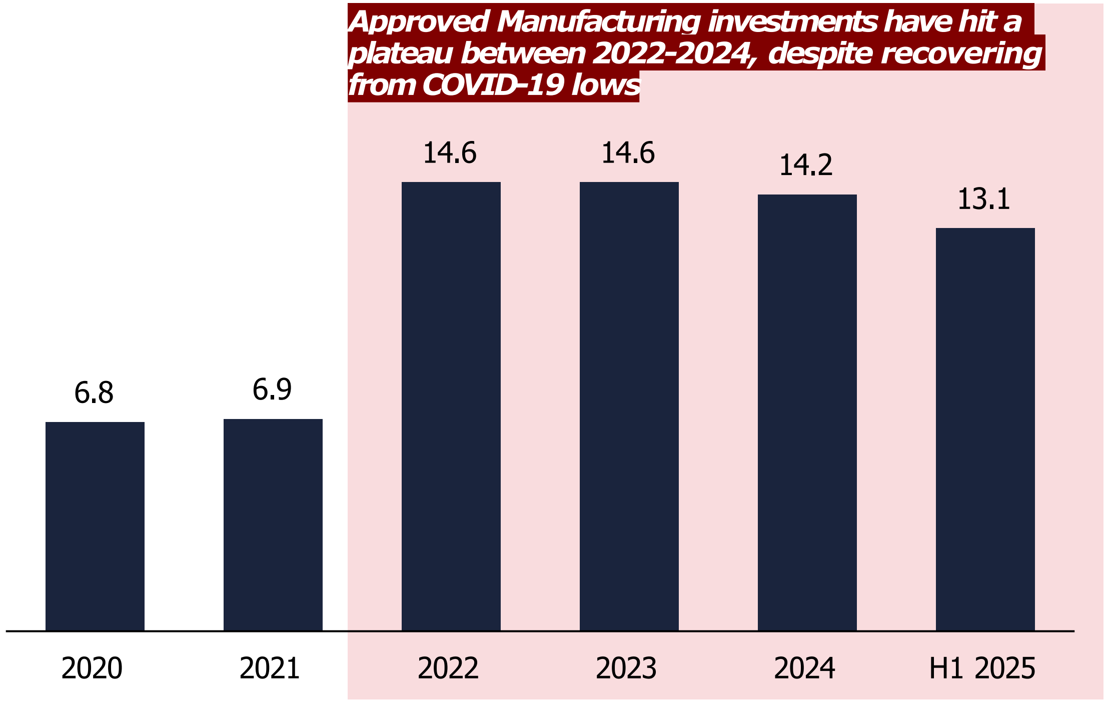
- *As Johor aims to double its GDP to RM260 billion by 2030, the state requires additional RM108 billion in realised private investments*
- *Despite strong investor interest, the state risks missing its target without strategic interventions. Achieving this ambition hinges on turning approvals into real, on-the-ground economic activity*

Source: MIDA, PASB Analysis
Note: Implementation rate data for 1H 2025 is not yet obtained

Additionally, approved investments in Johor in recent years have relied heavily on data centres, while manufacturing has seen a plateau in both investment value and project numbers

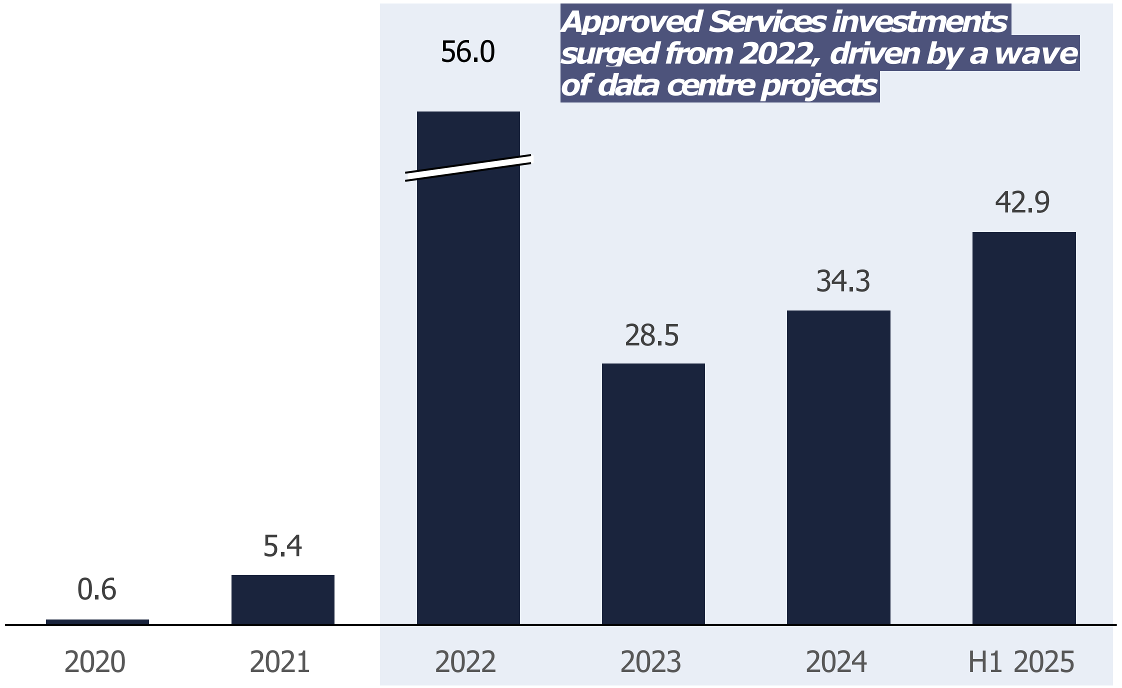
Approved Investments (Manufacturing), 2020 –1H2025
RM Billion

Total Approved Investment: RM70.2 billion



Approved Investments (Services), 2020 –1H2025
RM Billion

Total Approved Investment: RM167.7 billion

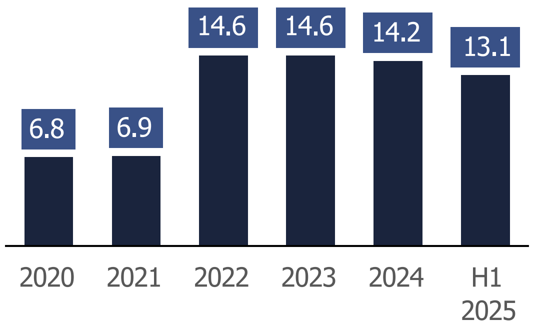


Johor's growing reliance on data centre investments has driven a surge in services approvals, but these projects generate far fewer jobs compared to traditional manufacturing investments

Source: MIDA, PASB Analysis

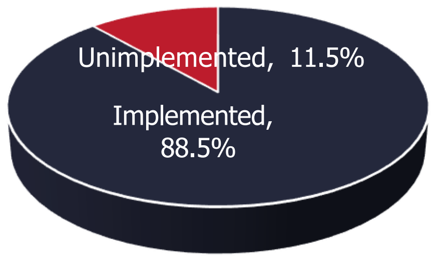
Only 60% of approved projects in the services sector have been implemented with 808 still pending, while the manufacturing sector shows a higher implementation rate of 88% but has seen a plateau in project value and job creation

Manufacturing Investments, 2020 –1H2025
RM Billion



Total Approved Investment: *RM70.2 billion*

Manufacturing Implement. Rate, 2020 –2024
%

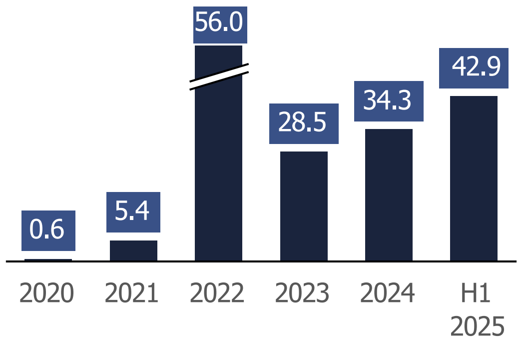


Total Projects: *1,050*

Implemented Projects: *929*

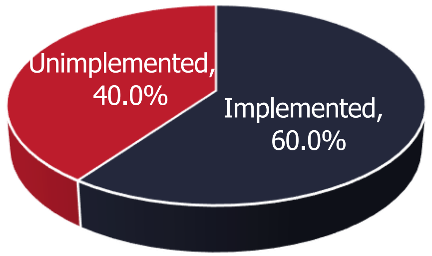
Unimplemented Projects: *121*

Services Investments, 2020 –1H2025
RM Billion



Total Approved Investment: *RM167.7 billion*

Services Implement. Rate, 2020 –2024
%



Total Projects: *2,035*

Implemented Projects: *1,227*

Unimplemented Projects: *808*

Key barriers in project implementation

Lengthy and Complex Land Approvals
Convoluted land conversion, amalgamation and titling processes have proven a recurring bottleneck for sites outside established industrial parks

Stringent Environmental Regulations
Stringent environment impact assessment and regulations have resulted in extensive reviews and compliance efforts

Insufficient Utility Infrastructure
Lack of utility readiness and centralisation to meet the increasing demand to support industrial needs resulting in stalled project pipeline (e.g., data centres)

Fragmented Issue-Resolution
Lack of a unified, cross-functional process for diagnosing and fixing problems drives repetitive back-and-forth and project operationalization

As such, these challenges must be addressed to unlock the full potential of Johor's investment pipeline

Source: MIDA, PASB Analysis, FGD
Note: Implementation rate data for 1H2025 is not yet obtained

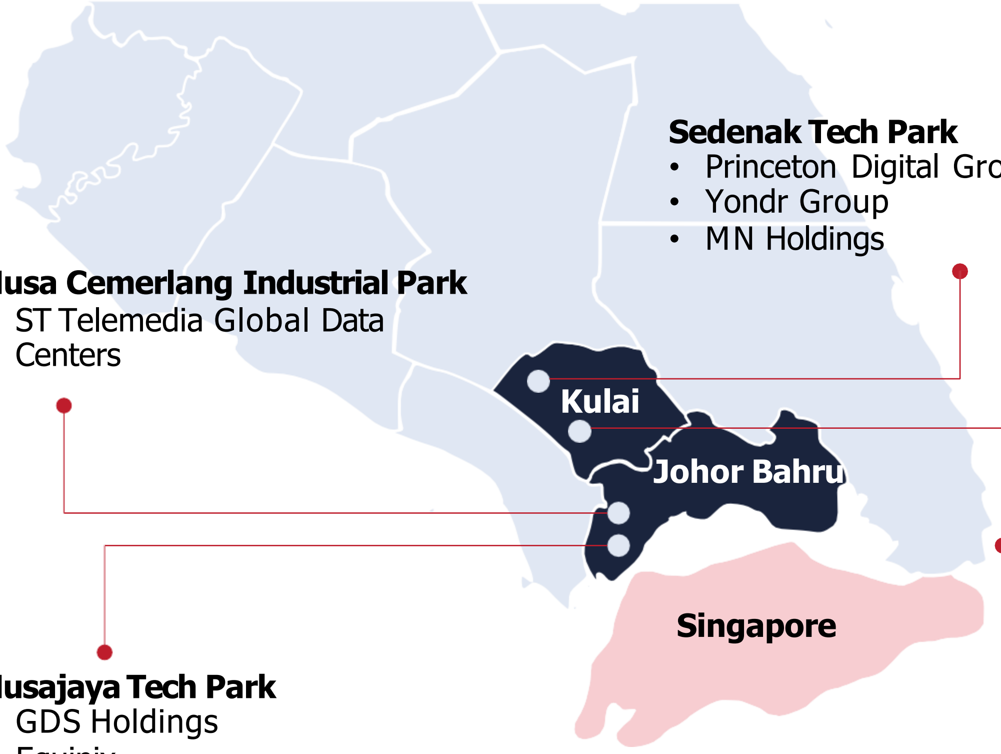
Johor's growing data center presence has elevated its global profile, prompting accelerated infrastructure development to boost investor confidence in long-term utility security

Data Centers in Johor

NON-EXHAUSTIVE

Sedenak Tech Park
- Princeton Digital Group
- Yondr Group
- MN Holdings

Nusa Cemerlang Industrial Park
- ST Telemedia Global Data Centers



YTL Green Data Center Park
- YTL Power
- Sea Limited

Nusajaya Tech Park
- GDS Holdings
- Equinix

Johor stands to benefit from "infrastructure dividends" resulting from the influx of data center investments into the state

Influx of Hyperscale Data Center Investments
- Leading global tech firms such as Microsoft, AirTrunk, and BridgeDC are investing in Johor to expand their hyperscale data center

Massive Upgrades to Core Infrastructure
- Significant improvements in power supply, fibre connectivity, water access, and road networks are underway to support data center operations

Spillover Benefits to Surrounding Industrial Zones
- Upgraded utilities in data center areas extend to nearby manufacturing parks, warehouses, and logistics hubs—enhancing speed, bandwidth, and reliability for advanced industries like EV assembly and cross-border e-commerce

Long-Term Outcome
- The improved infrastructure paves the way for high-value industries, especially advanced manufacturing adopting Industry 4.0 technologies such as robotics, automation, and AI—strengthening Johor's position as a regional tech-driven industrial hub.

Source: MIDA, PASB Analysis

JETP Focus:

Accelerating the realisation of approved investments:

Investment Approval

Investment Realisation

Recognising these challenges, JETP pivots Johor's economic strategy from simply securing more investment approvals to ensuring faster and broader realisation of those already approved

Infrastructure Readiness
Ensure availability of industrial land, utilities (power, water, gas), and last-mile infrastructure to support rapid project mobilisation

Investors Friendly Policy
Establish single-window facilitation and streamline approval processes (e.g., EIA, DO, permits) through a coordinated and time-bound mechanism

Incentives & Investment Facilitation
Support drawdown of approved tax incentives and financing, while assisting investors in customs clearance, licensing, and regulatory compliance

Talent & Workforce
Coordinate TVET and university pipeline with investor needs, expedite foreign talent approvals, and build a local supply chain of skilled workers

05

Project Analysis & Impact Assessment.

5.1

Project Analysis.

Through lab and extensive engagements with various stakeholders, the team has identified 83 high impact projects that need to be prioritized based on the established filtration criteria

Project Filtration Process

Project Lists

State & Federal Plans
90 Projects

State & Federal Agencies
1,813 Projects

Direct Industry Players
42 Projects

Filtration Process

Filtration #1: Alignment with priority sectors and sub-sectors

Projects must align with prioritised sectors

Filtration #2: Investment Approval Status

Projects must not be cancelled and not yet implemented

Filtration #3: Data Completeness (i.e., those with clear investment values and project owners)

Projects must have complete information on investment value and project owners

Filtration #4: Projects' Investment Value Minimum of RM50 million

Projects must be above RM50 million investment

Shortlisted Projects

83 Shortlisted Projects

1,945 projects in total from these sources	**1,282 projects** satisfy this criteria	**868 projects** satisfy this criteria	**118 projects** satisfy this criteria	**83 projects** satisfy this criteria	**83 shortlisted projects** in total

Source: Various state and federal documents, MIDA, IRDA, Invest Johor, ECERDC, various state's GLCs, selected industry players

The 83 shortlisted projects have an earmarked total investment value of RM167.4 billion

Total Investment Value

RM 167.4 billion

Total Investment Value of Identified Projects

Number of Projects

83

Total Number of Identified Projects

Sector	Investment Value	Projects
Chemical & Petrochemical	RM17.5 billion	13 Projects
Healthcare & Pharma.	RM7.3 billion	18 Projects
Energy	RM28.2 billion	9 Projects
E&E and Data Centers	RM95.8 billion	27 Projects
Aerospace	RM3.0 billion	1 Project
Logistics	RM3.4 billion	4 Projects
Tourism	RM11.3 billion	7 Projects
Agriculture	RM0.9 billion	4 Projects

Source: Various state and federal documents, MIDA, IRDA, Invest Johor, ECERDC, various state's GLCs, selected industry players

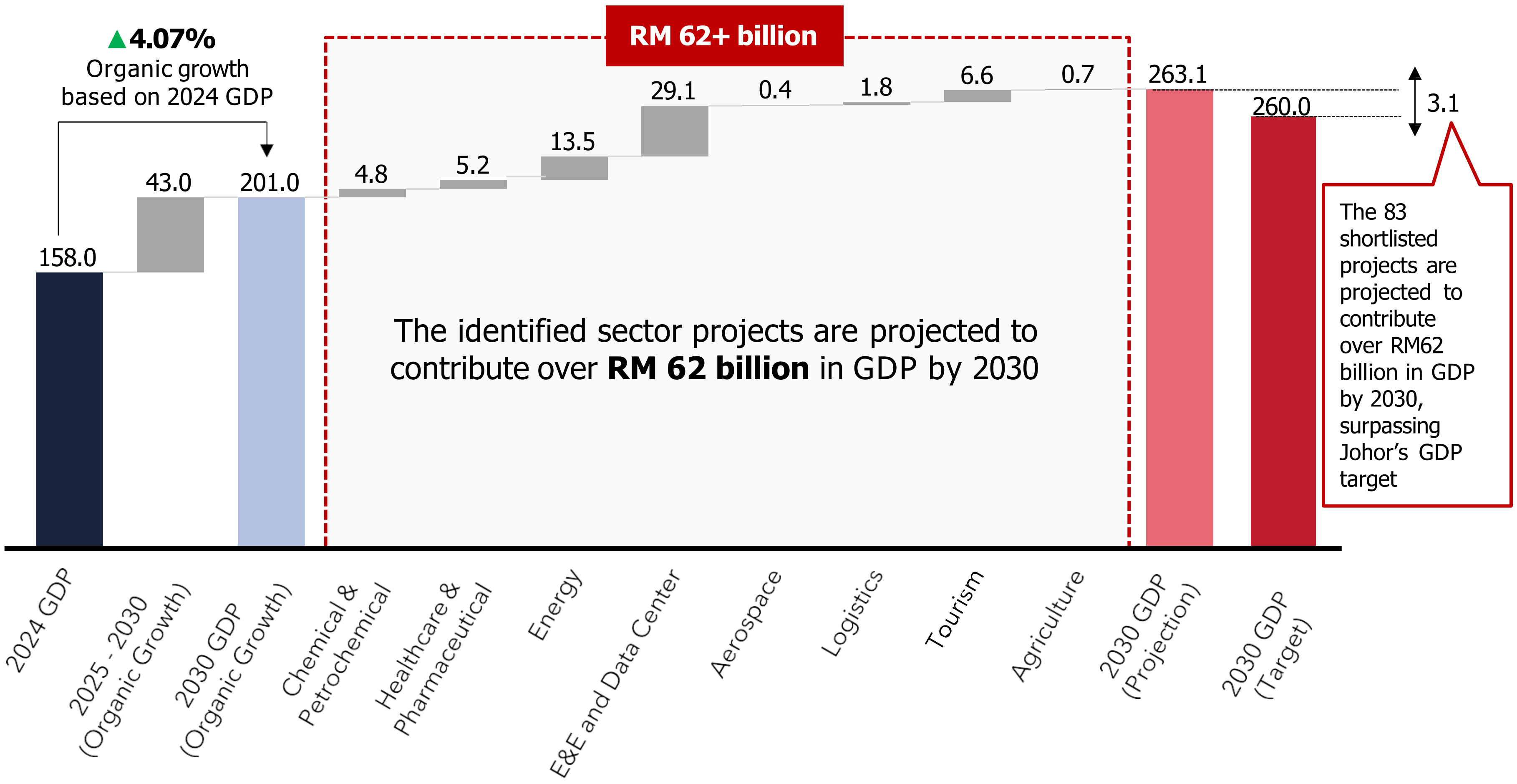
5.2

Impact Assessment.

GDP Impact.

The shortlisted projects are projected to generate over RM62 billion in GDP by 2030, raising Johor's total projected GDP to RM263 billion and enabling the state to meet its 2030 target

GDP Growth Projection (RM'bil), 2025 –2030
RM Billion



Sector Projects GDP Contribution:

- The JETP sector projects are key to Johor's goal of reaching a RM260 billion GDP by 2030
- The current 83 shortlisted projects contribute over RM62 billion to Johor's economy by 2030
- Data center and energy are the primary contributors, highlighting their critical role in Johor's economic growth

Source: DOSM, PASB Analysis

GDP Per Capita Impact.

Adjusting RM263 billion GDP to *current prices,* Johor is projected to reach close to RM70,000 in GDP per capita by 2030

Johor GDP Per Capita (Current Prices), 2024 - 2030
GDP Per Capita (RM), Population ('000)

GDP 2030:

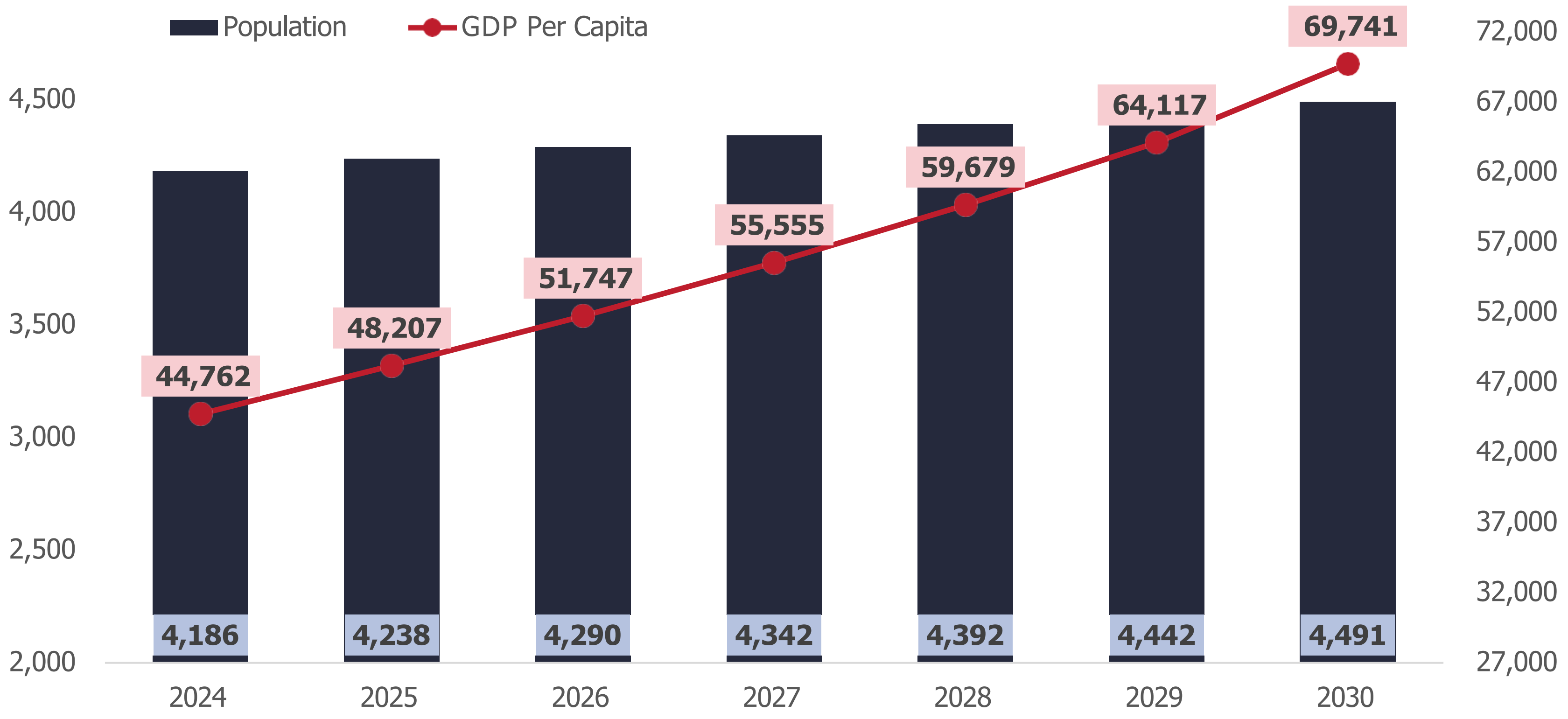
2030 GDP (constant price): RM263 billion

X

GDP Deflator: 119.1%

=

2030 GDP (current price): RM313 billion



CAGR 2024 –2030:

GDP Per Capita: +7.7%

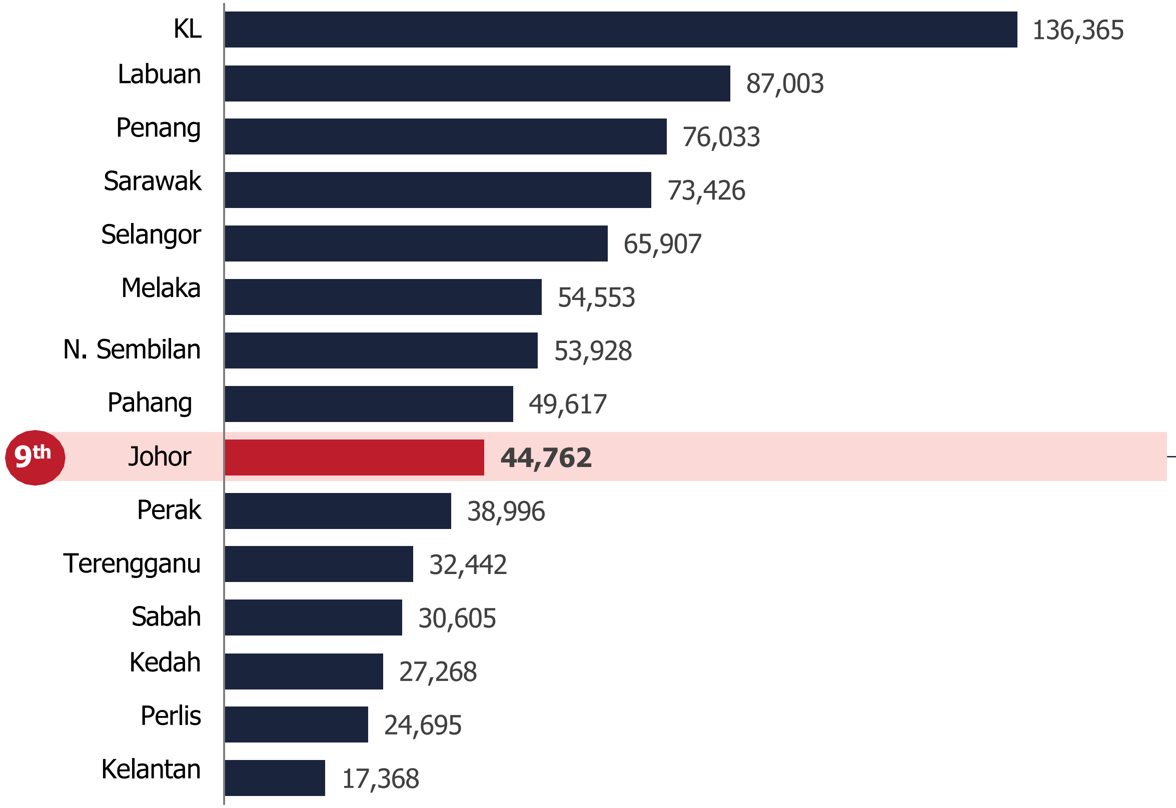
Population: +1.2%

Johor's GDP per capita is expected to increase at CAGR of 7.7% reaching RM69,741 by 2030

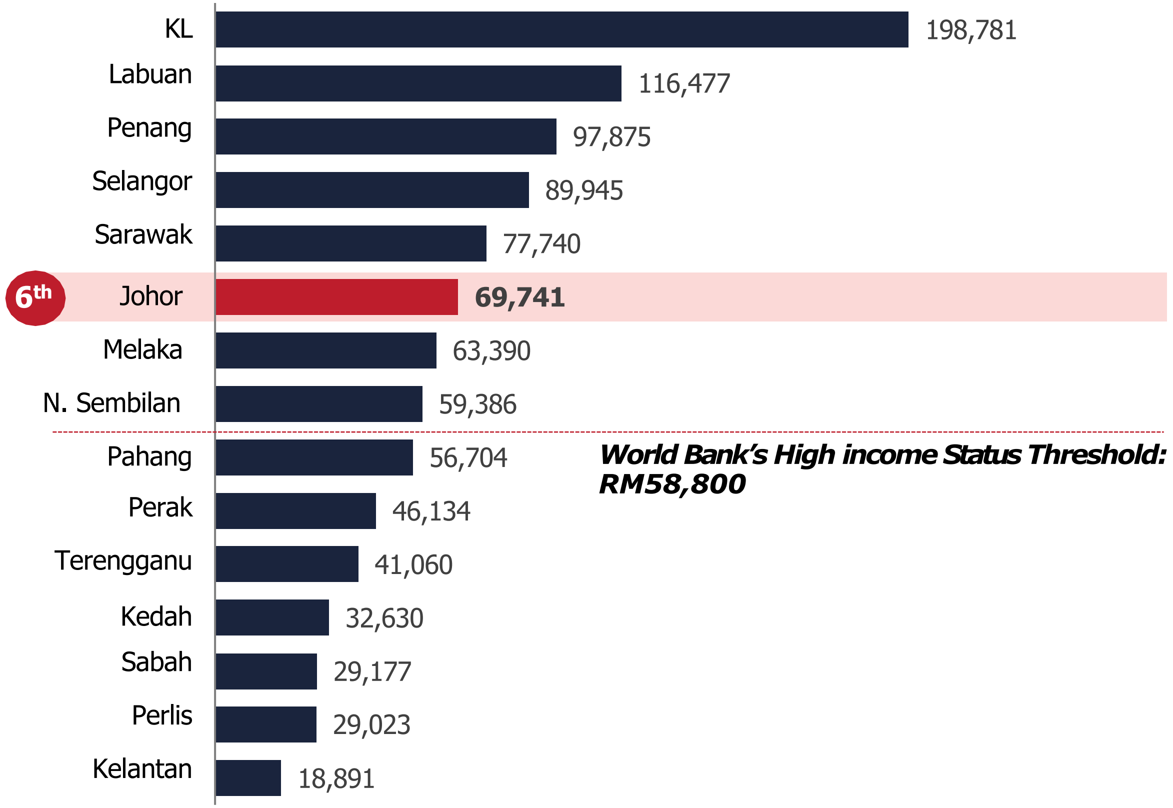
Source: DOSM, PASB Analysis

At over RM69,000 GDP per capita, Johor is projected to become a high-income state by 2030, based on the World Bank's current threshold of RM58,747[1]

GDP Per Capita (Current Prices) by States, 2024
(RM '000)



Projection on GDP Per Capita (Current Prices) by States, 2030
(RM '000)



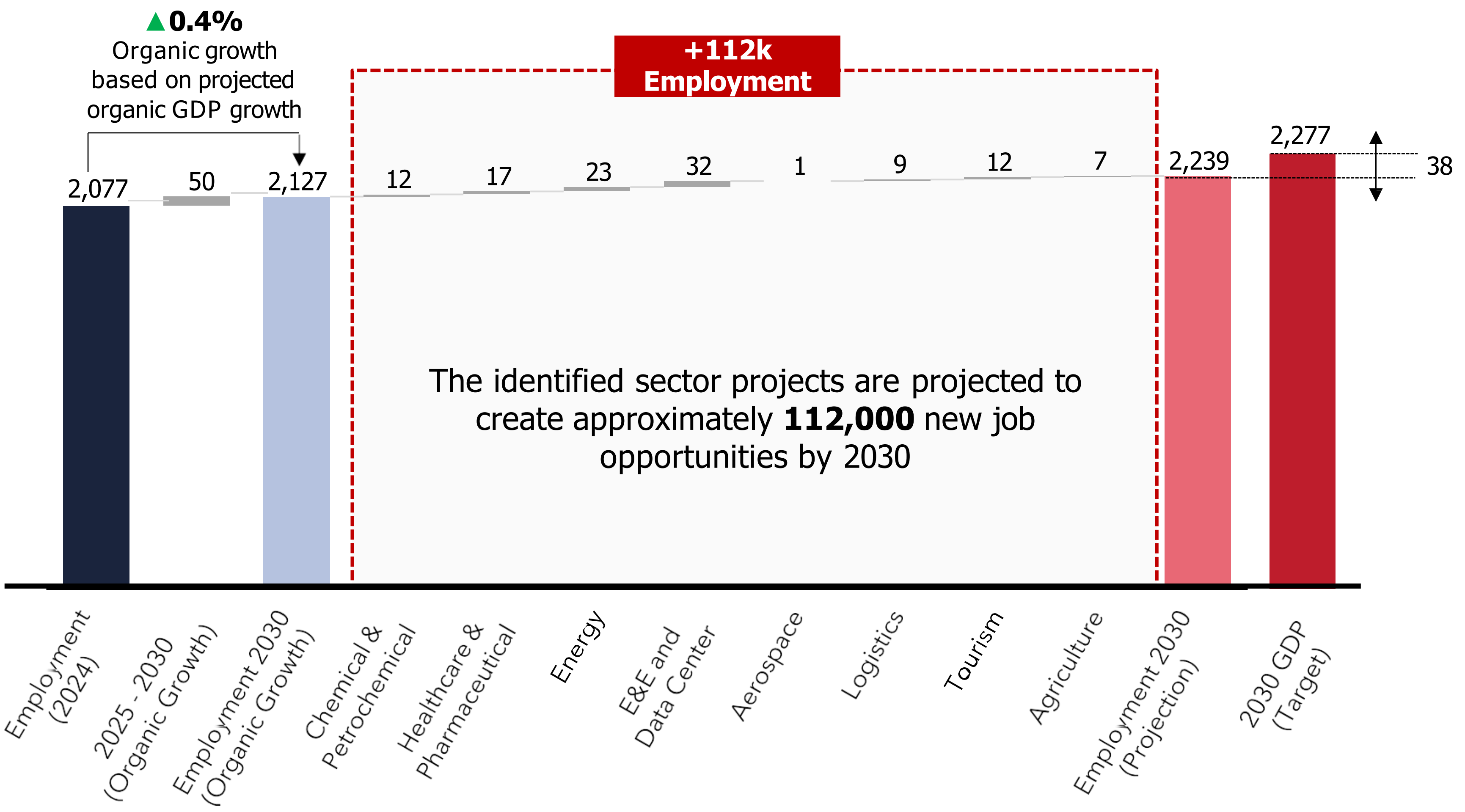
Johor's GDP per capita is projected to grow at a CAGR of 7.5%, improving its national ranking from 9th to 6th by 2030, uplifting the state to surpass World Bank's definition of high-income status

Source: DOSM (2024). A high-income nation is defined by the World Bank as one with a gross national income (GNI) per capita of $13,936 or more in 2024, subject to change on a yearly basis. [1]

Employment Impact.

The shortlisted projects are simulated to contribute approximately 112,000 new employment opportunities to Johoreans by 2030

Total Employment Projection, 2025 –2030
(‘000)



Sector Projects Employment Contribution:

- The identified sector projects are projected to contribute approximately 112,000 new job opportunities for Johoreans by 2030, aligning with Johor’s economic growth trajectory
- Key sectors such as E&E and Data Centers and Energy are major drivers of employment generation, with the largest projected contributions to job creation
- The total employment growth, factoring in both the shortlisted projects and organic growth, is expected to result in over 162,000 job opportunities by 2030

Source: DOSM, PASB Analysis

06

JETP Strategies.

To deliver on Johor's 2030 ambitions, JETP is built around two (2) anchor strategies that together define how the state will achieve structural transformation

True North

Johor Prospers Together

- *RM260 billion GDP by 2030*
- *RM69,000 GDP per Capita by 2030*
- *200,000 new job opportunities by 2030*

Key Strategic Themes

1 Strategy #1: Deepening Economic Complexity

Description: Johor must move beyond factor-driven growth by embedding higher value activities across its economic engine. This strategy focuses on:

- *Moving Up the Value Curve*
- *Enhancing Supply Chain Resilience*
- *Accelerating Knowledge & Innovation*

Key Driver: Private Sector

Focus Area: 10 Prioritised Sectors

2 Strategy #2: Strengthening Foundations for Growth

Description: Johor must also address investment bottlenecks and create conditions for sustained private sector growth, including:

- *Critical Infrastructure Development*
- *Ease of Doing Business*
- *Private Investment Catalyst*
- *Talent & Capacity Building*

Key Drivers: Government & Public Agencies

Focus Area: 4 Prioritised Areas

Enabling Approach

Whole of Government Approach

Federal Government/ Agencies:

Provide policy clarity, fiscal incentives, and expedite approvals

State Government/ Agencies:

Unlock investable land and lead facilitation efforts

Private Sector:

Lead project delivery, capital mobilisation, and innovation

State GLCs:

Co-invest in high-impact projects and plug market gaps

Across the 10 prioritised sectors, vision statements and sectoral strategies were co-developed with public and private players which positions Johor to capture high-value added industries

Rationale

1. **Vision Statements**
2. **Key Strategies**
3. **Focus Segments (Within Sector)**
4. **Key Anchor Companies to Attract**

Illustration and Description

Source: Focus Group Discussion (FGD), PASB Analysis

Simultaneously, all 10 districts were evaluated to determine their strategic roles in Johor's future economic growth, with an emphasis on ensuring they complement one another

District Future State

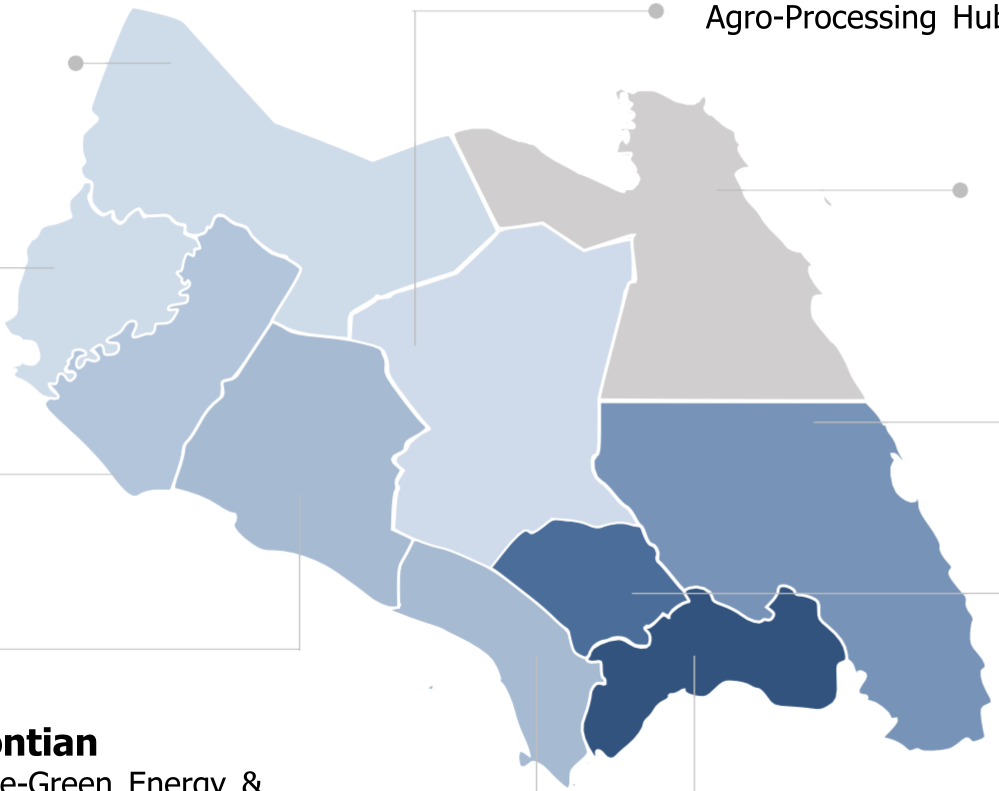
Segamat
High-Value Crops and Biomass Processing Region

Tangkak
Strategic Transit Centre and Eco-Tourism Hub

Muar
Industrial Energy Complex, Integrated Tourism & High Value Food Processing Industry Hub

Batu Pahat
High-Value Manufacturing and Processing Industry

Pontian
Blue-Green Energy & Aquaculture Products Hub



Kluang
Agro-Processing Hub, Agriculture and Logistics Hub

Mersing
Blue Economy and Eco-Tourism Hub

Kota Tinggi
Green Chemistry, Agriculture and Tourism Hub

Kulai
AI and High-tech Manufacturing Hubs, Digital Economy, Aerospace and Export-oriented Services

Johor Bahru
AI and High-tech Manufacturing Hubs, Digital Economy, Aerospace and Export-oriented Services

Cumulative 5-Year Manufact. Approved Investment (2019-2023, RM'Bil)

<1 | 2 - 4 | 5 - 7 | 8 - 10 | 25 - 35

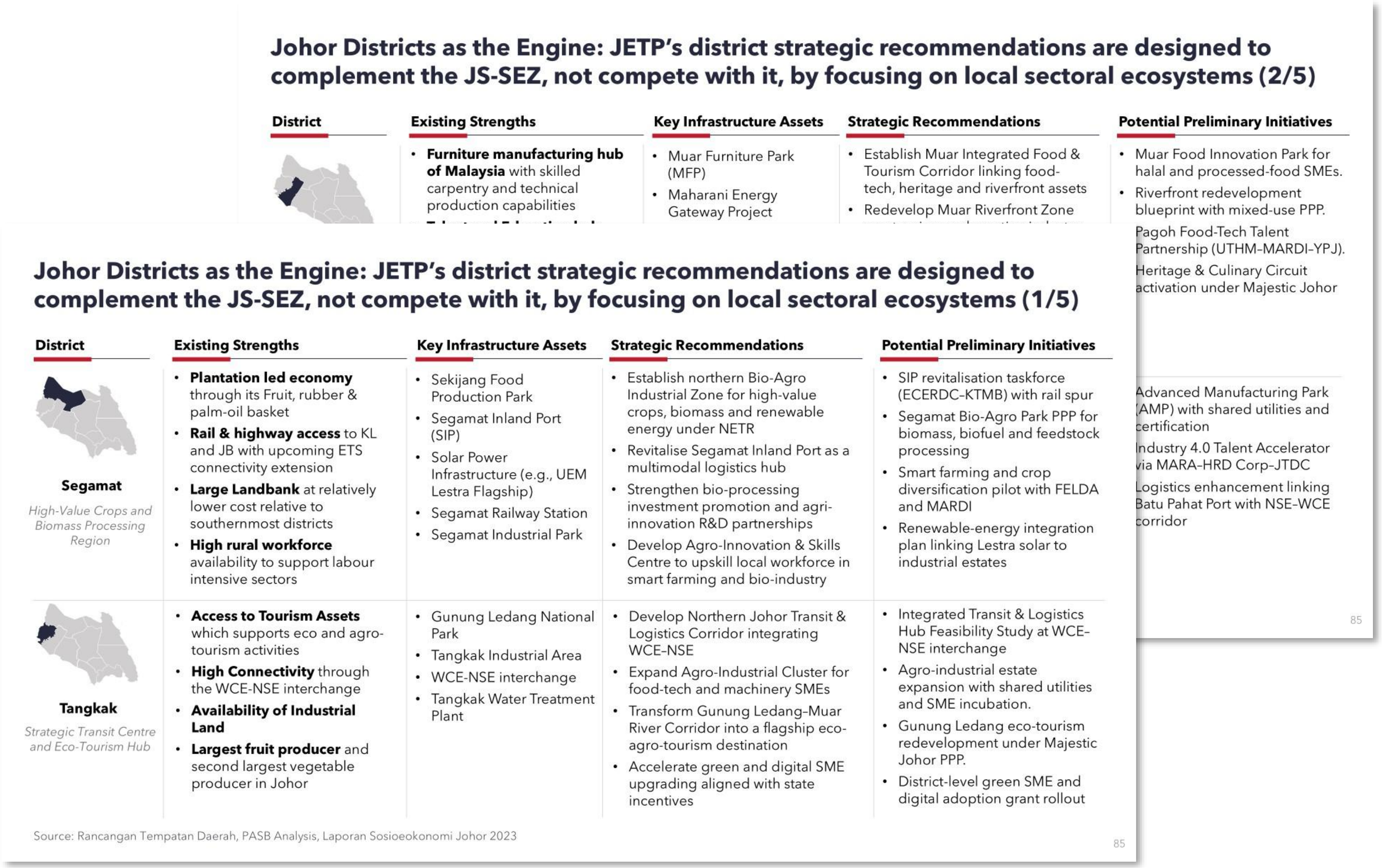
Source: DOSM.
Note: Data on Approved Manufacturing Investment in the Mersing District was not published

Strategic recommendations were proposed for each district, leveraging on existing strengths and available opportunities that were guided by a set of key considerations

Consideration Factors

1. Rancangan Tempatan Daerah
2. Economic Composition / Structure
3. Geographical location and Key Infrastructure Assets
4. Anchor Investors / Investments
5. Emerging Market Trends

Illustration and Description



Johor Districts as the Engine: JETP's district strategic recommendations are designed to complement the JS-SEZ, not compete with it, by focusing on local sectoral ecosystems (2/5)

District	Existing Strengths	Key Infrastructure Assets	Strategic Recommendations	Potential Preliminary Initiatives
	• **Furniture manufacturing hub of Malaysia** with skilled carpentry and technical production capabilities	• Muar Furniture Park (MFP) • Maharani Energy Gateway Project	• Establish Muar Integrated Food & Tourism Corridor linking food-tech, heritage and riverfront assets • Redevelop Muar Riverfront Zone	• Muar Food Innovation Park for halal and processed-food SMEs. • Riverfront redevelopment blueprint with mixed-use PPP. Pagoh Food-Tech Talent Partnership (UTHM-MARDI-YPJ). Heritage & Culinary Circuit activation under Majestic Johor
				Advanced Manufacturing Park (AMP) with shared utilities and certification Industry 4.0 Talent Accelerator via MARA-HRD Corp-JTDC Logistics enhancement linking Batu Pahat Port with NSE-WCE corridor

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Johor Districts as the Engine: JETP's district strategic recommendations are designed to complement the JS-SEZ, not compete with it, by focusing on local sectoral ecosystems (1/5)

District	Existing Strengths	Key Infrastructure Assets	Strategic Recommendations	Potential Preliminary Initiatives
Segamat *High-Value Crops and Biomass Processing Region*	• **Plantation led economy** through its Fruit, rubber & palm-oil basket • **Rail & highway access** to KL and JB with upcoming ETS connectivity extension • **Large Landbank** at relatively lower cost relative to southernmost districts • **High rural workforce** availability to support labour intensive sectors	• Sekijang Food Production Park • Segamat Inland Port (SIP) • Solar Power Infrastructure (e.g., UEM Lestra Flagship) • Segamat Railway Station • Segamat Industrial Park	• Establish northern Bio-Agro Industrial Zone for high-value crops, biomass and renewable energy under NETR • Revitalise Segamat Inland Port as a multimodal logistics hub • Strengthen bio-processing investment promotion and agri-innovation R&D partnerships • Develop Agro-Innovation & Skills Centre to upskill local workforce in smart farming and bio-industry	• SIP revitalisation taskforce (ECERDC-KTMB) with rail spur • Segamat Bio-Agro Park PPP for biomass, biofuel and feedstock processing • Smart farming and crop diversification pilot with FELDA and MARDI • Renewable-energy integration plan linking Lestra solar to industrial estates
Tangkak *Strategic Transit Centre and Eco-Tourism Hub*	• **Access to Tourism Assets** which supports eco and agro-tourism activities • **High Connectivity** through the WCE-NSE interchange • **Availability of Industrial Land** • **Largest fruit producer** and second largest vegetable producer in Johor	• Gunung Ledang National Park • Tangkak Industrial Area • WCE-NSE interchange • Tangkak Water Treatment Plant	• Develop Northern Johor Transit & Logistics Corridor integrating WCE-NSE • Expand Agro-Industrial Cluster for food-tech and machinery SMEs • Transform Gunung Ledang-Muar River Corridor into a flagship eco-agro-tourism destination • Accelerate green and digital SME upgrading aligned with state incentives	• Integrated Transit & Logistics Hub Feasibility Study at WCE-NSE interchange • Agro-industrial estate expansion with shared utilities and SME incubation. • Gunung Ledang eco-tourism redevelopment under Majestic Johor PPP. • District-level green SME and digital adoption grant rollout

Source: Rancangan Tempatan Daerah, PASB Analysis, Laporan Sosioeokonomi Johor 2023

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Rancangan Tempatan Daerah, PASB Analysis, Laporan Sosioeokonomi Johor 2023

07

Strategic Interventions.

<u>Disclaimer Notes</u>

The enabling initiatives listed were identified through Lab Engagements under JETP, based on direct consultations with the respective stakeholders.

These initiatives represent part of the proposed enablers to support Johor's economic transformation, but do not constitute the full extent of the State's recognised or emerging enabling measures.

The initiative lists presented are non-exhaustive. Information provided, including indicative budgets, are as furnished by the respective stakeholders and are shared in strict observance of the confidentiality obligations of all parties.

PEMANDU makes no representation as to the reliability or accuracy of the information provided, which is assumed to be accurate and reliable at the point of obtainment from the respective stakeholders.

Extensive engagements with both private and public sector agencies have surfaced several key roadblocks that continue to impede investment attraction and realisation in Johor

NON-EXHAUSTIVE

Infrastructure

"There are ongoing concerns regarding the stability of electricity supply and the adequacy of treated water for industrial use

E&E Industry Players

"The construction of access road to PTP Zone 3 is really crucial to support and expedite the expansion of PTP

Port Tanjung Pelepas

Ease of Doing Business

"Lack of flexibility in land use regulations for agrosolar applications has made it difficult for agricultural operators to adopt solar-powered solutions

Agriculture Industry Players

"The current cost structure under the CRESS scheme presents a barrier to scaling renewable energy projects

Renewable Energy Players

Incentives & Investment Facilitation

"High land costs in PIPC remain a significant deterrent for potential investors considering setting up operations in the area

Chemical Industry Players

"Mersing has untapped tourism potential and should be considered for inclusion in a designated Special Tourism Investment Zone

Tourism Industry Players

Talent & Workforce

"Retention of nursing talent is a major challenge, with many opting for employment in Singapore due to better pay which has impacted our ability to meet local demand

Healthcare Industry Player, IRDA

"The aerospace sector requires a more consistent and industry-aligned talent pipeline to meet future workforce needs

Aerospace Industry SME

To address the key issues identified, the state government must adopt a whole-of-government approach, ensuring close coordination among ministries and agencies to effectively support the end-to-end investor journey

Source: FGD session and project engagements with private sector players

The strategic interventions proposed are designed to address systemic bottlenecks—such as water self-sufficiency, digital customs, regulatory sandboxes, and talent pipelines—while also seizing emerging opportunities, including green industry clusters and advanced TVET

1 Common On-Ground Roadblocks

Systemic cross-cutting roadblocks faced by investors across every stage of the investment journey which deters fresh capital or slows down realisation of investments into productive assets

2 New Emerging Opportunities with Multiplier Potential

Harnessing on key economic and sectoral trends that leverages on Johor's positioning and propositions which delivers broad, economy-wide spill-overs that can be accelerated and maximised through strategic intervention by the state

Therefore, the proposed strategic interventions targets both dimensions to extract and unlock the highest economic value to the state

Source: PASB Analysis

Therefore, for the state to effectively action on the strategic intervention initiatives, it requires a collaborative effort through a "whole-of-government" approach

Strengthening Foundations for Growth

4 Critical Strategic Intervention Categories were identified …

1 Infrastructure Development

Enhancing physical and digital infrastructure to support growing economic activities

2 Ease of Doing Business

Simplifying regulatory processes and improving Investment Promotion & Facilitation

3 Private Investment Catalyst

Increasing access to financial incentives and capital while accelerating sectoral development strategies

4 Talent & Capacity Building

Attracting, Developing and Retaining high quality talents while fostering industry-academia linkages

… which anchors on a "Whole-of-Government" approach

Federal Government & Agencies

Offering competitive incentives and clarity in policies with efficient and streamlined Federal-Level Approvals

State Government and Agencies

Creating an Investment-Ready Environment with Accelerated State Level Approvals

State GLCs

Co-Investing in Strategic & High-Impact Projects while strategically addressing untapped opportunities

Private Sector

Leading Investment & Project Delivery while Fostering Innovation & Supply Chain Development locally

Source: PASB Analysis

Across all enabler categories, a state-wide deep dive was performed across the current and future state which were complemented with respective vision and strategy recommendations

Content and Analysis

Current State Analysis

Analysis of the current landscape and performance trend of the enabler categories within the state including its gaps and opportunities

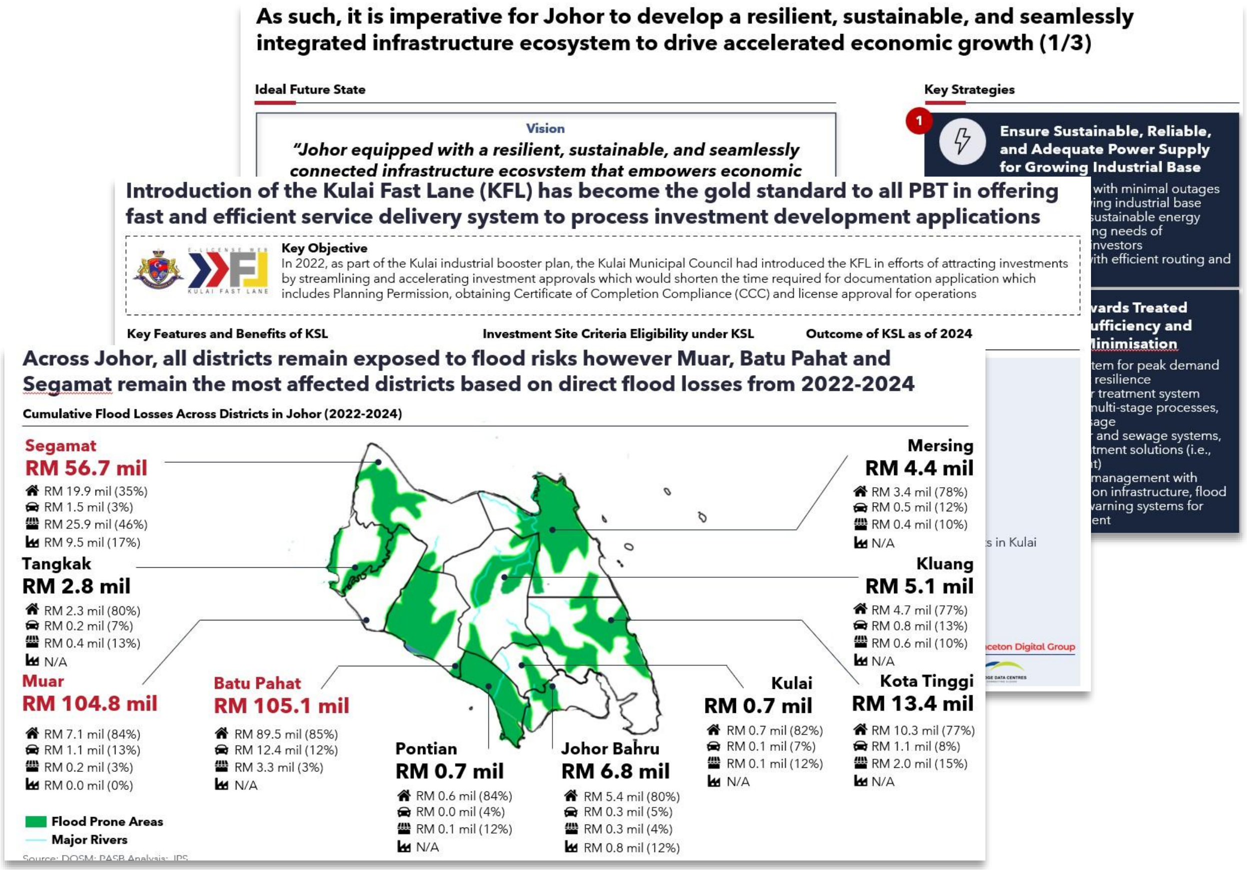
Ongoing Efforts by the State Government

High- level assessment of the ongoing efforts by the state government in addressing and developing a robust ecosystem across the enabler categories

Vision and Strategy

Holistic Strategic recommendations across enabler categories based on the respective identified future state

Illustration and Description



Source: PASB Analysis

Based on key issues raised through the Lab process, 32 strategic interventions were co-developed with over 30 stakeholders from Federal Ministries, State Agencies, GLCs and Industry Associations

32 Strategic Intervention Initiatives:

- The initiatives fall in 4 Enabler categories, based on common themes raised through our Lab process.
- These initiatives were then refined in consultation with stakeholders and proposed implementing agencies.

NON-EXHAUSTIVE

Infrastructure Development — 13

MINISTRY OF DIGITAL, BAKAJ, Digital Nasional, MyDIGITAL, PDT (Permodalan Darul Ta'zim), JLAND

Ease of Doing Business — 5

MIDA (Malaysian Investment Development Authority), IMFC-J, MICCI (Malaysian International Chamber of Commerce And Industry, Founded 1837), Iskandar Malaysia, PTP

Private Investment Catalyst — 8

Tourism Johor, JCORP (Johor Corporation), farmbyte, NAIO (The National AI Office)

Talent & Capacity Building — 6

MDEC, Institut Dato' Onn, NAICO Malaysia, 42 Iskandar Puteri Sunway Education, AATA (Asia Aeronautical Training Academy)

Note: Number of initiatives remains preliminary as of the stated date which is subject to change based on engagement and feedback from stakeholders.

With an emphasis on implementation, all initiatives were supplemented with an implementation plan comprising of key components required for successful delivery

Implementation Plans

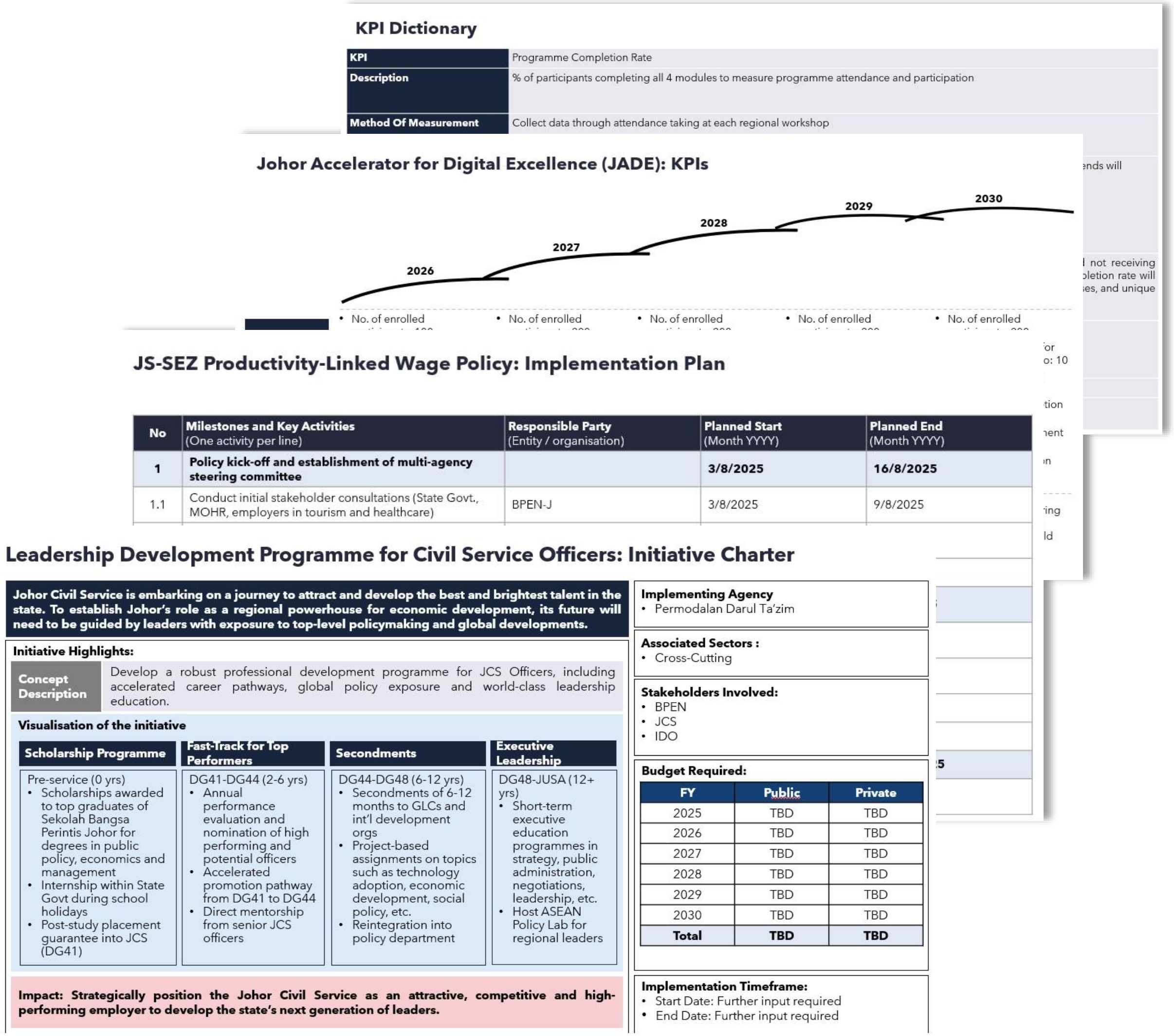
Detailed Action Steps
Transparent, timebound and clear breakdown of tasks with assigned owners

Initiative Milestones
Major checkpoints across all phases of the initiative with established completion criteria

KPI Timeline
Mapping of KPIs to calendar and milestone cadence allowing seamless tracking of progress performance

KPI Dictionary
Clearly defined KPIs that encompasses method of measurement and interpretation

Illustration and Description



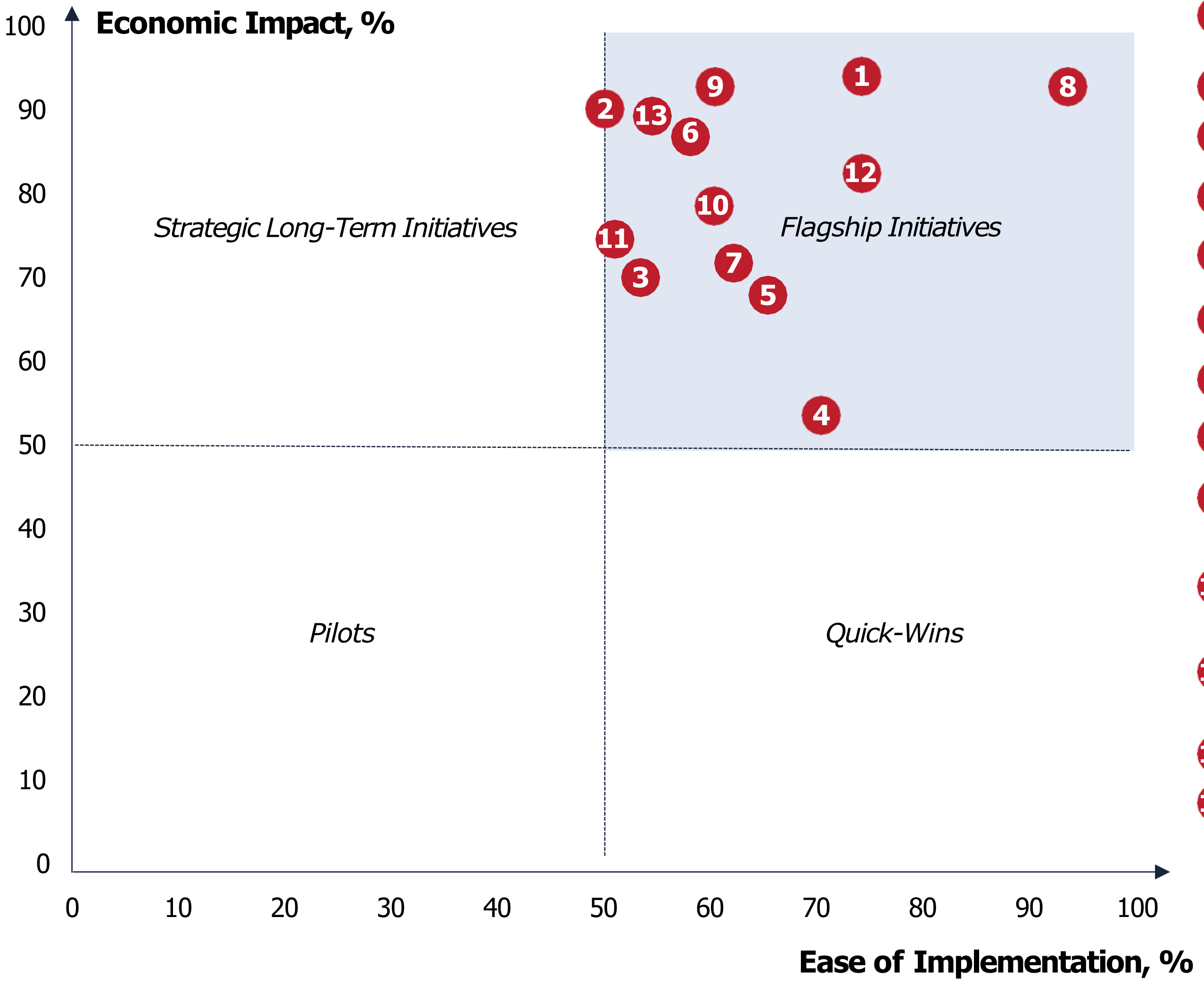
Source: PASB Analysis

In order to determine key flagship initiatives, a prioritisation matrix was applied to shortlist the highest impact projects

Prioritisation Matrix

- Matrix anchors on the overall economic impact to the state based on its ability to address systemic roadblocks or unlocking new opportunities
- The matrix also considers the ease of implementation of initiatives based on identified budget, timeline, commitment from implementing party

JETP Strategic Intervention Prioritisation Matrix



JETP Flagship Strategic Intervention Initiatives

1. Advancement Towards Treated Water Self-sufficiency
2. Digitalisation of Customs Clearance Processes
3. Johor Transition Industrial Cluster
4. Elevated Autonomous Rapid Transport (EART)
5. Lebuhraya Pantai Timur (LPT) 4
6. Enhancing Mersing's International Connectivity
7. Revitalisation of Segamat In-land Port
8. Johor Regulatory Sandbox
9. Developing a Strategic Industrial Land Consolidation & Release Programme (SILCRP)
10. Establishing Mersing as a Special Tourism Investment Zone (STIZ) and Free Commercial Zone (FCZ)
11. Operationalising JS-SEZ Productivity Linked Waged Policy
12. Developing Johor's Dual-Track TVET Programme
13. Establishing Johor's Innovation Corridor

Source: PASB Analysis

13 Flagship Initiatives:

Flagship Initiatives were selected based on their overall economic impact and ease of implementation respectively

Out of the 32 initiatives, 13 flagship initiatives were shortlisted to be further prioritised and accelerated (1/2)

Key Flagship Initiatives	Implementing Party
1. Advancement Towards Treated Water Self-sufficiency	1. Ranhill SAJ, Johor Special Water (JSW), PDT, etc.
2. Digitalisation of Customs Clearance Processes	2. Jabatan Kastam Diraja Malaysia (JKDM)
3. Johor Transition Industrial Cluster	3. MyDigital, Johor State Government
4. Elevated Autonomous Rapid Transport (EART) 5. Lebuhraya Pantai Timur (LPT) 4	4. Ministry of Transport (MOT)
6. Enhancement of Mersing's International Connectivity	5. Ministry of Transport (MOT)
7. Revitalisation of Segamat In-land Port	6. Ministry of Transport (MOT), Majlis Perbandaran Segamat
8. Johor Regulatory Sandbox	7. Johor State Investment, Trade and Consumer Affairs Committee
9. Developing a Strategic Industrial Land Consolidation & Release Programme (SILCRP)	8. JCORP

Resolving Roadblocks

Emerging Opportunities

Source: Co-Creation through engagement with Stakeholders, PASB Analysis
Note: Numbers assigned to flagship initiatives serve only as identifiers and does not indicate priority

Out of the 32 initiatives, 13 flagship initiatives were shortlisted to be further prioritised and accelerated (2/2)

13 Flagship Initiatives:

Flagship Initiatives were selected based on their overall economic impact and ease of implementation respectively

Key Flagship Initiatives	Implementing Party
10. Establishing Mersing as a Special Tourism Investment Zone (STIZ) and Free Commercial Zone (FCZ)	9. Majestic Johor
11. Operationalising JS-SEZ Productivity Linked Waged Policy	11. Johor State Human Resources Committee
12. Developing Johor's Dual-Track TVET Programme	12. JSkills
13. Establishing the Johor Innovation Corridor	13. IRDA, Johor State Investment, Trade and Consumer Affairs Committee, JTDC

Resolving Roadblocks

Emerging Opportunities

Source: Co-Creation through engagement with Stakeholders, PASB Analysis
Note: Numbers assigned to flagship initiatives serve only as identifiers and does not indicate priority

Initiative #1

Advancement Towards Treated Water Self-sufficiency

Description

Development of key water treatment plants across Johor:

i. Sungai Sembrong Water Transfer

ii. Semangar 3 Water Treatment Plant

iii. ORS Sungai Johor

iv. Ulu Sedili Dam Scheme

v. ORS, Barrage Development at Sungai Pontian Besar & Kayu Ara Pasong Plant

vi. RSTP and WRP Pasir Gudang

vii. Off-River Storage Sungai Sedili Besar

Issues to be addressed

- Lack of treated water for industrial use
- Dependency of treated water from Singapore

Impact

- Increase total domestic treated water capacity to over 2,300 MLD
- Unlock realisation of additional investments that are currently hindered by sufficiency of water supply (e.g., data centres, heavy manufacturing, etc)

Implementing Party

- Ranhill SAJ, JSW, PDT, YTL, PETRA

Source: PASB Analysis. Note: Images are for illustration purposes only

Initiative #2

Digitalisation of Customs Clearance

Description

Establishing an end-to-end integrated digital system and platform across:

i. Goods Declaration

ii. Payment of Duties and Taxes

iii. Permit and License Management

iv. Cargo Inspection

Issues to be addressed

- Inefficient and manual customs processes (e.g., physical documentation)
- Lack of green lanes for goods movement

Impact

- Improve Customs Services and Transparency across processes
- Strengthen competitiveness and investor confidence of ports and associated services in Johor amidst growing competition
- Boost economic activity through increased trade throughput supported by accelerated and more efficient custom processes

Implementing Party

- Jabatan Kastam Diraja Malaysia (JKDM)

Source: PASB Analysis. Note: Images are for illustration purposes only

Initiative #3

Johor Transition Industrial Cluster (JTIC)

Description

Establishing Johor as the second Transition Industrial Cluster pilot in Malaysia (as endorsed by the World Economic Forum) by integrating existing industrial clusters (e.g., PIPC) into a thriving sectoral ecosystem through targeted infrastructure zoning which is to be driven by MyDigital

Issues to be addressed

- Reliance on carbon-intensive production threatens product competitiveness and jeopardises long-term industrial leadership resulting in Johor as a laggard
- Potential loss of high-value added industries to competing neighbour states and countries within ASEAN

Impact

- Create operational synergies through shared manufacturing and processing resources, infrastructure, talents and R&D
- Deepen value chain across the sectoral ecosystem
- Creation of high-quality jobs across skilled positions
- Position Johor as an economic frontier in TIC, green solutions and decarbonisation efforts within the SEA region

Implementing Party

- MyDigital
- Johor State Government

Source: PASB Analysis. Note: Images are for illustration purposes only

Initiative #4

Elevated Autonomous Rapid Transport (EART)

Description

Trackless, rubber-wheeled vehicles that could be operated autonomously which spans across Skudai, Tebrau and Iskandar Puteri region. Total length of 47.6km with 32 planned stations.

Issues to be addressed

- Lack of last-mile connectivity which deters usage of public transportation and workforce mobility
- Heavy congestion and insufficient transport infrastructure to support growing urban populations

Impact

- Reduce traffic congestion across key urban centers
- Improve Last Mile Connectivity in complementary with other mega infrastructure projects (E.g., RTS, Gemas–JB EDTP, etc.)
- Increase productivity through reduced travel time
- Improve liveability in Johor with better quality of life
- Incentivise increased tourism visits through improved connectivity

Implementing Party

- Ministry of Transport (MOT)

Source: PASB Analysis. Note: Images are for illustration purposes only

Initiative #5

Lebuhraya Pantai Timur (LPT) 4

Description

Phase 4 extension of the existing LPT 1 and LPT 2 (East Coast Highway) at a road length of 123 km – linking Kuantan, Mersing and Kota Tinggi to Pasir Gudang, Johor Bahru

Issues to be addressed

- Chronic Congestion on Federal Route 3 between Johor Bahru, Kota Tinggi and Mersing especially during holiday seasons and peak freight movements
- Lack of high-capacity alternatives and increasing safety concerns due to high traffic volume and narrow road shoulders across coastal route

Impact

- Enhances Safety and Accessibility across key districts and towns across the east coast region
- Enable Talent Mobility across the south and east coast which benefits both regions through additional knowledge transfer
- Bolster Domestic Tourism within Mersing
- Unlocking economic growth potential within ECER region through the establishment of foundational connectivity infrastructure

Implementing Party

- Kementerian Kerja Raya (KKR)

Source: PASB Analysis. Note: Images are for illustration purposes only

Initiative #6

Enhancing Mersing's International Connectivity

Description

Development of key connectivity infrastructure projects in Mersing:

i. Redeveloping Mersing airstrip

ii. Transforming Mersing ferry terminal into a multimodal terminal

Issues to be addressed

- Poor and limited land, air, and sea connectivity to Mersing’s coastal areas and tourist hotspots discourages both domestic and international visitors

Impact

- Improve connectivity for domestic and international tourist to Mersing across various modes of transports
- Increase tourist arrivals and spending which significantly benefits the local economy and SMEs
- Increase Job Opportunities in Mersing
- Catalyse infrastructure development from private investments to capitalise on enhanced market potential

Implementing Party

- Ministry of Transport (MOT)

Source: PASB Analysis. Note: Images are for illustration purposes only

Initiative #7

Mersing Special Tourism Investment Zone (STIZ) and Free Commercial Zone (FCZ)

Description

Collaborate with the federal government to designate Mersing as a Special Tourism Investment Zone (STIZ) and Free Commercial Zone (FCZ)

Issues to be addressed

- Low tourist footfall and spending within Mersing compared to other marine park islands
- Lack of catalytic infrastructure development to attract tourism activities due to high land premiums, taxes, and prolonged approval processes

Impact

- <u>Increase tourist arrival, spending and length of stay</u> via increased consumption and purchases of retail goods
- <u>Boost Mersing's tourism and blue economy</u> by driving new investments, expansions and local SMEs, ultimately addressing the district's high poverty rate
- <u>Potential increase in taxable revenue</u> from broader economic activity

Implementing Party

- Majestic Johor

Source: PASB Analysis. Note: Images are for illustration purposes only

Initiative #8

Johor Regulatory Sandbox

Description

Structured framework allowing time-limited, controlled testing of innovative projects under temporary exemptions or modified regulatory conditions. Several initiatives under JETP to be proposed under Regulatory Sandbox includes

i. Digitalisation of Customs Clearance

ii. Johor Transition Industrial Cluster

iii. Johor Innovation Corridor

Issues to be addressed

- Rigid regulatory policies which hinders innovation and commercialisation of emerging technologies and frontier industries

Impact

- National pioneer in regulatory innovation
- Unlock high-value and next-generation investments potential across fintech, smart logistics, renewable energy and autonomous technologies, low altitude economy, etc.
- Accelerate pilot models to commercialisation which increases opportunity for innovation and build unique propositions within the state
- Attract high value technical talents in emerging sectors

Implementing Party

- Johor State Investment, Trade and Consumer Affairs Committee

Source: PASB Analysis. Note: Images are for illustration purposes only

Initiative #9

Strategic Land Consolidation and Release Programme (SILCRP)

Description

Johor-controlled SPV that acquires fragmented industrial land in priority zones (pilot: PIPC) to drive long term economic value and return of investment to the state. The land consolidation will involve adding basic infrastructure and issuance of ready-to-build plots at a published ceiling price.

Issues to be addressed

- Escalating land cost due to market speculation within key zones
- Lack of "plug-and-play" infrastructure within key industrial hubs and zones spanning land parcel readiness, access to utilities, ports and connectivity infrastructure which creates a complex, drawn-out go-to-market process

Impact

- Increase land productivity by reactivating under-used industrial land
- Eliminate speculative barriers such as exorbitant land pricing
- Catalyse new anchor investments through availability and accessibility of a seamless state-backed plug-and-play model
- Enable cluster-focused growth within key hubs and industrial zones

Implementing Party

- JCorp

Source: PASB Analysis. Note: Images are for illustration purposes only

Initiative #10

Revitalisation of Segamat Inland Port

Description

Development and enhancement of the Segamat Inland Port (SIP) into a modern, multimodal logistics hub that integrates rail and road connectivity, advanced cargo handling, and value-added services to support regional trade.

Issues to be addressed

- SIP currently struggles to function as a comprehensive inland port, due to its distance from railway and reliance on road transport.
- High and increasing congestion levels across sea-ports in Johor which affects overall service level and port competitiveness.

Impact

- Boost international trade with China, Thailand, Laos and Singapore
- Increase competitiveness of Johor's supply chain management through increased service levels and value-added assembly/processing.
- Decongest neighbouring seaports thus increasing overall throughput and cargo flow potential
- Leverage available rail assets within Johor and key cargo lines

Implementing Party

- Ministry of Transport (MOT), Majlis Perbandaran Segamat

Source: PASB Analysis. Note: Images are for illustration purposes only

Initiative #11

JS-SEZ Productivity-Linked Wage Policy (PWP)

Description

Dual-pronged policy targeted at increasing wages for low-earning workers in critical service sector occupations, while increasing productivity gains for long-term sustainability. Eligibility of additional grant funding from HRDC (via JTDC) to support workers in completing required trainings, aligned to industry benchmarks

Issues to be addressed

- Stagnant wage growth in Johor has led to brain drain and large-scale outmigration of talent across all skill levels, in particular to Singapore.
- In the longer term, low wages and salaries also contribute to a loss in productivity; Johor currently ranks 9th in the country for productivity outcomes, showing low growth over the past decade.

Impact

- Retain and reduce talent attrition through the transparent, data-based wage formula within PWP
- Supports financial sustainability of wage growth for employers through an outcomes-based approach that tracks HRD Corp and industry-aligned productivity gains.

Implementing Party

- Johor State Human Resources Committee

Source: PASB Analysis. Note: Images are for illustration purposes only

Initiative #12

Johor's Dual-Track TVET Programme

Description

An integrated TVET system driven by industry demand and benchmarks, building a pipeline of highly employable graduates for both MNCs and SMEs in Johor. MNC involvement through JTDC's Industry Working Groups (IWGs) to lead curriculum review and certification, while SMEs will support with hosting placements. Pilot cohorts to be trained at JSkills and KYPJ for manufacturing and hospitality courses, respectively.

Issues to be addressed

- Fragmented industry-academia partnerships largely driven by universities, without robust industry support
- Lack of opportunities in high impact industries to attract top talent and drive high value R&D activities in Johor

Impact

- <u>Address acute shortage of skilled workers</u> creating a pipeline of industry-certified workers in high demand and high by growth industries (e.g., E&E, Tourism, Aerospace, etc.)
- <u>Achieve meaningful employment of local talents</u> by uplifting the status of TVET, equipping them with relevant and practical skills.
- <u>Amplify ongoing JTDC efforts</u> such as a digital jobs platform and career fairs by developing network of participating students and employers.

Implementing Party

- JSkills

Source: PASB Analysis. Note: Images are for illustration purposes only

Initiative #13

Establishing Johor's Innovation Corridor

Description

Innovation Corridor anchored in JLAND's Ibrahim Technopolis, integrating Johor's STEM academic engine with its Smart City infrastructure, exploring unrestricted innovation with JS-SEZ Regulatory Sandbox. Ensure science-driven business innovation by encouraging industry-academia partnerships and funding interdisciplinary studies in Advanced E&E, Life Sciences and MedTech, Smart Logistics, Digital Infrastructure and Agrifood Innovation.

Issues to be addressed

- Fragmented industry-academia partnerships largely driven by universities, without robust industry support.
- Lack of opportunities in high impact industries to attract top talent and drive high value R&D activities in Johor.

Impact

- <u>Establish Johor's competitive edge through R&D</u>, amplifying existing value chains for GLCs and SMEs.
- <u>Rapidly convert R&D into industrial-scale applications</u> in synergy with the JS-SEZ Regulatory Sandbox and industry partnerships.
- <u>Smart City infrastructure</u> will support unrestricted innovation through the provision of smart utilities, clean energy and digital connectivity.

Implementing Party

- IRDA, JCorp

Source: PASB Analysis. Note: Images are for illustration purposes only

The Johor regulatory sandbox will potentially incorporate several identified flagship initiatives, enabling the state to lead in the development of frontier industries

***Flagship Initiative Number* 2**

Digitalisation of Customs Clearance

- Pilot phase to be conducted within stipulated area / zone of the Johor Regulatory Sandbox in collaboration with federal agencies to allow a controlled testing with heightened risk management which will greatly reduce barrier to trial

***Flagship Initiative Number* 3**

Johor Transition Industrial Clusters

- Johor Regulatory Sandbox will serve as a key testing-bed with additional incentives and flexible regulatory conditions for commercial and operation viability of transitioning industrial clusters in Malaysia via a Public-Private-Partnership model

***Flagship Initiative Number* 13**

Johor Innovation Corridor

- Incorporation of R&D efforts into the Johor Regulatory Sandbox will ensure a "Safe-harbour" regulatory environment with expedited approvals and outcome-based compliance

Source: PASB Analysis

Thank You

08

Appendix.

Sectoral Strategies.

Through the Lab, each of the 10 sector strategies was co-developed with public and private players to not only strengthen individual sectors but also generate cross-district spillovers and drive inclusive growth (1 of 3)

Industries	Vision Statements	Key Strategies
Chemical & Petrochemical	*Strengthen Johor as an advanced, application-driven integrated chemical hub in ASEAN by fostering a dynamic and innovative chemical ecosystem*	• Advance the chemical and petrochemical hubs towards a ready-state development with enhanced infrastructure solutions • Accelerate industry integration towards high-value specialised chemicals • Pioneer the growth of green chemistry & circular petrochemical economy
Healthcare & Pharmaceutical	*Position Johor as the leading healthcare ecosystem driver in the ASEAN region*	• Strengthen and diversify local manufacturing capabilities and capacity • Expand on local commercialisation and innovation capacity • Establish Johor as the preferred destination for integrated healthcare services
Energy	*Position Johor as a regional energy powerhouse for sustainable, inclusive and innovative energy development, aligned with the national & global energy transition*	• Scale up production of sustainable, low-carbon and renewable power • Develop green hydrogen and ammonia export hubs • Build green innovation and manufacturing hubs • Strengthen the sustainable maritime industry
Electrical & Electronics	*Position Johor as Southeast Asia's E&E hub, driven by high-value manufacturing, advanced tech applications, and a future-ready talent & business ecosystem*	• Addressing the needs of emerging E&E end-use markets • Strengthening intermediary E&E segments (e.g. robotics, data centers) • Driving local supply chain anchoring through corporate-led innovation & investment

Source: Focus Group Discussion (FGD)

Through the Lab, each of the 10 sector strategies was co-developed with public and private players to not only strengthen individual sectors but also generate cross-district spillovers and drive inclusive growth (2 of 3)

Industries	Vision Statements	Key Strategies
Aerospace	*Positioning Johor to be the Southern Region Gateway for General Aviation and Maintenance, Repair & Overhaul (MRO) Services*	• Establish production hub for next-generation aviation technologies • Develop specialised facility for servicing component-level MRO • Establish an Aerospace Manufacturing Hub to boost aviation trade and industry linkages
Logistics	*Mature Johor's logistics ecosystem into a seamless, integrated, sustainable, agile ecosystem and crystallise its reputation as the preferred logistics gateway into Asia with long-term competitive advantage*	• Improve capacity, digitalisation and automation of sea logistics landscape • Build foundation of Johor's air logistics landscape to capture future demand • Integrate cutting-edge technology with real-time goods movement tracking through Smart Logistics Complexes (SLC) • Develop capabilities in warehouse and transportation of special goods
Tourism	*Establish Johor as a welcoming world-class destination for integrated sustainable tourism*	• Elevate sustainable eco-tourism through luxury branded accommodation • Attract business tourists and seize MICE demand • Develop premier medical and wellness tourism destination • Enhance maturity of urban and retail landscape • Strengthen Johorean identity through sports and events
Agriculture	*Position Johor as Malaysia's hub for food security and premium agri-exports through sustainable and advanced agritech*	• Leverage advanced agritech and robotics across R&D, plantation, and distribution • Boost production of premium agro-based specialties • Accelerate sustainable farming and circular economy practices

Source: Focus Group Discussion (FGD)

Through the Lab, each of the 10 sector strategies was co-developed with public and private players to not only strengthen individual sectors but also generate cross-district spillovers and drive inclusive growth (3 of 3)

Industries	Vision Statements	Key Strategies
Digital Economy	*Position Johor as Malaysia's digital powerhouse —leading in AI, data, and innovation to drive smart industries and inclusive growth*	• Expand fibre, 5G, and data infrastructure to build a seamless digital backbone. • Accelerate AI and digital adoption across all sectors to boost productivity and efficiency. • Develop a world-class digital workforce and innovation corridor through industry–academia collaboration.
Manufacturing	*Establish Johor as the nation's hub for advanced, sustainable manufacturing that powers innovation and growth across all sectors*	• Accelerate automation, robotics, and smart manufacturing to enhance productivity and integration. • Upgrade industrial parks, utilities, and logistics to strengthen cross-sector value chains. • Advance green manufacturing and skilled talent through coordinated TVET and R&D partnerships.

Source: Internal Analysis

District Strategy.

Johor Districts as the Engine: JETP's district strategic recommendations are designed to complement the JS-SEZ, not compete with it, by focusing on local sectoral ecosystems (1/5)

District	Existing Strengths	Key Infrastructure Assets	Strategic Recommendations	Potential Preliminary Initiatives
 **Segamat** *High-Value Crops and Biomass Processing Region*	• **Plantation led economy** through its Fruit, rubber & palm-oil basket • **Rail & highway access** to KL and JB with upcoming ETS connectivity extension • **Large Landbank** at relatively lower cost relative to southernmost districts • **High rural workforce** availability to support labour intensive sectors	• Sekijang Food Production Park • Segamat Inland Port (SIP) • Solar Power Infrastructure (e.g., UEM Lestra Flagship) • Segamat Railway Station • Segamat Industrial Park	• Establish northern Bio-Agro Industrial Zone for high-value crops, biomass and renewable energy under NETR • Revitalise Segamat Inland Port as a multimodal logistics hub • Strengthen bio-processing investment promotion and agri-innovation R&D partnerships • Develop Agro-Innovation & Skills Centre to upskill local workforce in smart farming and bio-industry	• SIP revitalisation taskforce (ECERDC–KTMB) with rail spur • Segamat Bio-Agro Park PPP for biomass, biofuel and feedstock processing • Smart farming and crop diversification pilot with FELDA and MARDI • Renewable-energy integration plan linking Lestra solar to industrial estates
 **Tangkak** *Strategic Transit Centre and Eco-Tourism Hub*	• **Access to Tourism Assets** which supports eco and agro-tourism activities • **High Connectivity** through the WCE-NSE interchange • **Availability of Industrial Land** • **Largest fruit producer** and second largest vegetable producer in Johor	• Gunung Ledang National Park • Tangkak Industrial Area • WCE-NSE interchange • Tangkak Water Treatment Plant	• Develop Northern Johor Transit & Logistics Corridor integrating WCE–NSE • Expand Agro-Industrial Cluster for food-tech and machinery SMEs • Transform Gunung Ledang–Muar River Corridor into a flagship eco-agro-tourism destination • Accelerate green and digital SME upgrading aligned with state incentives	• Integrated Transit & Logistics Hub Feasibility Study at WCE–NSE interchange • Agro-industrial estate expansion with shared utilities and SME incubation. • Gunung Ledang eco-tourism redevelopment under Majestic Johor PPP. • District-level green SME and digital adoption grant rollout

Source: Rancangan Tempatan Daerah, PASB Analysis, Laporan Sosioekonomi Johor 2023

Johor Districts as the Engine: JETP's district strategic recommendations are designed to complement the JS-SEZ, not compete with it, by focusing on local sectoral ecosystems (2/5)

District	Existing Strengths	Key Infrastructure Assets	Strategic Recommendations	Potential Preliminary Initiatives
 **Muar** *Industrial Energy Complex, Integrated Tourism & High Value Food Processing Industry Hub*	• **Furniture manufacturing hub of Malaysia** with skilled carpentry and technical production capabilities • **Talent and Education hub** with establishment of 4000-hectare integrated university town	• Muar Furniture Park (MFP) • Maharani Energy Gateway Project • Bandar Universiti Pagoh • Sultan Ismail Bridge • Taman Tanjung Emas	• Establish Muar Integrated Food & Tourism Corridor linking food-tech, heritage and riverfront assets • Redevelop Muar Riverfront Zone as a tourism and creative-industry precinct • Strengthen Pagoh Food-Tech & Education Hub for R&D and export innovation • Expand Halal and processed-food export clusters with cold-chain connectivity	• Muar Food Innovation Park for halal and processed-food SMEs. • Riverfront redevelopment blueprint with mixed-use PPP. • Pagoh Food-Tech Talent Partnership (UTHM–MARDI–YPJ). • Heritage & Culinary Circuit activation under Majestic Johor
 **Batu Pahat** *High-Value Manufacturing and Processing Industry*	• **Major manufacturing hub of Johor** across diverse sectors • **Well developed industrial parks** which houses more than 20 listed companies • **Strategic Location in Straits of Malacca** with 6 existing jetties that handles exports to and from Sumatra	• Sri Gading Industrial Park • Parit Raja Industrial Park • Batu Pahat River • Historical and Cultural Sites • Universiti Tun Hussein Onn Malaysia (UTHM)	• Position Batu Pahat as central high-value manufacturing engine for precision, machinery and green-chemical industries • Attract advanced and green-certified investments aligned with Industry 4.0 • Establish State–District Skills Accelerator for automation and robotics talent	• Advanced Manufacturing Park (AMP) with shared utilities and certification • Industry 4.0 Talent Accelerator via MARA–HRD Corp–JTDC • Logistics enhancement linking Batu Pahat Port with NSE–WCE corridor

Source: Rancangan Tempatan Daerah, PASB Analysis, Laporan Sosioeokonomi Johor 2023

Johor Districts as the Engine: JETP's district strategic recommendations are designed to complement the JS-SEZ, not compete with it, by focusing on local sectoral ecosystems (3/5)

District	Existing Strengths	Key Infrastructure Assets	Strategic Recommendations	Potential Preliminary Initiatives
 **Kluang** *Agro-Processing Hub, Agriculture and Logistics Hub*	• **Connected via Rail and Road** with interstate and inter-district connections via the PLUS Highway and ETS Kluang • **Diverse Agricultural and Natural Resources** enabling production of variety of crops • **Large workforce**, standing as the 4th largest population in Johor.	• Upcoming Gemas-JB EDTP • Kluang Railway Station • IOI Pamol Kluang Palm Oil Mill & Estates • Gunung Lambak • Sekolah Menengah Sains Johor	• Develop Kluang as Johor's central agro-processing and logistics hub, integrating value-based agriculture with cross-district supply chains • Establish Agro-Industrial & Logistics Corridor linking Simpang Renggam–Machap–Kluang to connect producers for export • Anchor Agro-Tech & Food Processing Cluster for downstream value addition	• Agro-logistics hub feasibility with dry port and cold-chain facilities • Kluang Agro-Tech Park expansion for food processing and packaging SMEs • Smart agriculture and cooperative commercialisation programme under DOA & FAMA • District-level talent and SME upgrading programme
 **Mersing** *Blue Economy and Eco-Tourism Hub*	• **Gateway to Offshore Islands** (Pulau Rawa, Pulau Tioman, etc.) • Beneficiary of ECERDC initiatives • **Land Bank for Agricultural Development** which makes up almost 15% of the state's total land	• Pristine Islands and Natural Resources • Jemaluang Dairy Valley (JDV) • Endau-Mersing Integrated Fish Processing Park (EM-IFPP) • Mersing Jetty • Tanjung Penyabong Waterfront Complex	• Position Mersing as Johor's blue-economy and eco-tourism anchor, driving sustainable marine, fisheries and island-based growth • Upgrade Mersing as East Coast Gateway, strengthening port, road and air connectivity • Develop Integrated Eco-Tourism Belt along Mersing–Endau coastline under the Majestic Johor framework	• Coastal infrastructure and protection plan (DOF–ECERDC) with port and ferry upgrades • Mersing Blue Economy Hub for aquaculture, cold-chain and marine product innovation • Johor–Federal working group to coordinate LPT4 and coastal route integration

Source: Rancangan Tempatan Daerah, PASB Analysis, Laporan Sosioekonomi Johor 2023

Johor Districts as the Engine: JETP's district strategic recommendations are designed to complement the JS-SEZ, not compete with it, by focusing on local sectoral ecosystems (4/5)

District	Existing Strengths	Key Infrastructure Assets	Strategic Recommendations	Potential Preliminary Initiatives
 **Pontian** *Blue-Green Energy & Aquaculture Products Hub*	• **Well Connected via** access to 3 Federal Highways and direct bridge to Johor Bahru • **Emerging hub** for petrochemicals and maritime industry • **Strong agricultural industry** with robust pineapple production of 37,000 tonnes annually • **Availability of fishing and marine resources** in Kukup Laut	• Tanjung Bin Power Station • Skudai-Pontian Highway • Kukup International Ferry Terminal • Pontian and Nenas Industrial Parks • Tanjung Piai National Park	• Position Pontian as Johor's blue-green energy frontier, integrating renewable power, aquaculture, and coastal resource management • Develop Tanjung Piai–Serkat Coastal Zone as a green industrial and aquaculture complex under NETR • Promote integrated aquaculture innovation through R&D partnerships for high-value products	• Blue-Green Industrial Zone feasibility study • Tanjung Piai Renewable Energy & Aquaculture Park PPP development • Coastal resilience and infrastructure enhancement plan • District-led aquaculture upgrading and export certification programme
 **Kulai** *AI and High-tech Manufacturing Hubs, Digital Economy, Aerospace and Export-oriented Services*	• **Critical transportation hub** to connect Johor with the rest of Malaysia • **Flagship of Iskandar Malaysia**, benefiting from the JS-SEZ • **Aerospace Hub** with Senai International Airport and City • **Competitive E&E hub with** the establishment of Sedenak Technology Valley • **Major Exporter** of Oil Palm and Rubber Production	• Kulai KTM • EDTP • Sedenak Technology Valley • Senai International Airport • Senai Airport City	• Establish Kulai–Senai Corridor as Johor's logistics, aerospace and digital-economy nucleus aligned with JS-SEZ and SFZ • Strengthen Senai Airport and Sedenak Tech Park as twin anchors for air cargo, aerospace manufacturing, and hyperscale data centres • Facilitate high-value FDI in digital infrastructure, supporting data, AI, and cloud service ecosystems	• Develop Aerospace & Digital Skills Hub in partnership with MARA, CAAM and MyDigital for advanced workforce readiness • Expansion of Sedenak Tech Park and YTL Green Data Centre cluster under JS-SEZ • Digital economy sandbox and AI adoption programme for SMEs • Aerospace & Digital Skills Academy linked to JTDC

Source: Rancangan Tempatan Daerah, PASB Analysis, Laporan Sosioekonomi Johor 2023

Johor Districts as the Engine: JETP's district strategic recommendations are designed to complement the JS-SEZ, not compete with it, by focusing on local sectoral ecosystems (5/5)

District	Existing Strengths	Key Infrastructure Assets	Strategic Recommendations	Potential Preliminary Initiatives
 **Johor Bahru** *AI and High-tech Manufacturing Hubs, Digital Economy, Aerospace and Export-oriented Services*	• **Part of the JS-SEZ and home to FS-SFZ** • **Access to major shipping ports** across PTP, Johor Port, Tanjung Langsat Port • **Gateway to Singapore** through the Johor-Singapore Link Bridges • **Advanced industrial parks** • **Robust healthcare services**, with thriving medical tourism	• Shipping Ports • Sultan Iskandar CIQ Complex • Johor Singapore-Link Bridges • Upcoming RTS • Upcoming EART • Hyperscale Data Centre Campuses	• Position Johor Bahru as the state's high-tech manufacturing and services powerhouse, driven by JS-SEZ and SFZ integration • Accelerate cross-border digital and logistics infrastructure to strengthen Johor–Singapore economic connectivity • Expand digital economy ecosystem through innovation corridors, fintech, and data-driven service exports	• JS-SEZ operationalisation and digital customs clearance system • Advanced manufacturing and innovation cluster within zones • Johor Innovation Corridor pilot under MyDigital–IRDA partnership • State–Federal coordination for talent mobility and dual-track TVET programmes
 **Kota Tinggi** *Green Chemistry, Agriculture and Tourism Hub*	• **Part of the JS-SEZ** within dedicated zone • **Established Petrochemical Hub** in Pengerang • **Top Island and beach Tourism destination** in Desaru • **Selected site for KEJORA** agiritech initiatives including Fertigation Park and Pineapple Plantation	• Pengerang Integrated Complex • Pengerang Deepwater Terminals • Tanjung Langsat Port & Oil Terminal • Desaru Coast • Sultan Iskandar Reservoir • Semangar Water Treatment Plant	• Develop Green Chemical and Hydrogen Industry Zone aligned with NETR and national energy transition goals • Establish Desaru–Pengerang Tourism Belt as Johor's premier east coast destination for eco-luxury and marine tourism • Promote sustainable agriculture and aquaculture in inland areas to diversify local livelihoods	• Pengerang Hydrogen & Green Chemical Development Plan (PETRONAS-led) • Agriculture diversification programme with DOA and FAMA for high-value crops • Desaru–Pengerang Tourism Investment Zone (STIZ) expansion under Majestic Johor • Integrated infrastructure plan linking LPT4 corridor to energy and tourism clusters

Source: Rancangan Tempatan Daerah, PASB Analysis, Laporan Sosioeokonomi Johor 2023

Strategic Intervention Initiative Details.

JETP Strategic Intervention Initiatives (1/5)

Infrastructure Development

11 Key Roadblocks

13 Initiatives

	Key Roadblocks / Opportunities	Key Initiatives
1	Lack of Treated Water Supply for Industry Use	1. Advancement Towards Treated Water Self-sufficiency - (1) Sungai Sembrong Water Transfer (2) Semangar 3 Water Treatment Plant (4) ORS Sungai Johor (5) Ulu Sedili Dam Scheme (6) ORS, Barrage Development at Sungai Pontian Besar & Kayu Ara Pasong Plant (7) RSTP and WRP Pasir Gudang (8) Off-River Storage Sungai Sedili Besar
2	High & Frequent Risk of Flooding	2. Mitigation of Flood Risks by Establishing Johor as a Sponge City
3	Opportunities for Enhancing Customs Clearance Efficiency	3. Digitalisation of Customs Clearance
4	Suboptimal Traffic Conditions in Port of Tanjung Pelepas (PTP) Vicinity	4. Construction of PTP Free Zone 3 Access Road
5	Suboptimal Rail Conditions and Frequency of Inter-Terminal Transfer (ITT) Services	5. Enhancement of Rail Logistics Infrastructure and Inter-Terminal Transfers (ITT)
6	Lack of International Connectivity into Mersing	6. Enhancement of Mersing's International Connectivity
7	Opportunity to enhance port operations	7. Introduction of Elevated Autonomous Rapid Transit (EART) Services
8	Lack of Transport Infrastructure Within Greater JB Area	8. Revitalisation of Segamat In-Land Port
9	Lack of Rail Connectivity and Frequent Rail Services Across Johor	9. Leveraging Gemas-JB EDTP1 Infrastructure for Commuter Services in Johor

Source: Co-Creation with Federal ministries, State Agencies and GLCs, PASB Analysis

JETP Strategic Intervention Initiatives (2/5)

Infrastructure Development

11 Key Roadblocks

13 Initiatives

	Key Roadblocks / Opportunities	Key Initiatives
10	Poor Connectivity Along Johor's East Coast Region	10. Development of Lebuhraya Pantai Timur 4 (LPT4) 11. Construction of East Coast Rail Link 2 (ECRL2) 12. Development of the West Coast Expressway Southern Link
11	Opportunity to Drive Green Growth and Unlock Cross-sectoral Economic Synergies through Transitioning Industrial Clusters	13. Development of Johor Transition Industrial Clusters (JTIC)

Source: Co-Creation with Federal ministries, State Agencies and GLCs, PASB Analysis

JETP Strategic Intervention Initiatives (3/5)

Ease of Doing Business

5 Key Roadblocks

5 Initiatives

Key Roadblocks / Opportunities	Key Initiatives
1 Outdated Land Classification Frameworks Constrain Sectoral Investment and Land Use Optimisation in Johor	1. Introduction of Special Land Use Permit Classifications Reform
2 Structural Policy and Incentive Barriers to Renewable Energy Scale-Up in Malaysia	2. Formation of Johor Renewable-Energy Market Reform Group
3 Enhancing Johor's State Capacity for AI Development and Cross-Sectoral Innovation	3. Activating Johor's AI Engine through Johor Artificial Intelligence Office (JAIO)
4 Absence of Standardised Benchmarks to Assess and Upgrade Industrial Parks and Associated Professionals: Issue Charter	4. Johor Industrial Park STAR Ratings
5 Lack Of Unified Framework To Pilot Innovative Technologies	5. Johor Regulatory Sandbox

Source: Co-Creation with Federal ministries, State Agencies and GLCs, PASB Analysis

JETP Strategic Intervention Initiatives (4/5)

Private Investment Catalyst

8 Key Roadblocks

8 Initiatives

#	Key Roadblocks / Opportunities	Key Initiatives
1	Escalating Industrial-Land Costs in Johor's Strategic Zones	1. Developing a Strategic Industrial Land Consolidation & Release Programme (SILCRP)
2	Absence of Special Tourism Investment Zone (STIZ) and duty-free zone status in Mersing	2. Establishing Mersing as part of Special Tourism Investment Zone (STIZ) and Free Commercial Zone (FCZ)
3	Limited mandate to oversee tourism industry development	3. Expansion of Tourism Johor's Mandate to Drive Targeted Tourism Industry Growth
4	Absence of Centralised Coordination for Aerospace Industry Development	4. Launching a Johor Aerospace Council & Secretariat
5	High Capital Barrier for Advanced Back-End Semiconductor Manufacturing	5. Introduce Tiered Land Premium Discount for Strategic OSAT Fabs
6	Access to Agritech Is Costly and High-Risk	6. Launch Johor Agritech Accelerator Program
7	Flood Risks on Agriculture Activities	7. Piloting Johor Agriculture Resilience Insurance Scheme (JARIS) for Smallholders
8	Absence of a Financial Hub in Johor	8. Enhancing Forest City Special Financial Zone (FC-SFZ)

Source: Co-Creation with Federal ministries, State Agencies and GLCs, PASB Analysis

JETP Strategic Intervention Initiatives (5/5)

Talent & Capacity Building

4 Key Roadblocks

6 Initiatives

Key Roadblocks / Opportunities	Key Initiatives
1 Attract: Critical Shortage of High-skilled Professionals	1. Establishing Public-Private Training Pathways for New Nurses
2 Retain: Outmigration of Service Sector Workers	2. JS-SEZ Productivity-Linked Wage Policy
3 Develop: Underutilisation of Johor's Graduates	3. Implementing Johor's Dual-Track TVET Programme 4. Johor Accelerator for Digital Excellence
4 Innovate: Lack of Strategic Innovation to Drive Economic Transformation	5. Establishing Johor's Innovation Corridor 6. Leadership Development Programme for Civil Service Officers

Source: Co-Creation with Federal ministries, State Agencies and GLCs, PASB Analysis

Strategic Intervention Initiative Charters.

Infrastructure Development

Advancement Towards Treated Water Self-sufficiency (1/2)

The rapid rise in data centre investments and continuous population in Johor is anticipated to escalate local water demand and would require additions in the current treated water supply/ capacity in order to satisfy both growing industrial and consumer demand

Implementing Agency
- PDT, Ranhill SAJ, PETRA

Monitoring Agency
- BPEN-J

Associated Sectors :
- Cross-Cutting

Stakeholders Involved:
- BPEN-J
- BAKAJ
- Pengurusan Aset Air Berhad (PAAB)
- Jabatan Perkhidmatan Pembetungan (JPP)

Initiative Highlights:

Concept Description: Expand raw water and treated water capacity by developing several riverside water reservoirs along Sungai Pontian Besar, Sungai Johor and Sungai Sedili Besar in addition to construction of treatment plants at Kayu Ara Pasong, Semangar and Pasir Gudang

Visualisation of the initiative

- Water treatment plant
- Riverbank reservoir
- Sewage treatment plant & Water reclamation plant

1 Off-river Storage (ORS), Barrage Development at Sungai Pontian Besar & Kayu Ara Pasong Water Treatment Plant
- ORS and Barrage: 260 MLD[1] capacity; RM 455.12 mil in cost
- WTP[2]: 90 MLD; RM 420 mil in cost
- Total cost: RM875.12 mil
- Implementation: TAPS and Barrage (2027 – 2030), WTP (2030-)

2 Off-river Storage (ORS) at Sungai Johor
- ORS: 200 MLD capacity
- Total cost (after VA[3]): RM 605 mil
- Implementation: 2026 – 2029

WTP is a dependency project

3 Water Treatment Plant & Water Distribution System at Semangar 3, Kota Tinggi
- WTP: 200 MLD capacity
- Total cost: RM1 billion *[Indicative – To be revised]*
- Implementation: 2026 – 2028

Contribute towards Johor's target to achieve zero-dependency on imported treated water from Singapore and to become self-sufficient by 2030 amidst growing population and industrial needs

Budget Required (Preliminary)*:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total	**RM 7.7 bil**	**RM 156 mil**

Implementation Timeframe:
- Start Date: January 2026
- End Date: December 2031

Note: [1]Megalitres/ day; [2]Water Treatment Plant; [3]Value Assessment workshop; *Project budget assumed to be disbursed and allocated the same year the project begins construction
Source: PDT, BAKAJ

Advancement Towards Treated Water Self-sufficiency (2/2)

The rapid rise in data centre investments and continuous population in Johor is anticipated to escalate local water demand and would require additions in the current treated water supply/ capacity in order to satisfy both growing industrial and consumer demand

Initiative Highlights:

Concept Description	Expand raw water and treated water capacity by developing several riverside water reservoirs along Sungai Pontian Besar, Sungai Johor and Sungai Sedili Besar in addition to construction of treatment plants at Kayu Ara Pasong, Semangar and Pasir Gudang

Visualisation of the initiative

- Water treatment plant
- Riverbank reservoir
- Sewage treatment plant & Water reclamation plant

4 Regional Sewage Treatment Plant (RSTP) & Water Reclamation Plant (WRP) at Pasir Gudang

- RSTP[1]: 250,000 population equivalent; RM 635.27 mil in cost
- WRP: 40 MLD capacity; RM 155.89 in cost
- Total cost: RM 791.16 mil
- Implementation: 2026 – 2031

5 Off-river Storage (ORS), Barrage Development at Sungai Sedili Besar

- ORS and Barrage: 600 MLD capacity
- Total cost: RM572.4 mil
- Implementation: 2026 – 2030

6 Sungai Sembrong Water Transfer and Ulu Sedili Dam Scheme

- Dam and WTP: 2,000 MLD capacity
- Total cost: RM4.05 bil
- Proposed to replace Sedili Besar, Sungai Johor, Pontian Besar TAPS

Contribute towards Johor's target to achieve zero-dependency on imported treated water from Singapore and to become self-sufficient by 2030 amidst growing population and industrial needs

Implementing Agency
- PDT, Ranhill SAJ, PETRA

Monitoring Agency
- BPEN-J

Associated Sectors :
- Cross-Cutting

Stakeholders Involved:
- BPEN-J
- BAKAJ
- Pengurusan Aset Air Berhad (PAAB)
- Jabatan Perkhidmatan Pembetungan (JPP)

Budget Required (Preliminary)*:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total	**RM 7.7 bil**	**RM 156 mil**

Implementation Timeframe:
- Start Date: January 2026
- End Date: December 2031

Note:[1]Regional Sewage Treatment Plant; *Project budget assumed to be disbursed and allocated the same year the project begins construction

Source: PDT

Mitigation of Flood Risks by Establishing Johor as A Sponge City

Johor is highly vulnerable to flood risks and is one of the Top 5 states with the highest direct flood losses across the last 3 years, resulting in severe damages to public infrastructure and core productive sectors, overall jeopardising business continuity and investor confidence

Initiative Highlights:

Concept Description: Implementation of flood mitigation infrastructure upgrades and construction around major rivers/ dams in Johor and enhancement flood modelling/ hazard mapping for real-time flood forecasting and warning systems

Visualisation of the initiative

Physical Infrastructure

River & Coastal Conservation & Protection
- River widening/ deepening, diversion channels, dredging
- Seawalls, breakwaters, beach nourishment

Drainage, Dam & Flood Control Systems
- Stormwater culverts, monsoon drains
- Embankment reinforcement
- Sluice/ tidal control gates, pumps

Digital Infrastructure

Flood Modelling and Flood Hazard Mapping for Real-time Flood Forecasting
- Daily flood hazard forecasting based on weather patterns, etc. to provide early flood detection

Digitise Drainage and Flood System Information for Early Flood Warning
- Real-time dashboard for disaster information that provides timely updates on flood evacuation

Advanced Technologies for Flood Monitoring & Detection
- Drones, satellite imagery, and AI to enhance early flood detection

Johor aims to become a regional model for integrated flood mitigation – deploying resilient and robust physical infrastructure, smart technologies, community engagement to ensure safety, and climate resilience, all while safeguarding the business continuity of its economic sectors

Implementing Agency
- PETRA, IRDA

Monitoring Agency
- BPEN-J

Associated Sectors :
- Cross-Cutting

Stakeholders Involved:
- PETRA
- JPS
- Local Councils
- PLANMalaysia
- IRDA

Budget Required (Preliminary)*:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total	**RM 4 bil**	**TBD**

Implementation Timeframe:
- Start Date: January 2026
- End Date: January 2030

Note: *Extrapolated and tabulated budgetary costs from PETRA's document on flood mitigation project opportunities for RMK-13

Development of Johor Transition Industrial Clusters (JTIC)

Opportunity to transition Johor's growing industrial base through collective integration of circular economy practices and digitalisation to enable industrial symbiosis that can support the unlocking of cross-sectoral economic synergies and green growth through decarbonisation

Initiative Highlights:

Concept Description	Development of a state-led Special Purpose Vehicle (SPV) to partner with MyDigital's MYCentre4IR in driving circular economy integration and industrial symbiosis of clusters through shared infrastructure development and digitalisation through IR4.0

Visualisation of the initiative

Johor's Major Industrial Clusters

1. **IBTEC & STeP** • AI & Digital Cluster
2. **IMDR** • Biopharma, Life Science & Manufacturing Cluster
3. **PIPC** • Energy, Petrochemicals Cluster

Anchor Opportunity Areas (non-exhaustive)

Clean Energy & Shared Energy Infrastructure
- Developing diverse renewable energy sources and expanding shared energy systems (e.g. storage, etc.)

Common Carbon Infrastructure
- Building of shared carbon pipelines to aggregate, transport, use and store carbon

Enablement of Hydrogen & New Green Products
- Securing of long-term supply of renewable energy power for hydrogen and other derivative products

Circular Economy
- Maximising the use of raw materials and minimising waste disposal costs through digital infrastructure
  - Industrial Symbiosis Database
  - Waste Exchange & Bidding Information Platform

Transforms current industrial clusters into a sustainable integrated ecosystem, enabling unlocking of cross-sectoral operational synergies, creation of higher-value goods and jobs, thereby positioning Johor as an economic and investment frontier in TIC[1] and clean energy hub within ASEAN

Implementing Agency	**Monitoring Agency**
• State Government / MyDigital	• BPEN-J

Associated Sectors :
- Cross-cutting

Stakeholders Involved:
- Malaysian Investment Development Authority
- BPEN-J
- PDT
- IRDA
- MyDigital

Budget Required (Preliminary)*:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: January 2026
- End Date: January 2028

Note: 1. Transition Industrial Clusters; *Utilised Singapore's Biopolis and other neighbouring industrial parks e.g. Bio-Xcell as ballpark budget estimations with a 40/60 PPP split

Digitalisation of Customs Clearance Processes

Customs clearance is currently highly manual and relies heavily on physical documents, which hinders efficiency and productivity; Moreover, the lack of digital documentation, integrated processes, and a real-time status tracker can lead to more reworks, longer approval time, and shipping delays

Initiative Highlights:

Concept Description: Collaborate with federal customs department to digitise customs clearance documentations and integrated digital platforms and streamline customs clearance processes for more seamless cross-border goods flow

Visualisation of the initiative

Optimisation Opportunities

Goods Declaration
Fully paperless, end-to-end digital submission of all customs declaration documents via integrated platforms

Payment of Duties & Taxes
Fully integrated e-payment system with instant reconciliation and automated receipt issuance

Permit & License Mgmt.
Fully integrated e-permit system for real-time approvals and automatic permit validation

Cargo Inspection
Automated cargo inspection for selected low-risk goods, targeted physical inspections for high-risk goods

Coordination & Comms.
Centralised digital communication platform with real-time status updates, notifications, and tracking

Moreover, green lane facilities could provide shippers an even more seamless customs clearance experience, expediting cross-border goods flow

Streamlining and digitalising customs clearance in Johor and Malaysia will dramatically speed up trade, enhance transparency, boost economic growth, and strengthen regional competitiveness

Implementing Agency
- Jabatan Kastam Diraja Malaysia

Monitoring Agency
- BPEN-J

Associated Sectors :
- Logistics[1]

Stakeholders Involved:
- Ministry of Finance

Budget Required (Preliminary)*:

FY	Public	Private
2025	Budget details to be finalised during implementation of the initiative	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: January 2026
- End Date: November 2028

Note: [1]This also applies to the logistical requirements of other sectors (e.g., pharmaceutical, etc.); *Utilised cost figures from World Bank's Philippines customs-modernisation program as a benchmark

Construction of PTP Free Zone 3 Access Road

PTP is planning to expand its Free Zone industrial area with its 3rd-phase development (to be privately funded by PTP). However, due to the high traffic volume on the existing road to the port, a new road connecting to this new development needs to be constructed

Initiative Highlights:

Concept Description

Collaborate with Ministry of Transport to secure funding for the construction of a new access road with direct connection to Free Zone 3 located at the Port of Tanjung Pelepas to attract local and international investors

Visualisation of the initiative

Illustration

Details

- Access road is 1.5km long, 4-lane dual-carriageway
- 37 acres of land reserved for access road
- Access road can unlock economic potential of Free Zone 3's development:
  - Free Zone 3 fully funded by PTP
  - Involves construction of infrastructure (i.e., platform backfilling, road, drainage and utilities)
  - Completed in stages from 2028 to 2030
- Cost: RM190mil (RM83mil for land acquisition; RM107mil for road construction)
- Timeline: 2.5 years for land acquisition, 2 years for construction

PTP's Free Zone 3 industrial area is expected to create over 1,800 new white and blue collar once the area is leased to domestic and international investors. The construction of the infrastructure by PTP and subsequent warehouses and factory construction will provide a positive impact on the surrounding area for the next 25 years.

Implementing Agency
- Jabatan Kerja Raya

Monitoring Agency
- BPEN-J

Associated Sectors :
- Logistics

Stakeholders Involved:
- Johor Port Authority
- MBIP[1]
- Pejabat Daerah Johor Bahru
- Pejabat Tanah dan Galian Johor
- Jabatan Pengairan dan Saliran

Budget Required (Preliminary):

FY	Public	Private
2025	0.0	0.0
2026	16.6	0.0
2027	37.9	0.0
2028	32.5	0.0
2029	75.3	0.0
2030	22.5	0.0
2031 onwards	5.2	0.0
Total	**190.0**	**-**

Implementation Timeframe:
- Start Date: Q1 2026
- End Date: Q1 2030 *(Defect Liability Period, Q1 2031)*

Note: [1]Majlis Bandaraya Iskandar Puteri

Enhancement of Rail Logistics Infrastructure and Inter-Terminal Transfers (ITT)

While major ports across Peninsular Malaysia are well connected via logistics rail lines, Johor has seen rapidly declining rail cargo throughput, possibly due to poor track conditions and infrequent Inter-Terminal Transfer Services

Initiative Highlights:

Concept Description

Collaborate with the Ministry of Transportation to co-develop maintenance programme for rail logistics infrastructure in Johor; Increase frequency of Inter-Terminal Transfer services

Visualisation of the initiative

Peninsular Malaysia Rail Infrastructure

What Inter-Terminal Transfer is

- Rail-based movement of shipping containers between port terminals
- Service provided by KTMB MMC Cargo Sdn Bhd (Collaboration between KTMB and MMC ports)
- Handles both laden and empty containers

Takeaway

- While Peninsular Malaysia's rail logistics is well-connected, there is opportunity to:
  - Improve maintenance and upkeeping of rail logistics lines
  - Increase frequency of Inter-Terminal Transfer (ITT) services to facilitate movement of cargo / containers between crucial cargo nodes

Strengthens Johor's overall logistics ecosystem, enhances its position to become a mature multi-modal logistics hub, playing a crucial role in regional and global supply chains

Implementing Agency
- Ministry of Transport (Johor)

Monitoring Agency
- BPEN-J

Associated Sectors :
- Logistics

Stakeholders Involved:
- KTMB
- KTMB – MMC Cargo Sdn Bhd
- Railway Assets Corporation

Budget Required (Preliminary)*:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: January 2026
- End Date: April 2028

Note: Preliminary, subject to further discussion / engagements with relevant stakeholders; *Benchmarked against similar rail upgrade projects implemented locally within Malaysia, and assuming a 70/30 PPP split

Enhancement of Mersing's International Connectivity

While Mersing currently has a ferry terminal and airstrip, there is currently no international connectivity into and out of Mersing and its surrounding islands, limiting its tourism potential

Initiative Highlights:

Concept Description	Improve Mersing's international connectivity via the introduction of integrated multimodal connectivity hubs or redevelopment of Mersing airstrip

Visualisation of the initiative

Map

Legend
- A Mersing Airstrip
- B Mersing Ferry Terminal

Options	Details
Option A: Redevelopment of Mersing airstrip	• Enhancement of Mersing Airstrip into a **full-fledged commercial airport** with international connectivity • Connectivity and services to be improved: – Between new Mersing Airport and ferry terminal – Between ferry terminal and islands
Option B: Transform Mersing ferry terminal into a multimodal terminal	• Multimodal terminal consists **seaplane and ferry / speedboat operations** • Jetties to connect waterway with terminal • Seaplanes could provide: – International connectivity w/o a full-fledged airport – Exclusive connections between Mersing and islands – Highly exclusive connections to islands from origin • Existing ferry / speedboat services could be positioned as a cost-effective option

With improved international connectivity into Mersing and its neighbouring islands, this could lead to a significant influx of foreign tourists to its most idyllic islands, elevating and transforming Johor's tourism industry

Implementing Agency	Monitoring Agency
• Ministry of Transport	• BPEN-J

Associated Sectors :
- Cross-Cutting

Stakeholders Involved:
- Ministry of Transport

Budget Required (Preliminary)*:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: January 2026
- End Date: October 2029

Note: *Provides budget estimates for Options A and B, based on online benchmarks for airport builds and ferry-terminal upgrades, and assumes a 40/60 PPP split

Revitalisation of Segamat Inland Port

With the potential Pan-Asian Railway Network integration and rising trade volumes and logistics demands, there is a strong need to enhance existing multimodal inland processing facilities to optimise regional rail cargo flows and decongest major coastal ports

Initiative Highlights:

Concept Description

Collaborate with Ministry of Transport to develop and enhance the Segamat Inland Port into a modern, multimodal logistics hub that integrates rail and road connectivity, advanced cargo handling, and value-added services to support regional trade

Visualisation of the initiative

Inland Ports in Malaysia

Details

- Inland ports are **crucial multimodal processing nodes**, usually connected to rail infrastructures, which could help optimise cargo flows
- **Key success factors** include:
  - Rail infrastructure improvements (between Segamat Inland Port and main rail cargo line)
  - Improved road access into Segamat Inland Port
  - Bonded, non-bonded warehouses and container storage
  - Integrated port systems for real-time tracking and coordination`

Development of Segamat Inland Port could boost regional economic growth, decongest major neighbouring seaports, and ultimately strengthen supply chain resilience

Implementing Agency
- Ministry of Transport

Monitoring Agency
- BPEN-J

Associated Sectors :
- Cross-cutting

Stakeholders Involved: Segamat
- Johor Port Authority
- Port Klang Authority
- Majlis Perbandaran

Budget Required (Preliminary)*:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: January 2026
- End Date: September 2028

Note: *Ballpark figure estimated through an extrapolation of costs required for each infrastructural component, where extrapolation is based on comparative international/ local benchmarks

Introduction of Elevated Autonomous Rapid Transit (EART) Services

A new high-capacity, rapid transit system is required to alleviate chronic traffic congestion and improve regional connectivity in Johor Bahru and its surrounding areas; Moreover, the state is also committed to support sustainable growth through low-carbon and more cost-effective transportation solutions

Initiative Highlights:

Concept Description: A public transportation initiative to develop an autonomous, trackless transit system operating on elevated viaducts and roads, aimed at enhancing urban mobility, easing traffic congestion, and complementing the upcoming Rapid Transit System (RTS) Link

Visualisation of the initiative

EART Quick Facts

- **Trackless, rubber-wheeled** vehicles that could be operated **autonomously** on dedicated guideways
- Unique as it possesses **speed and capacity of train** with **flexibility of buses**

Key Project Features

- Improves connectivity in **Skudai, Tebrau and Iskandar Puteri region**
- Total length of **47.6km**
  - Iskandar Puteri Line (14.8km)
  - Skudai Line (18.8km)
  - Tebrau Line (14km)
- **32 stations** planned

Significantly improves urban mobility and regional connectivity through faster, more reliable and integrated public transportation, reducing traffic congestion and travel times, while lowering carbon emissions; Supports Johor's tourism industry, boosts economic growth and improves quality of life

Implementing Agency
- Ministry of Transport

Monitoring Agency
- BPEN-J

Associated Sectors :
- Cross-cutting

Stakeholders Involved:
- Johor State Government
- Unit Kerjasama Awam Swasta (UKAS)
- Local Authorities
- Pejabat Tanah dan Galian (PTG)

Budget Required (Preliminary):

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Q3 2025 (Target)
- End Date: January 2027

Leveraging Gemas-JB EDTP[1] Infrastructure for Commuter Services in Johor

Gemas-Johor Bahru rail electrification project addresses the urgent need to modernise Malaysia's southern rail network by significantly reducing travel time, improving connectivity, and providing a faster, more reliable, and environmentally friendly alternative to road travel

Initiative Highlights:

Concept Description

A transformative infrastructure project that modernises southern Malaysia's rail network by providing faster, more comfortable, and environmentally sustainable train travel, significantly enhancing connectivity between Johor and Kuala Lumpur, and within Johor

Visualisation of the initiative

ETS Rolling Stock

Modern rolling stock features 312 seats, onboard WiFi, USB charging, luggage space

Gemas-JB ETS Quick Facts

192km
Total Length of Electrified Gemas-JB Rail

140km/h
ETS Top Operating Speed

22
Number of Trips Daily

Map of Gemas-JB Line

Leveraging on Gemas-JB Electrified Double Track Project (EDTP) infrastructure, frequent electric commuter services connecting Paloh to JB Sentral could be introduced; This enhances connectivity across Johor, establishes synergies with Rapid Transit System (RTS), and reduces congestion

This project will revolutionise travel in southern Malaysia by drastically reducing journey times (i.e., cuts intercity rail travel time by up to 50%), easing road congestion, and stimulating economic and tourism growth through improved rail connectivity (i.e., between states and across Johor)

Implementing Agency
- Ministry of Transport

Monitoring Agency
- BPEN-J

Associated Sectors :
- Cross-cutting

Stakeholders Involved:
- Railway Asset Corporation (RAC)
- Keretapi Tanah Melayu Berhad (KTMB)
- YTL Construction Sdn Bhd
- SIPP Rail Sdn Bhd

Budget Required (Preliminary):

<table>
<tr><th>FY</th><th>Public</th><th>Private</th></tr>
<tr><td>2025</td><td colspan="2" rowspan="7">Budget details to be finalised during implementation of the initiative</td></tr>
<tr><td>2026</td></tr>
<tr><td>2027</td></tr>
<tr><td>2028</td></tr>
<tr><td>2029</td></tr>
<tr><td>2030</td></tr>
<tr><td>Total</td></tr>
</table>

Implementation Timeframe:
- Start Date: January 2018
- End Date: Q3 2025 *(2026/2027 for Commuter)*

Note: [1]Electrified Double Track Project

Development of Lebuhraya Pantai Timur 4 (LPT4)

Current road connectivity between Kuantan, Mersing, Kota Tinggi and Johor Bahru relies solely on LPT2 and Federal Route 3 (FR3), leading to frequent congestion, limited accessibility and constrained economic development on the east coast

Initiative Highlights:

Concept Description	Phase 4 extension of the existing LPT 1 and LPT 2 (East Coast Highway) at a road length of 123 km – linking Kuantan, Mersing and Kota Tinggi to Pasir Gudang, Johor Bahru

Visualisation of the initiative

Illustration of LPT4 Route Map

Phases

Phase 1 (Mersing – Ulu Tiram, Johor)
- 123km, costs RM4.94bil

Phase 2 (Malaysia – Singapore 3rd Link)
- 10km, costs RM4.01bil

Phase 3 (Kuantan – Rompin, Pahang)
- 170 km, costs RM5.57bil

Project Scope

- Construct a new 123 km highway alignment parallel to FR3, connecting Mersing-Kota Tinggi-JB
- Build 4 interchanges at Mersing, Jemaluang, Kota Tinggi and Ulu Tiram (SDE)
- Install 4 toll plazas
- Undertake land acquisition and utility relocation
- Execute geotechnical and road ancillary works
- Conduct feasibility studies

Enhances safety and accessibility for key towns in Mersing, Kota Tinggi, etc. via traffic dispersal, thereby unlocking East Coast Economic Region's (ECER) economic potential by a simulated GDP contribution of RM3.2 billion through bolstering tourism and manufacturing linkages

Implementing Agency
- Kementerian Kerja Raya

Monitoring Agency
- BPEN-J

Associated Sectors :
- Cross-Cutting

Stakeholders Involved:
- Relevant State Governments
- Relevant Local Councils
- Pejabat Tanah dan Galian

Budget Required (Preliminary):

<table>
<tr><th>FY</th><th>Public</th><th>Private</th></tr>
<tr><td>2025</td><td colspan="2" rowspan="6">Budget details to be finalised during implementation of the initiative</td></tr>
<tr><td>2026</td></tr>
<tr><td>2027</td></tr>
<tr><td>2028</td></tr>
<tr><td>2029</td></tr>
<tr><td>2030</td></tr>
<tr><td>Total</td><td>RM14.52 bil</td><td>-</td></tr>
</table>

Implementation Timeframe[1]:
- Start Date: January 2026
- End Date: January 2033

Note: [1]Preliminary

Construction of East Coast Rail Link 2 (ECRL2)

Absence of a continuous 310 km rail link between Kuantan and Johor Bahru forces reliance on road transport to complete the last-mile of goods transport, causing capacity constraints, higher logistics costs and limited passenger and goods mobility to key logistical and people touchpoints in Johor

Initiative Highlights:

Concept Description: ECRL 2 is a 310 km rail link and an extension of the current ECRL major railway infrastructure project that will connect Kuantan to Johor Bahru which further complements the entire ECRL network as part of China's Belt and Road Initiative

Visualisation of the initiative

Illustration of ECRL 2 Route Map

Key Project Features

- An **extension of ECRL 1**, where ECRL 2 aims to service a **310km railway network** between Kuantan and Johor Bahru
- ECRL 2 include **passenger trains, cargo trains, and various wagons** such as container flat-bed, open-top, and box car
- ECRL 2 will support the **transport of people and diverse goods** including bulk commodities, liquid goods, agriculture products, marine produce and other manufactured goods
- The route for ECRL 2 will **connect key ports and major stations**, serving both passenger and freight transport needs

Drives long-term strategic growth in Johor by boosting manufacturing, exports, logistics, and attraction/ enhancement of high-value industries as well as talent mobility to support the state's economic development, potentially contributing a simulated GDP contribution of RM22.5 billion

Implementing Agency
- Ministry of Transport

Monitoring Agency
- BPEN-J

Associated Sectors :
- Cross-cutting

Stakeholders Involved:
- Ministry of Finance
- Ministry of Economy
- Ministry of Transport (China)
- Relevant State Governments

Budget Required (Preliminary):

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Estimated start date 2026
- End Date: Estimated completion in 2040

Development of the West Coast Expressway Southern Link

No direct road connectivity between Selangor and Johor along the southwestern corridor, which requires motorists to detour via the North-South Expressway (PLUS) in order to access districts in West of Johor

Initiative Highlights:

Concept Description	WCE Southern Link is a proposed extension of the existing West Coast Expressway (WCE) connecting Banting, Selangor to Gelang Patah, Johor Bahru at a road length of 310 km

Visualisation of the initiative

Illustration of WCE (Southern Link) Route Map

- The WCE Southern Link will complete the highway network in the West Coast corridor, directly linking **Selangor, Negeri Sembilan, Melaka, and Johor Bahru**

Key Facts

- **Key status:** Consultant appointment for 7-month feasibility study in progress by procurement board as of 19th March 2025

Scope of Feasibility Study (non-exhaustive)

- Traffic Analysis
- Land-use Assessment
- Economic Evaluation
- Socio-Economic Study
- Environmental Impact Screening

Key Impacts (non-exhaustive)

- **Alleviate congestion on NSE,** diverting inter-state traffic away and improve travel times
- **Enhance regional connectivity** by linking major population centres and port with industrial hubs

Enhances regional connectivity and catalyses economic development (i.e. increased industrial/ commercial developments and job creation) for underserved west cost districts (i.e. Muar, Batu Pahat, Pontian) and facilitate logistics and freight efficiency all via traffic dispersal

Implementing Agency
- West Coast Expressway Sdn Bhd

Monitoring Agency
- BPEN-J

Associated Sectors :
- Cross-Cutting

Stakeholders Involved:
- Kementerian Kerja Raya
- Relevant State Governments
- Relevant Local Councils
- Pejabat Tanah dan Galian

Budget Required:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe[1]:
- Start Date: September 2025
- End Date: March 2031

Note: [1]Preliminary

Strategic Intervention Initiative Charters.

Ease of Doing Business

Johor Regulatory Sandbox

Johor lacks a coordinated, flexible, and transparent mechanism to pilot and test innovative business models, products, or technologies that do not fit into existing regulatory frameworks. This deters investors and innovators in sectors like renewable energy, fintech, mobility, agritech, and AI from launching projects in Johor due to lengthy, rigid, or unclear permitting processes.

Initiative Highlights:

Concept Description

Introduce a Johor Regulatory Sandbox, a structured framework allowing time-limited, controlled testing of innovative projects under temporary exemptions or modified regulatory conditions. The sandbox will serve as a live testing environment that informs long-term policy and regulatory reform across sectors.

Visualisation of the initiative

Clear Design Principles

- **Single Point of Contact:** Create a Johor Sandbox Secretariat to streamline submissions and cross-agency coordination
- **Multi-sector Eligibility:** Open to projects across digital economy, energy, AI/IoT, advanced agriculture, health tech, etc
- **Structured Demonstration Period:** 6–12 month pilot window under predefined monitoring and reporting requirements
- **Data-Driven Policy Reform:** Insights from pilots will support evidence-based updates to state policies and regulation

Process Flow

1. Prior consultation and drafting of proposal
2. Submission to the Sandbox Management Unit
3. Evaluation by sector regulators and competent authorities
4. Conditional approval for demonstration by JRS Steering Committee
5. Reporting, evaluation, and regulatory reform recommendation

Entry Criteria

- Proposal must be novel and face regulatory friction.
- Demonstration must be safe, time-bound, and not conflict with national law.
- Applicant must commit to transparent data sharing and results monitoring.

Potential Locations

IBTEC

Forest City

Enables Johor to become a national pioneer in regulatory innovation, unlocking investment and fast-tracking high-impact solutions across sectors. The sandbox reduces market entry barriers, and ensures Johor's regulatory environment evolves in tandem with technological progress

Implementing Agency
- Johor Investment and Trade Committee

Monitoring Agency
- Sector Regulators

Associated Sectors :
- Fintech, Agriculture, Logistics, Energy, etc

Stakeholders Involved:
- Sector Regulators (e.g. Ministry of Transport, Ministry of Agriculture, etc)
- MITI
- MDEC

Budget Required:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: 2026
- End Date: 2030

Johor Industrial Park STAR Ratings

Johor faces increasing pressure to differentiate its industrial parks and rising investor expectations for quality infrastructure, ESG compliance, and supply chain resilience. A lack of transparent benchmarking makes it difficult to signal high-quality sites and incentivise upgrades among underperforming parks and service providers.

Initiative Highlights:

Concept Description

Introduce a Johor Industrial Park STAR Rating System, adapted from MITI's national framework, to evaluate and rank the quality, competitiveness, and livability of industrial parks in Johor across four dimensions: Planning and Management, Infrastructure and Business Competitiveness, Environmental Sustainability, Social Responsibility

Visualisation of the initiative

Design Pillars

- Clear metrics aligned to national STAR Rating Framework (SIRIM–MITI)
- Focus on Industry 4.0 and ESG readiness
- Include independent performance ratings of infrastructure consultants and architects based on past park projects
- Third-party assessments (e.g., SIRIM) in partnership with state agencies
- Scorecards for both parks and key professional service providers
- Annual re-assessment and performance publication

Process Flow

1. Pre-screening by Invest Johor
2. Site assessments conducted by MIDA + SIRIM with local councils
3. Provisional scores reviewed in state technical working committee
4. Final star rating awarded and published on MYSite-Johor Portal

Entry Criteria

- **Park Type:** Must be recognised as a gazetted or actively managed industrial park by PBT or state.
- **Baseline Submissions:** Masterplan, infrastructure, utility, ESG data
- **Consultant/Architect Requirement:** Firms involved must submit execution records and agree to independent performance audit

The STAR Ratings will establish Johor as a model state for transparent, high-quality industrial park development. It will drive targeted upgrades to underperforming parks and equip investors with reliable benchmarks and visibility

Implementing Agency
- MIDA

Monitoring Agency
- SIRIM

Associated Sectors :
- Logistics, Energy, Manufacturing, E&E, etc

Stakeholders Involved:
- MIDA, MITI, SIRIM
- Local Authorities (e.g. Majlis Bandaraya, PBTs)
- Park developers & operators
- Federation of Malaysian Manufacturers (FMM)

Budget Required:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Q1 2026
- End Date: Q4 2027

Source: PASB Analysis

Introduction of Special Land Use Permit Classifications Reform

Johor's land classification system has not kept pace with evolving investment models across sectors such as renewable energy, logistics, and digital infrastructure. Rigid land use categories limit co-use opportunities, deter strategic investments, and result in delayed or inconsistent permitting.

Initiative Highlights:

Concept Description

Introduce a cross-sectoral land classification reform initiative to modernise Johor's Special Permit system. The initiative will establish new sub-categories and permitting pathways for emerging land uses, such as agrosolar, integrated logistics hubs & smart-industrial estates

Visualisation of the initiative

Multi-Sector Zoning Categories

- Introduce new land subcategories for hybrid or emerging land uses:
- "Renewable Agriculture" (e.g., agrosolar, floating solar aquaculture).
- Sustainable Commerce Hubs that integrate low-impact commercial activity with renewable infrastructure, light warehousing, or shared-use facilities
- "Smart Industrial Zones" (e.g., data centers with co-located warehousing or residential buffers).

Modernised Special Permit Framework

- Standardise application criteria, documentation, and timelines across all land use offices (PTG) in Johor.
- Define baseline development guidelines and economic justifications required for dual- or multi-use permits.
- Establish clear thresholds for co-activity (e.g., % of land that must retain primary activity such as agriculture or logistics).

Sector-Specific Operational Guidance

- **For Agrosolar:** Panel height, crop compatibility, shading thresholds, and safety buffers.
- **For Logistics:** Allowance for staging zones, warehousing density, and vehicle access in mixed commercial areas.
- **For Industry 4.0 Zones:** Requirements for broadband infra, utilities, buffer zones, and ESG compliance features.

Empowers Johor to align land use policy with economic transformation ambitions, enabling efficient land utilisation, faster project permitting, and attraction of strategic investment into clean energy, logistics, and next-gen industries

Implementing Agency
- PTG Johor

Monitoring Agency
- BPENJ

Associated Sectors :
- Energy; Agriculture; Logistics; Industrial Dev.

Stakeholders Involved:
- BPEN-J
- Department of Agriculture (JPNJ)
- Johor EXCO Investment
- District and local authorities

Budget Required:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Q1 2026
- End Date: Q2 2027

Formation of Johor RE Market Reform Group

Johor's clean energy transition is constrained by national-level policy misalignments, non-competitive pricing structures, and fragmented incentive mechanisms for renewable energy. CRESS provisions on system access charges and lack of support for emerging technologies are symptomatic of wider challenges across Malaysia's RE regulatory landscape.

Initiative Highlights:

Concept Description

A structured state-industry platform to systematically engage with national authorities on renewable energy policy gaps. The platform will address issues such as pricing structures, incentive design, market access, and enabling frameworks for emerging RE technologies.

Visualisation of the initiative

Mandate & Objectives

- A formal state-level coordination platform for industry input on RE market policy, pricing, & incentive design.
- Identify policy bottlenecks and regulatory cost burdens across key policies (e.g., CRESS, NEM, FiT, CGPP).
- Propose Johor-specific changes to support adoption of advanced RE technologies (e.g., wind, hybrid solar)
- Support Johor's contribution to national policy consultations led by EC, SEDA, PETRA, and MITI.

Key Workstreams

- **Competitiveness Audit:** Assess Johor's RE demand, industrial needs, and cost barriers across various market models (self-consumption, peer-to-peer, export-to-grid).
- **Policy Benchmarking:** Analyse incentive schemes, tariff structures, and permitting frameworks from other benchmark countries
- **Technology Enablement:** Design support frameworks for underrepresented tech (e.g., wind, floating solar, battery storage, virtual PPAs).
- **Market Dialogue & Advocacy:** Conduct recurring industry roundtables, policy feedback sessions, and multi-stakeholder engagements to ensure alignment with national RE reforms.

Empowers Johor to influence national RE policy reforms and pricing structures through evidence-based recommendations and industry-grounded feedback. Supports a more diversified, investable RE landscape that accelerates industrial decarbonisation and green economy development in Johor.

Implementing Agency
- EXCO Investment

Monitoring Agency
- BPEN-J

Associated Sectors :
- Energy

Stakeholders Involved:
- BPEN-J
- PETRA
- Energy Commission (ST)
- SEDA

Budget Required:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Q1 2026
- End Date: Q2 2027

Source: PASB Analysis

Activating Johor's AI Engine through Johor Artificial Intelligence Office (JAIO)

Johor currently lacks a dedicated mechanism to translate national AI policy into state-level application, to rapidly pilot and scale AI solutions, and to coordinate across districts and sectors. This gap limits Johor's ability to deploy AI for real-world impact and to feed insights back into national policy

Initiative Highlights:

Concept Description

The JAIO housed within IDO, will serve as Johor's AI "middle bridge". Upstream linkage: Aligns with NAIO on federal policy, standards, and ethics. Downstream execution: Works under IDO to champion, pilot, and scale AI solutions across Johor's districts, SMEs, GLCs, and public agencies

Initiative Highlights:`

Org Structure

National level

NAIO

State level

INSTITUT DATO' ONN

JAIO

Key Activities & Outcomes

District & Sector Pilots

- Run "One District, One AI" use-case sprints tailored to each district
- Cluster similar districts for shared, scalable pilots (e.g., flood management, agri-tech drones, aviation MRO)
- Coordinate with NAIO for joint lab initiatives like Rakan Tani

Talent & Capability

- Launch "AI for All" upskilling (HRDF-funded) programs for state civil servants
- Expand the "One Employee, One AI" prototype across state agencies
- Host JAIO bootcamps, ethics labs, and hackathons with partners

1. Develop Johor-specific AI policy briefs and regulatory watchlists
2. Monitor national/global AI ethics, standards, and governance frameworks
3. Advise Johor EXCO and state agencies on emerging AI trends and investment opportunities

Establishing JAIO could position Johor as an AI powerhouse strengthening its ability to respond to technological shifts, attract high-value investments, and foster cross-sectoral innovation. This could unlock economic opportunities and build investor confidence for Johor.

Implementing Agency
- IDO

Monitoring Agency
- BPENJ

Associated Sectors :
- Cross-Cutting

Stakeholders Involved:
- NAIO
- MDEC, MyDigital
- Johor-based chambers & associations (e.g., J-Biotech, MICCI, FMM)

Budget Required:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Q1 2026
- End Date: Q4 2030

Source: PASB Analysis

Strategic Intervention Initiative Charters.

Private Investment Catalyst

Strategic Industrial Land Consolidation & Release Programme (SILCRP)

Speculative land prices in Johor's priority industrial zones stall billions in downstream FDI. Unlike Singapore's data-driven land-release model, Johor lacks a transparent, patient-capital-backed mechanism to consolidate, service and recycle land at scale

Initiative Highlights:

Concept Description

Establish a patient-capital SPV under JCorp that bulk-buys, services and re-prices ≥50 ha parcels via a transparent ceiling-price model to unlock strategic land parcels

Initiative Highlights:

Objective:

- **Stabilise Industrial Land Supply**: Deliver ready-to-use 50 ha+ blocks at certified prices
- **Self-Sustaining Funding Engine**: Recycle resale uplifts into subsequent land clusters

Function:

Capitalise SPV
Secure patient equity anchors (EPF/Khazanah) and JCorp approvals

Parcel Servicing & GIS
Fast-track roads, utilities and green covenants; publish mapped plots online

Bulk Acquisition
Purchase contiguous ≥50 ha parcels at JPPH rates; vest to JLand

Release & Recycle
Lease/sell plug-and-play lots at ceiling price; funnel uplifts back into Fund.

By assembling ready-to-build parcels at predictable and reasonable rates, this will reactivate under-used industrial land, eliminate speculative barriers, catalyse new anchor investments and accelerate job creation—driving Johor toward its cluster-focused growth and investment targets

Implementing Agency
- JCorp

Monitoring Agency
- BPEN-J

Associated Sectors :
- Cross-Cutting

Stakeholders Involved:
- EPF
- Khazanah
- JPPH
- PTG Johor
- Local Councils
- JLand
- TNB
- SAJ

Budget Required:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Q1 2026
- End Date: Q4 2030

Establishing Mersing as part of Special Tourism Investment Zone (STIZ)

Mersing has a strong potential to become a leading tourism destination in Malaysia, leveraging its unique natural resources and strategic location. By developing coastal resorts, island tourism, and ecotourism options, Mersing can attract both domestic and international visitors into the district

Initiative Highlights:

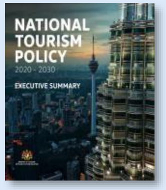
Concept Description	Collaborate with the federal government to designate Mersing as part of a Special Tourism Investment Zone (STIZ) to accelerate tourism development in the district

Initiative Highlights:

Mersing

Located on the east coast of Johor, Mersing is a hidden gem poised to become a major tourism destination. Major attractions include:

- Pristine Islands & Beaches
- Beautiful Coral & Marine Life
- Endau Rompin National Park



Special Tourism Investment Zone (STIZ)

MOTAC's National Tourism Policy 2020–2030 introduced the STIZ initiative to attract high-value, sustainable tourism investments through public-private partnerships. Designating Mersing as a STIZ location would unlock its potential by leveraging key incentives to be offered under STIZ programme:

- **Tax Incentives:** Reduction in corporate income tax for investors
- **Preferential Rate Loans:** Preferential rate loans for development projects
- **Infrastructure Development:** Investments in roads, utilities and other infrastructures

Creation of employment opportunities in Mersing District which would uplift the socioeconomic status of the people in Mersing

Implementing Agency
- Johor Tourism Exco

Monitoring Agency
- BPEN-J

Associated Sectors :
- Tourism

Stakeholders Involved:
- MOTAC Johor
- Invest Johor

Budget Required:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Q1 2026
- End Date: Q4 2029

Source: Tourism Johor, National Tourism Policy 2020 – 2030, MOTAC

Establishing Mersing as a Free Commercial Zone (FCZ)

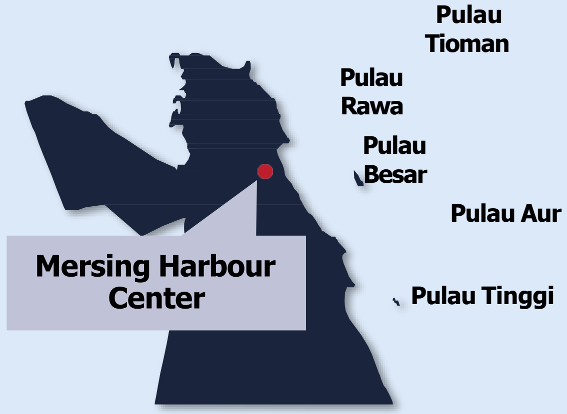
Designating Mersing as a free commercial zone (FCZ) would catalyse tourism development in the district by capitalising on its strategic location as the gateway to the Mersing Archipelago and its unique natural assets, including pristine beaches, islands, and rich marine biodiversity

Initiative Highlights:

Concept Description	Collaborate with the federal government to designate Mersing as a Free Commercial Zone (FCZ) to accelerate tourism development in the district

Initiative Highlights:

Proposed Location of FCZ:



Designating Mersing Harbour Centre and key islands in Mersing as Free Commercial Zone (FCZ) presents a strategic and economically viable move to accelerate tourism growth in the district:

- **Policy Alignment:** The FCZ can be incorporated into Mersing's STIZ application, offering dual federal recognition and added investment appeal
- **Market Potential:** Langkawi drew 2.5 million visitors in 2022, compared to only 11,000 for Mersing. Lifting duty barriers could unlock significant tourism demand into the district
- **Economic Impact:** Customs exemptions apply only to specific goods, while SST, service tax, quit rent, and local levies remain intact. Langkawi's model shows that every RM1 in duty foregone can generate over RM10 in broader taxable economic activity

The designation of Mersing as a Free Commercial Zone is expected to stimulate tourism growth, enhance local employment prospects, and drive socio-economic upliftment by reducing poverty levels in the district

Implementing Agency
- Johor Tourism Exco

Monitoring Agency
- BPEN-J

Associated Sectors :
- Tourism

Stakeholders Involved:
- Ministry of Finance (MOF)
- Jabatan Kastam Diraja Malaysia
- MOTAC Johor

Budget Required:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Q1 2026
- End Date: Q2 2027

Source: Tourism Johor, Langkawi Development Authority, Bernama, PASB Analysis

Expansion of Tourism Johor’s Mandate to Drive Targeted Tourism Industry Growth

Johor’s tourism industry is mainly driven by Tourism Johor, which does mostly tourism marketing, branding and promotion[1]; Johor may thus lack a dedicated, well-mandated tourism body to oversee overall industry development and long-term planning needed to drive sustained growth

Initiative Highlights:

Concept Description

Expanding Tourism Johor’s mandate to include masterplan development, investment promotion, coordination of tourism infrastructure development, and data framework development to strategically drive and monitor Johor’s tourism growth.

Initiative Highlights:

Proposed Mandates

TOURISM JOHOR

Expansion of Tourism Johor’s mandate:

- **Johor’s Tourism Masterplan Development:** A comprehensive, long-term strategy document / roadmap to guide Johor’s overall tourism development plan via a consultative and collaborative approach involving private players, public agencies and tourism subject matter experts
- **Tourism Investment Promotion:** Spearheading investment attraction efforts to ensure a comprehensive and strategic development of Johor’s tourism sector
- **Infrastructure Coordination:** Overseeing the planning, coordination, and implementation of tourism infrastructure projects across districts to ensure timely delivery and alignment with development priorities
- **Data-Driven Development Framework:** Establishing a robust tourism data system to enhance investment planning, inform policy decisions, and strengthen stakeholder engagement through accurate data collection and analysis

Expansion of Tourism Johor’s mandate can provide clarity in the strategic alignment and coordination of tourism development projects across districts and increase efficiency and transparency in tourism infrastructure implementation

Implementing Agency
- Tourism Johor

Monitoring Agency
- BPEN-J

Associated Sectors :
- Tourism

Stakeholders Involved:
- Invest Johor
- MOTAC Johor

Budget Required:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Q1 2026
- End Date: Q3 2027

Note: [1]Also does some infrastructure development project monitoring and coordination

Launching a Johor Aerospace Council & Secretariat

Johor lacks a formalised platform to align, coordinate, and support the aerospace development efforts across the state. While existing efforts exist across various agencies, these remain distributed, with no centralised body serving as a consistent point of contact for investors, industry players, or stakeholders.

Initiative Highlights:

Concept Description

Establish a Johor Aerospace Council & Secretariat to serve as a strategic platform for sectoral alignment, direction and inter-agency coordination on aerospace sector development in Johor. The Council's core function is to shape and guide Johor's aerospace ambitions, with the Secretariat providing day-to-day support and coordination.

Initiative Highlights:

Background Context

- This initiative proposes the creation of Johor Aerospace Council under the leadership of the Johor State Government to provide vision, direction and the overall development plan for the aerospace industry.
- The Secretariat will support the Council directly, providing operational coordination, stakeholder engagement, and administrative support.
- A dedicated Council and supporting Secretariat would provide a central platform to enhance coherence, alignment, and stakeholder engagement across Johor's aerospace ecosystem.

Proposed Structure

Johor Aerospace Council

↓

Johor Aerospace Secretariat

- **Provide Strategic Direction:** Guide Johor's aerospace positioning, including Master Plan oversight, long-term value chain development, and alignment with the National Aerospace Blueprint 2030.
- **Convene Cross-Sector Stakeholders:** Bring together federal and state bodies, academia, industry leaders, and regulatory authorities to ensure coherence across policies, training and regulatory frameworks.
- **Position Johor Globally:** Champion Johor as an aerospace hub and in the through national and international engagement.

The establishment of a Johor Aerospace Council and Secretariat will strengthen strategic alignment and coordination of aerospace development initiatives across Johor, enhancing efficiency and coherence in stakeholder engagement and infrastructure implementation.

Implementing Agency
- IRDA

Monitoring Agency
- BPEN-J

Associated Sectors :
- Aerospace

Stakeholders Involved:
- IMFC-J
- BPENJ
- MIDA

Budget Required (Preliminary):

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Q1 2026
- End Date: Q2 2027

Introduce Tiered Land Premium Discount for Strategic OSAT Fabs

Johor's advanced back-end semiconductor ambitions are hampered by speculative land costs, deterring multi-die, 3D and chiplet-packaging investments. A structured rebate scheme will incentivise global advanced OSAT companies to invest in Johor

Initiative Highlights:

Concept Description

Introduce a graduated land-premium rebate within Johor's land-use framework—30 % for basic packaging, 50 % for advanced OSAT, and 80 % for multi-die/R&D anchor fabs—to cut entry costs and catalyze cluster growth

Initiative Highlights

<u>Rebate Tier Structure</u>

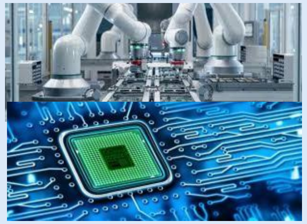
- Basic OSAT: 30 % rebate on land premium for standard packaging lines (single-die, wire-bond) (cap 500)
- Advanced OSAT: 50 % rebate for multi-die, 2.5D/3D packaging facilities
- R&D & Anchor Fabs: 80 % rebate plus equity incentives for fabs with on-site R&D centers or anchor-tenant commitments

<u>Premium Discount Applicability</u>

- Embed rebate tiers in PTG Johor's land-use circular under "Semiconductor Strategic Zone"
- Limit to parcels within designated JS-SEZ or industrial E&E park clusters
- Apply rebates to state land premiums or premium top-ups for private land converted to industrial use

<u>Eligibility & Technical Requirements</u>

- Investment Scale: Minimum capex of USD 50 million (Basic), USD 100 million (Advanced), USD 200 million (R&D/Anchor)
- R&D Linkage: Advanced and Anchor tiers require local academia partnerships or dedicated in-house R&D labs



<u>Application & Approval Workflow</u>

- Digital One-Stop Portal: Integrate rebate applications into IMFC-J's SFT-60 platform

By standardising and fast-tracking tiered land-premium rebates, Johor will unlock advanced packaging investments, deepen its OSAT ecosystem, and cement its position as Malaysia's leading back-end semiconductor hub

Implementing Agency
- Pejabat Tanah & Galian Johor

Monitoring Agency
- BPEN-J

Associated Sectors :
- Electrical & Electronics

Stakeholders Involved:
- IMFC-J
- MIDA
- MITI

Budget Required (Preliminary):

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Q1 2026
- End Date: Q4 2030

Source: Mordor Intelligence, PASB Analysis

Launch Johor Agritech Accelerator Program

Johor's agriculture sector contributes nearly 30 % of Malaysia's agro-GDP but relies on manual practices that cap yields and margins. To meet the state's Maju Johor 2030 plan of becoming Malaysia's food basket, Johor farmers need end-to-end agritech support—making equipment affordable, financing accessible and skills widespread

Initiative Highlights:

Concept Description

Launch an integrated agritech support package—combining matching grants, credit guarantees, land-premium rebates and fast-track permits—to make sensors, drones and automation affordable and low-risk for Johor farmers

Visualisation of the initiative

Scope & Criteria

- Registered Johor smallholders
- Farms ≥ 2 ha with DOA/MARii-certified capex plans
- Q4 2025–Q4 2027 rollout across 10 selected demo hubs

Capability Pillars	Key Outcomes
Funding & Grants	• Calculating capex eligibility • Crafting winning grant and loan proposals
Precision Technologies	• Selecting and deploying sensors, drones, IoT • Optimizing farm layouts for yield
Data & Analytics	• Using farm-management software • Interpreting soil, weather & yield data
Bio & Input Innovation	• Integrating biopesticides • Applying seed-treatment and biotech solutions

Impact: JAAP will halve smallholder agritech capex, drive statewide Agritech adoption, boost average yields by 20-30% and cut manual labor costs by up to 15 %—advancing Maju Johor's 2030 food basket ambition

Implementing Agency
- Jcorp/FarmByte

Monitoring Agency
- BPEN-J

Associated Sectors :
- Agriculture

Stakeholders Involved:
- Jabatan Pertanian Johor
- MARii
- MARDI
- MDEC

Budget Required (Preliminary):

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Note: To be further determined by FarmByte

Implementation Timeframe:
- Start Date: Q1 2026
- End Date: Q4 2030

Source: PASB Analysis

Piloting Johor Agriculture Resilience Insurance Scheme (JARIS) for Smallholders

Johor is the largest contributor to Malaysia's agriculture GDP, driven primarily by crops and livestock. However, recurring monsoon floods increasingly threaten agricultural productivity, underscoring the need to protect farmers and safeguard their livelihoods through insurance protection scheme

Initiative Highlights:

Concept Description	Piloting fiscal support for subsidised crop insurance scheme in Johor for smallholders through a structured, premium-subsidised agriculture insurance programme

Initiative Highlights:

Background Context

- In 2023, agriculture contributed RM17.2 billion of GDP or 11.6% to the state GDP. In the same year, DOSM reported that Johor suffered flood losses of over RM25 million in agriculture industry. Without formal insurance, climate shocks cost Johor tens of millions annually, undercutting the very sector that anchors rural livelihoods and food security

Proposed Concept

As a concept, JARIS will be established as a public-private, takaful-compliant crop and livestock insurance pool with the following features:

- **Flood Loss Coverage:** Provides protection against flood-related damages, a key risk in Johor's agricultural sector
- **Affordable Premiums:** Farmer contributions will be capped at low rates (i.e. 2% for staple crops, 3% for industrial crops, and 5% for horticulture and livestock), with the remaining premium subsidised equally by the State Government
- **Digital Enablement:** Leverages a digital platform for MyKad-based e-registration, GIS parcel mapping, drone/remote sensing for loss assessments, and mobile wallet payouts within 30 days

Introducing JARIS would help reduce the government's reliance on contingency budgets for ad hoc disaster relief while providing a structured social protection mechanism for poor and vulnerable farmers against flood-related losses

Implementing Agency
- Exco Pertanian

Monitoring Agency
- BPEN-J

Associated Sectors :
- Agriculture

Stakeholders Involved:
- AgroBank
- BNM
- MARDI

Budget Required (Preliminary):

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Q1 2026
- End Date: Q4 2030

Source: ASEAN Guideline on Agricultural Insurance Implementation, PASB Analysis

Enhancing Forest City-Special Financial Zone (FC-SFZ)

Despite robust JS-SEZ–driven investment inflows, Johor still lacks a dedicated financial hub and the full suite of services that investors and capital-intensive businesses require—risking diversion of capital to Singapore and other regional centers

Initiative Highlights:

Concept Description	Establishing Forest City as Malaysia's first Special Financial Zone for high-value financial activity, underpinned by a comprehensive incentive package such as tax holidays, expatriate support and more

Visualisation of the initiative

FC-SFZ
The SFZ applies to Pulau Satu within Forest City, granting a duty-free status and bespoke fiscal incentives designed to attract capital-intensive and high-value financial players

Main Incentive Packages

Corporate Tax Concessions: A 0–5 % corporate tax rate for qualifying entities, compared to Malaysia's standard 24 % rate

Personal Income Tax Relief: A flat 15 % rate for knowledge-based workers

Duty-Free Status: Exemption from import/export duties on capital equipment and goods entering Pulau Satu.

Single Family Office Scheme which offers 0 % tax rate on eligible investment income of the Single-Family Office Vehicle (SFOV)

FC-SFZ could potentially attract high value financial anchor institution and investments while complementing the JS-SEZ ecosystem

Implementing Agency
- State Investment and Trade EXCO

Monitoring Agency
- BPEN-J

Associated Sectors :
- Cross-cutting

Stakeholders Involved:
- Ministry of Finance
- MIDA
- BPENJ
- IMFC-J

Budget Required:

FY	Public	Private
2025	*Budget details to be finalised during implementation of the initiative*	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: January 2026
- End Date: September 2028

Strategic Intervention Initiative Charters.

Talent and Capacity Building

Public-Private Partnership for Johor Nursing Programme

The nursing shortage is felt acutely across both public and private hospitals in Johor. Johor State Government can leverage the maturity of its private healthcare players to increase training capacity and develop an attractive co-training system, reducing competition within local hospitals.

Initiative Highlights:

Concept Description: Co-training and compensation pathway both new and experienced nurses under improved working conditions, creating opportunities for specialisation and career progression within the state.

Visualisation of the initiative

Compensation

- State government subsidises 40% of tuition fees for new nurses who commit to working in Johor-based healthcare facilities for a minimum of 5 years
- Participating private hospitals co-fund the remaining costs and provide monthly allowances during training, supported by HRDC incentives

Resource Pooling

- Sharing resources across nursing schools, public and private hospitals, such as clinical lecturers, simulation labs and training equipment
- Supplement existing government training centres for core modules with private specialties, e.g. aged care, ICU, diagnostics

Career Progression

- Establish clear framework for career progression based on performance outcomes, not length of service, e.g.
    - New nurse: RM3,000
    - Ward manager: RM5,000
    - Specialist nurse or matron: RM7,000
- Develop partnerships with leading universities in Singapore / globally to allow nurses to receive world-class training and qualifications without relocating

Impact: Increasing number of nurses in Johor by 15% within 5 years, improving public-private workforce balance, retention of local nursing workforce and injection of expertise from returning nurses.

Implementing Agency
Jabatan Kesihatan Negeri Johor

Monitoring Agency
- BPEN-J

Associated Sectors:
- Healthcare & Pharmaceuticals

Stakeholders Involved:
- KPJ Healthcare University
- KKM

Budget Required:

FY	Public	Private
2025	Budget details to be finalised during implementation of the initiative	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Jan 2026
- End Date: Dec 2030

JS-SEZ Productivity-Linked Wage Policy

Businesses must be incentivised to hire and uplift wages of Malaysian employees, but such wage increments must also be justified by an increase in productivity and skills. The service sector within JS-SEZ is an ideal pilot for the next phase of the Progressive Wage Policy (PWP).

Initiative Highlights:

Concept Description

Dual-pronged policy targeted at increasing wages for low-earning workers in critical service sector occupations, while increasing productivity gains for long-term sustainability.

Visualisation of the initiative

Targeted Wage Increments for Low-Earning Workers

Open to employers in JS-SEZ only; PWP to be applied in tandem with JS-SEZ minimum wage, to support the latter's take-up by employers.

TBD

Applies to Malaysian full-time employees in designated occupations within 2 sectors only:

Hospitality Workers: Guest Relations, F&B, Sales & Marketing, Spa Therapist

Healthcare Workers: Nurses, Pharmacists, Lab Technician, Dental Assistants, Medical Officers

Outcomes-Based Funding for Productivity

Companies required to specify training requirements and key performance indicators for a minimum of 1-year, to ensure workers under this scheme are upskilled to achieve higher productivity / new skills that can sustain their increased wages in the long-term.

Additional grant funding available from JTDC and HRDC (application required) to support productivity-linked improvements, such as:

- Digitalisation / Technology Adoption
- Accreditation / Certifications

Impact: Supporting Johor-based businesses to retain Malaysian talent and achieve the JS-SEZ minimum wage, while improving productivity through incentivized training

Implementing Agency
- BPEN-J

Monitoring Agency
- BPEN-J

Associated Sectors :
- Healthcare & Pharmaceutical, Tourism

Stakeholders Involved:
- Ministry of Economy
- Ministry of Human Resources
- Malaysia Productivity Corporation
- PERKESO

Budget Required:

FY	Public	Private
2025	Budget details to be finalised during implementation of the initiative	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Feb 2026
- End Date: Nov 2027

Implementing Johor's Integrated TVET Programme: Initiative Charter

Shifting TVET curriculum and training system from being supply-driven by education providers, to demand-driven by industries – building a pipeline of highly employable graduates for both MNCs and SMEs in Johor.

Initiative Highlights:

Concept Description: A win-win, cooperative system between MNCs and SMEs for TVET internships and apprenticeships, where students split time between advanced training modules provided by MNCs and on-the-job training hosted by SMEs.

Visualisation of the initiative

1 Implementing Institutions
Pilot to be implemented at Johor Skills (manufacturing) and KYPJ (hospitality), and expand to approved schools and new sectors upon success

2 Leading MNCs

E&E: Microsoft, Micron, ST

Aerospace: GKN

Hospitality: Hilton, Hard Rock Hotel

- JTDC Industry Working Groups to provide strategic guidance on curriculum & certifications
- Expert trainers from established country offices to train-the-trainer or deliver required sessions
- Provision of cutting-edge equipment
- Mentorship and networking opportunities

3 Local SMEs
- Host students for hands-on training, internships, mentorship and networking

4 Conversion to Employment
Graduates of this dual scheme will be exposed to both MNCs and SMEs, with opportunities to apply for apprenticeships and full-time jobs at both

Impact: Ability to train, upskill and place graduates in high-demand and high-growth industries such as E&E, Aerospace and Tourism

Implementing Agency
JSkills, KYPJ (pilot)

Monitoring Agency
- JTDC

Associated Sectors :
- E&E, Aerospace, Tourism

Stakeholders Involved:
- JTDC
- Government-Industry TVET Coordination Body
- Anchor Industry Players

Budget Required (RM Mil):

FY	Public	Private
2025	Budget details to be finalised during implementation of the initiative	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: April 2026
- End Date: December 2028

Source: Developed in consultation with JTDC

Johor Accelerator for Digital Excellence (JADE): Initiative Charter

With the launch of 42 Iskandar Puteri, Johor has a leading bootcamp-style, peer-to-peer digital school. Its programmes are fully sponsored and supported by Khazanah's Dana Impak. However, 42IP has yet to achieve mainstream visibility and interest with youth in Johor.

Initiative Highlights:

Concept Description

Encourage interest and pursuance of STEM education amongst graduating Form 5 students from Sekolah Rintis Bangsa Johor, equipping them with foundational digital, technology, problem-solving and innovation skills.

Visualisation of the initiative

Introductory Programme

- 4-month co-curricular programme delivered by 42 instructors at SRBJ campuses
- Open to all Form 4 and Form 5 students
- Course content:
  - Data Collection & Analysis
  - Coding, Tech & Ethics
  - Design Thinking & Innovation

Foundational Bootcamp

- 26 day bootcamp for interested students, 7-10 hours per day
- No programming knowledge required
- Course content:
  - Basics of C Programming
  - Basics of Shell
  - Communication, Adaptability and Problem-Solving Skills

Internships

Direct pathways with partnering employers to gain industry experience

Specialisation

Advanced programmes available with 42: algo & AI, security, dev-ops, etc.

Impact: Equipping 670 SRBJ students over 5 years with self-driven digital and technology skillsets to expose them to STEM career pathways and build a generation of digital natives and leaders

Implementing Agency
Digital Economy Working Group (JTDC)

Monitoring Agency
BPEN-J

Associated Sectors :
- Cross-cutting

Stakeholders Involved:
- MDEC
- JTDC & Digital Economy Working Group
- 42 Iskandar Puteri

Budget Required:

FY	Public	Private
2025	Budget details to be finalised initiative	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Jan 2026
- End Date: Dec 2030

Establishing the Johor Innovation Corridor

To capture value from major local investments, attract new investments and bolster growth of high-value manufacturing sectors, Johor needs to elevate its R&D capabilities. The State Government can do this by integrating its STEM academic engine, upcoming Smart City infrastructure, and JS-SEZ.

Initiative Highlights:

Concept Description: Innovation Corridor anchored by state-backed VC Fund, supported by the development of strong industry-academia relationships and real-world testbed in Ibrahim Technopolis.

Visualisation of the initiative

IBTEC Living Labs

- 7,290 acre smart-technology and circular township in Sedenak, equipped with infrastructure such as smart utilities, clean energy and digital connectivity to enable unrestricted innovation.
- Supported by JS-SEZ regulatory sandbox.

Industry-Academia Partnerships

- Leverage industry expertise by appointing business leaders as professors in key universities (UTM, UTHM).
- Ensure science-driven business innovation by by appointing researchers as Chief Science Officers in GLCs (JCORP subsidiaries).

Johor Venture Capital Fund

- Establish a state-backed VC Fund supported by both State Government and State GLCs, co-investing with private VCs.
- Provide early access to IP for contributing GLCs, with transparent IP-sharing rules.
- Focus on industrial deep-tech for Johor customers.

Impact: Position the state as a leader in sustainable industrialisation and high-tech manufacturing, built upon IBTEC infrastructure and strong research leadership.

Implementing Agency
IRDA

Monitoring Agency
- BPEN-J

Associated Sectors :
- Healthcare & Pharmaceuticals, E&E, Agriculture, Logistics

Stakeholders Involved:
- JCORP
- IRDA
- UTM & UTHM
- State GLCs

Budget Required:

FY	Public	Private
2025	Budget details to be finalised during implementation of the initiative	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Jan 2026
- End Date: Dec 2030

Leadership Development Programme for Civil Service Officers: Initiative Charter

Johor Civil Service is embarking on a journey to attract and develop the best and brightest talent in the state. To establish Johor's role as a regional powerhouse for economic development, its future will need to be guided by leaders with exposure to top-level policymaking and global developments.

Initiative Highlights:

Concept Description: Develop a robust professional development programme for JCS Officers, including accelerated career pathways, global policy exposure and world-class leadership education.

Visualisation of the initiative

Scholarship Programme	Fast-Track for Top Performers	Secondments	Executive Leadership
Pre-service (0 yrs) • Scholarships awarded to top graduates of Sekolah Bangsa Perintis Johor for degrees in public policy, economics and management • Internship within State Govt during school holidays • Post-study placement guarantee into JCS (DG41)	DG41-DG44 (2-6 yrs) • Annual performance evaluation and nomination of high performing and potential officers • Accelerated promotion pathway from DG41 to DG44 • Direct mentorship from senior JCS officers	DG44-DG48 (6-12 yrs) • Secondments of 6-12 months to GLCs and int'l development orgs • Project-based assignments on topics such as technology adoption, economic development, social policy, etc. • Reintegration into policy department	DG48-JUSA (12+ yrs) • Short-term executive education programmes in strategy, public administration, negotiations, leadership, etc. • Host ASEAN Policy Lab for regional leaders

Impact: Strategically position the Johor Civil Service as an attractive, competitive and high-performing employer to develop the state's next generation of leaders.

Implementing Agency
- Permodalan Darul Ta'zim

Associated Sectors :
- Cross-Cutting

Stakeholders Involved:
- BPEN
- JCS
- IDO

Budget Required:

FY	Public	Private
2025	Budget details to be finalised during implementation of the initiative	
2026		
2027		
2028		
2029		
2030		
Total		

Implementation Timeframe:
- Start Date: Further input required
- End Date: Further input required

Project List.

List of Projects: Chemical & Petrochemical

Sector:
Chemical & Petrochemical

Total Investment Value:
RM17.5 billion

Total Number of Projects:
13

Potential GDP Impact:
RM4.82 billion

Potential Employments:
11,451

Note: Individual project investment values are strictly confidential and cannot be disclosed - Relevant agencies and IPAs are bound by non-disclosure obligations

No	Project Name	Project Owner	Location
1	Sustainable Aviation Fuel (SAF) and Biofuel Refinery	Petroliam Nasional Berhad (Petronas)	Pengerang
2	Green Energy & Sustainable Aviation Fuel	Gryffin Partners	Pengerang
3	Recycling of Plastic Waste into Circular Pyrolysis Oil	Kytari Sdn Bhd	Pengerang
4	Dialog Asia Project (Tango & Camelia)	Dialog Asia	Pengerang
5	Bitumen Production	Cascadian Asphalt Industries Sdn Bhd	Tanjung Langsat
6	Vinyl-Chloride Monomer (VCM)	Tosoh Corporation	Tanjung Langsat
7	Nitrile Butadiene Latex (NBL)	LG Petronas Chemicals Malaysia	Pengerang
8	Medium Chain Triglycerides	Apical Oils & Fats Sdn Bhd	Tanjung Langsat
9	Vegetable Oil Sustainable Aviation Fuel (SAF)	ECO Environmental Investments Limited	Tanjung Langsat
10	Nitrogen, Oxygen & Argon	Air Products Malaysia Sdn Bhd	Pengerang
11	Octyl Salicylate & OS	Cosmos Personal Care (M) Sdn Bhd	Johor Bahru
12	Dry Release Film Coatings	Colorcon Malaysia Sdn Bhd	Iskandar Puteri
13	Refined Sludge Palm Oil	Apical Oils & Fats Sdn Bhd	Tanjung Langsat

Source: Various state and federal documents, MIDA, IRDA, Invest Johor, ECERDC, various state's GLCs, selected industry players

List of Projects: Healthcare & Pharmaceutical

Sector:
Healthcare & Pharmaceutical

Total Investment Value:
RM7.3 billion

Total Number of Projects:
18

Potential GDP Impact:
RM5.2 billion

Potential Employments:
16,677

Note: Individual project investment values are strictly confidential and cannot be disclosed - Relevant agencies and IPAs are bound by non-disclosure obligations

No	Project Name	Project Owner	Location
1	Thomson Iskandariah Hospital	TMC Life Sciences Bhd	Johor Bahru
2	Hospital Sultanah Aminah 2, Johor Bahru	Kementerian Kesihatan Malaysia	Johor Bahru
3	Maria Hospital 2 at Permas Jaya	Maria Hospital	Permas Jaya
4	Expansion of KPJ Hospitals (KPJ Dato' Onn, KPJ Johor Specialist Hospital, KPJ Kluang, KPJ Pasir Gudang)	Kumpulan Perubatan Johor (KPJ)	Various Locations
5	Expansion of Columbia Asia Hospital Iskandar Puteri	Columbia Asia	Iskandar Puteri
6	Expansion of Kempas Medical Centre	Kempas Medical Centre	Johor Bahru
7	Pulai Springs Hospital	Pulai Group	Pulai
8	Austin Heights Specialist Hospital	Austin Heights Sdn Bhd	Johor Bahru
9	South Island Nursing Home, Ulu Tiram and Kempas	South Island Healthcare Sdn. Bhd.	Ulu Tiram
10	Precision Parts for Medical Devices	Unisteel Technology (M) Sdn Bhd	Iskandar Puteri
11	Consumable Catridge & Sterile Liquid Transfer Devices	Titanium Systems Sdn Bhd	Iskandar Puteri
12	Pulse Oximetry Adhesive Sensor & Pulse Oximeter	Masimo Medical Technologies Sdn Bhd	Pasir Gudang
13	Anesthesia Mask, Bacterial/Viral Filter and Pre-Filled Syringe	Xinmed Sdn Bhd	Senai
14	Precision Parts for Medical Devices	Unisteel Technology (M) Sdn Bhd	Iskandar Puteri
15	Ureterorenoscope and Cystoscope	Innovex Medical (Malaysia) Sdn Bhd	Gelang Patah
16	DNA Test Kit	Intretech (Malaysia) Sdn Bhd	Senai
17	Multilayer Laminate for IVD DNA Sensor Cartridge	Hochen Medical Sdn Bhd	Senai
18	Blood Glucose Monitoring Device and Single Use Surgical Endoscope	Altek Medical Sdn Bhd	Iskandar Puteri

Source: Various state and federal documents, MIDA, IRDA, Invest Johor, ECERDC, various state's GLCs, selected industry players

List of Projects: Energy

Sector:
Energy

Total Investment Value:
RM28.2 billion

Total Number of Projects:
9

Potential GDP Impact:
RM13.5 billion

Potential Employments:
23,353

Note: Individual project investment values are strictly confidential and cannot be disclosed - Relevant agencies and IPAs are bound by non-disclosure obligations

No	Project Name	Project Owner	Location
1	Combined Cycle Gas Turbine with Green Hydrogen and Green Ammonia Plant	Maharani Energy Gateway Sdn Bhd / China Energy International Group Sdn Bhd	Muar
2	KPRJ x Sembcorp Floating Solar Project	KPRJ Environment	Linggiu Reservoir
3	Renewable Energy Zone	Ditrolic Energy	Pengerang / Mersing
4	UEM Lestra x Hexa Renewables Solar Project	UEM Lestra Hexa Renewables JV	Segamat
5	Masdar Renewables Large Scale Solar Farm	Masdar Renewable Energy	Johor Bahru
6	Rare Earth Oxide Production in Johor	Fujian Golden Dragon Rate-Earth Co. Ltd.	Johor Bahru
7	Equalenergie Solar Farm	Equalenergie Sdn. Bhd.	Segamat
8	Renewable Energy Industrial Park in Gerbang Nusajaya, Johor	UEM Sunrise	Iskandar Puteri
9	Envision Energy Wind Farm Project	Envision Energy	Kota Tinggi

Source: Various state and federal documents, MIDA, IRDA, Invest Johor, ECERDC, various state's GLCs, selected industry players

List of Projects: Electrical & Electronics

Sector:
Electrical & Electronics

Total Investment Value:
RM5.6 billion

Total Number of Projects:
12

Potential GDP Impact:
RM0.9 billion

Potential Employments:
8,506

Note: Individual project investment values are strictly confidential and cannot be disclosed - Relevant agencies and IPAs are bound by non-disclosure obligations

No	Project Name	Project Owner	Location
1	Plastic Injection Moulds	Flextronics Shah Alam Sdn Bhd	Tanjung Pelepas
2	Portable Commercial Studio LED	BPW Industrial Sdn Bhd	Ulu Tiram
3	Server	Super Micro Computer Malaysia Sdn Bhd	Johor Bahru
4	Power Distribution Board, Server Mainboard	Compuware Technology Sdn Bhd	Tebrau
5	Aluminium Substrates	WD Media (Malaysia) Sdn Bhd	Pasir Gudang
6	AMB & Active Metal Brazed &, DCB & Direct Copper Bonding	Ferrotec Power Semiconductor Sdn Bhd	Pasir Gudang
7	Vacuum Cleaner, Energy Efficiency Fan	Alton Intelligent Technology Sdn Bhd	Pontian
8	Server Chasis	Ablecom Technology Sdn Bhd	Tebrau
9	Printed circuit board (PCB)	Wiwynn Technology Service (M) Sdn Bhd	Tebrau
10	Red Dot Sight, Reflex Sight	Poe Manufacturing Sdn Bhd	Iskandar Puteri
11	Server Chassis and Computer Peripheral Components	Ablecom Technology Sdn Bhd	Senai
12	Computer Entertainment System and Semifinished for Computer Entertainment System Sets	Sharp Manufacturing Corporation (M) Sdn Bhd	Sri Gading

Source: Various state and federal documents, MIDA, IRDA, Invest Johor, ECERDC, various state's GLCs, selected industry players

List of Projects: Data Centers

Sector:
Electrical & Electronics (DC)

Total Investment Value:
RM90.3 billion

Total Number of Projects:
15

Potential GDP Impact:
RM28.2 billion

Potential Employments:
23,300

Note: Individual project investment values are strictly confidential and cannot be disclosed - Relevant agencies and IPAs are bound by non-disclosure obligations

No	Project Name	Project Owner	Location
1	Equinix Data Center - PTD 7444 (JH` & JH2)	Equinix	Kulai
2	Nanda Digital - PTD 227197	Nanda Digital	Gelang Patah
3	Tropicana Data Center	Tropicana Firstwide	Pulai
4	Data Center Prefabrication	EPG	Johor Bahru
5	ByteDance Data Center	ByteDance Systen Sdn Bhd	Kulai
6	Hyperscale Data Center	GDS IDC Services III (Malaysia) Sdn Bhd	Iskandar Puteri
7	Hyperscale Data Centre	GDS IDC Services II (Malaysia) Sdn Bhd	Johor Bahru
8	Data Center Cloud Services	Seainfra (Malaysia) Sdn Bhd	Kulai
9	Infrastructure for Hosting, Data Processing and Related Activities	YTL AI Cloud Sdn Bhd	Kulai
10	YTL Data Centre	YTL DC South Sdn Bhd	Kulai
11	Yu Ao Data Center	Yu Ao Sdn Bhd	Gelang Patah
12	STT GDC Data Center	STT GDC Malaysia 2 Sdn Bhd	Iskandar Puteri
13	Data centre	Bridge Data Centres Malaysia III Sdn Bhd	Kulai
14	Hyperscale Data Centre	GDS IDC Services (Malaysia) Sdn Bhd	Iskandar Puteri
15	Ibrahim Technopolis (IBTEC)	JLand Group	Sedenak

Source: Various state and federal documents, MIDA, IRDA, Invest Johor, ECERDC, various state's GLCs, selected industry players

List of Projects: Aerospace

Sector:
Aerospace

Total Investment Value:
RM3.0 billion

Total Number of Project:
1

Potential GDP Impact:
RM0.4 billion

Potential Employments:
1,433

Note: Individual project investment values are strictly confidential and cannot be disclosed - Relevant agencies and IPAs are bound by non-disclosure obligations

No	Project Name	Project Owner	Location
1	Senai Airport Expansion (Aerospace Hub)	Senai Airport Terminal Services	Senai

Source: Various state and federal documents, MIDA, IRDA, Invest Johor, ECERDC, various state's GLCs, selected industry players

List of Projects: Logistics

Sector:
Logistics

Total Investment Value:
RM3.4 billion

Total Number of Projects:
4

Potential GDP Impact:
RM1.8 billion

Potential Employments:
8,952

Note: Individual project investment values are strictly confidential and cannot be disclosed - Relevant agencies and IPAs are bound by non-disclosure obligations

No	Project Name	Project Owner	Location
1	Tiong Nam Logistics Hub	Tiong Nam	Sedenak
2	Phase 3 Free Zone Infrastructure (148 acres) and Access Road	Pelabuhan Tanjung Pelepas (PTP)	Tanjung Pelepas
3	Seraya 2	DIALOG Terminals Langsat (3) Sdn Bhd	Pasir Gudang
4	DHL Supply Chain Malaysia (Phase 2 and Phase 3)	DHL	Johor Bahru

Source: Various state and federal documents, MIDA, IRDA, Invest Johor, ECERDC, various state's GLCs, selected industry players

List of Projects: Tourism

Sector:
Tourism

Total Investment Value:
RM11.3 billion

Total Number of Projects:
7

Potential GDP Impact:
RM6.6 billion

Potential Employments:
11,543

Note: Individual project investment values are strictly confidential and cannot be disclosed - Relevant agencies and IPAs are bound by non-disclosure obligations

No	Project Name	Project Owner	Location
1	Arena Larkin	JCorp	Larkin
2	Desaru Coast Expansion	DRH	Desaru
3	Medini International Convention City (MICC)	IIB	Iskandar Puteri
4	Overall Rejuvenation of Johor's Tourism Ecosystem and Promotion	Public Funds	Various Locations
5	Sunway Puteri Hills (F&B Hub)	Sunway Group	Iskandar Puteri
6	Banjaran Mangrove Resort	Sunway Group	Johor Bahru
7	Sunway Circuit	Sunway Group	Johor Bahru

Source: Various state and federal documents, MIDA, IRDA, Invest Johor, ECERDC, various state's GLCs, selected industry players

List of Projects: Agriculture

Sector:
Agriculture

Total Investment Value:
RM0.9 billion

Total Number of Projects:
4

Potential GDP Impact:
RM0.7 billion

Potential Employments:
6,825

Note: Individual project investment values are strictly confidential and cannot be disclosed - Relevant agencies and IPAs are bound by non-disclosure obligations

No	Project Name	Project Owner	Location
1	Integrated Sustainable Palm Oil Complex (ISPOC)	Johor Plantations Group	Kota Tinggi
2	Circular Biomass	IOI Palm Wood Sdn. Bhd.	Segamat
3	Integrated Coconut Processing	IOI Coconut Mill Sdn. Bhd.	Segamat
4	Crop Protection Products	Lianhetech Malaysia Sdn Bhd	Tanjung Langsat

Source: Various state and federal documents, MIDA, IRDA, Invest Johor, ECERDC, various state's GLCs, selected industry players