

THEMATIC REPORT

Authors:

MIDF Team

research@midf.com.my

Heralding A New Growth Era for Johor

KEY HIGHLIGHTS

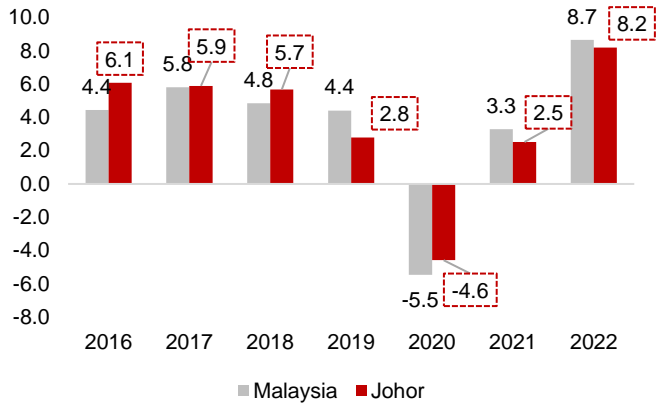
- **Johor, a National and Regional Economic Power.** Under RSNJ2030, the state's vision is to become a national and regional economic power. The blueprint consists of four thrusts, 32 high-impact-projects, and 432 implementation initiatives.
- **The power utilities sector is a spillover beneficiary of Johor's data centre development as data centres are huge consumers of energy.** Tenaga (BUY, TP: RM11.00) and Ranhill Utilities (NEUTRAL, TP: RM0.80).
- **Solar EPCC sub-sector in particular are potential immediate-term beneficiaries of the data center-driven demand for RE EPCC services.** Samaiden (BUY, TP: RM1.54), Sunview (BUY, TP:RM1.13) and Pekat (BUY, TP: RM0.63).
- **The construction of the Rail Transit System (RTS) link connecting Johor Bahru to Singapore, is well ahead of schedule with a progress of 65% as of Dec-23, as compared to a target of 57%. IJM Corp (BUY, TP: RM2.11), and Sunway Construction (BUY, TP: RM2.09).**
- **Property developers that have a landbank in Johor are expected to see better land value due to the improving property landscape in Johor.** Mah Sing Group (BUY, TP: RM1.04).
- **Swift Haulage Berhad (NEUTRAL, RM0.52) is anticipated to reap benefits owing to its engagement in container haulage and freight forwarding operations in Johor.**
- **Tanjung Langsat Port (TLP) is poised to grow as a liquid cargo port in Johor. 80% of the port's liquid cargo is derived from Dialog (BUY, TP:RM3.28) through its DIALOG Terminals Langsat (DTL) comprising a total storage capacity of 855,000cbm, with future expansion of 145,000cbm.**

ECONOMICS & POLICY

Johor is the third largest economic contributor in Malaysia. In 2015, Johor contributed 9.3% to the national GDP. After more than half of a decade, the contribution rate has increased slightly to 9.4% by 2022. This was slightly lower than the Midterm Review of 12th Malaysia Plan (MTR-12MP) target rate of 9.5% by 2025. The state economic structure is diverse across all sectors. Primary sectors are mainly dominated by agriculture which contributes about 12.2% to the GDP while mining at only a marginal rate of 0.4%. Johor's manufacturing share (30.2%) is higher than the national average (24.1%), which among others supported by petroleum, chemical, rubber & plastic products, and electrical, electronic & optical products. Services sector share rose from 48.2% in 2015 to 53.3% in 2022. Plateaued global commodity prices during pre-pandemic and economic diversification efforts from primary sectors are among the factors for the structural change in the state economy.

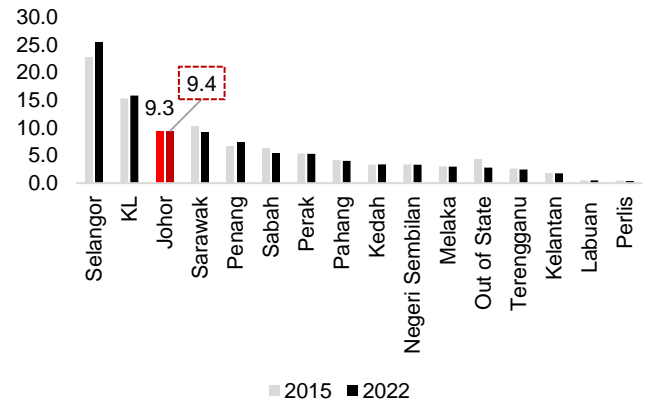
MTR-12MP aims for Johor to expand by +5.5% per annum. Under the MTR-12MP, Johor's GDP is forecasted to grow by +5.4%pa during the period 2021-2025. Malaysia's GDP growth target is +5.5% for the same period. As for 2023-2025, Johor is projected to grow by +5.5%pa while Malaysia by +5.2%pa. In the same document, the services sector is expected to stay at the current level while manufacturing share to be higher at 31.2% by 2025. Agricultural sector contribution is set to play a lesser role at 10.9% and similarly for the construction sector, down from 6.6% in 2015 to 3.0% after a decade.

Chart 1: Johor vs. Malaysia GDP (YoY%)



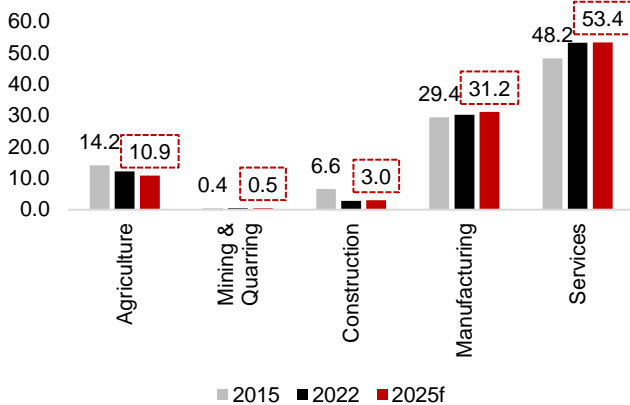
Source: DOSM, MIDFR

Chart 2: National GDP Contribution by State (% of GDP)



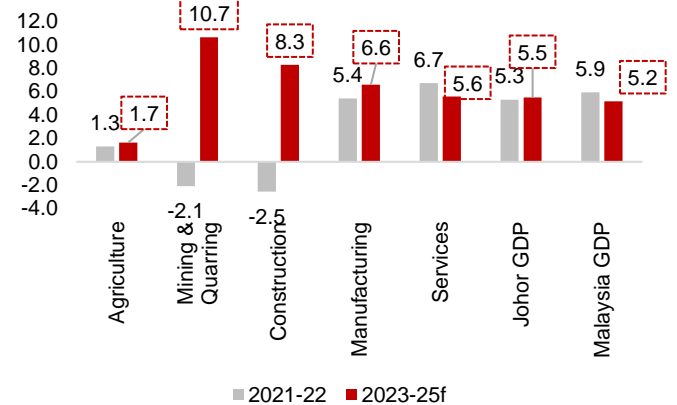
Source: DOSM, MIDFR

Chart 3: Johor GDP Structure under MTR-12MP (% of State GDP)



Source: Ministry of Economy, MIDFR

Chart 4: CAGR of Johor vs. Malaysia under MTR-12MP (YoY%)



Source: Ministry of Economy, MIDFR

Table 1: Johor's Economic Structure by Sector (% of State GDP)

	2015	2019	2020	2021	2022
Agriculture;	14.2	12.2	13.2	12.9	12.2
Crops	10.1	8.5	9.1	8.9	8.3
Livestock	2.9	3.0	3.3	3.3	3.1
Forestry & Logging	0.0	0.0	0.0	0.0	0.0
Aquaculture	1.1	0.7	0.7	0.7	0.8
Mining & Quarrying	0.4	0.6	0.5	0.4	0.4
Manufacturing;	29.4	29.9	30.2	31.0	30.2
Oils & fats from vegetables & animals, processed foods, beverages and tobacco products	4.2	4.1	4.3	4.0	3.9
Textiles, clothing, and leather products	1.2	1.4	1.2	1.3	1.3
Wood products, furniture, paper products, and printing	3.2	3.4	3.4	3.6	3.6
Petroleum, chemical, rubber, and plastic products	6.0	5.9	6.4	6.8	6.4
Non-metallic mineral products, base metals, and fabricated metal products	4.7	4.4	3.9	3.9	3.8
Electrical, electronic, and optical products	8.7	9.6	9.8	10.2	10.1

	2015	2019	2020	2021	2022
Transportation equipment, other manufacturing and repair	1.4	1.2	1.1	1.2	1.2
Construction;	6.6	5.0	3.3	2.6	2.8
Residential & Non-Residential Building	3.6	2.0	1.6	1.1	1.2
Civil Engineering	2.3	2.6	1.3	1.0	1.1
Special Trade	0.7	0.4	0.4	0.5	0.5
Services;	48.2	51.1	51.9	52.0	53.3
Utilities, transport & storage and information & communication	11.1	12.9	13.4	13.9	14.1
Wholesale and retail trade, food & beverage, and accommodation	13.8	15.1	14.4	13.9	15.4
Finance and insurance, real estate, and business services	10.2	10.0	10.1	10.1	10.1
Other Services	5.0	5.2	5.2	5.0	5.0
Government Services	8.2	8.0	8.8	9.0	8.8

Source: DOSM, MIDFR

The number one agriculture producer in Malaysia. Johor is the largest national agriculture output contributor at 17.5% in Malaysia. The main crop is oil palm, covering almost three-quarters of the agricultural land in the state since 2015. According to Rancangan Struktur Negeri Johor 2030 (RSNJ2030), the oil palm agricultural area is to expand modestly by +0.9%pa, signaling its importance for the state economy in the long term. However, fluctuations in CPO prices remain a downside risk for the agriculture industry. In another sector, Johor is the fourth national contributor of 7.4% to Malaysia's construction GDP. We have a different view than MTR-12MP, we foresee the construction sector to have a bigger share of the state GDP, especially during 2022-2030. Construction projects such as Johor Bahru–Singapore Rapid Transit System (RTS), Gemas-Johor Bahru electrified double-tracking rail project (Gemas-JB EDTP), data-centers, residential & non-residential and expansion of highways to boost economic activities in Johor. In addition, the high possibility of the Kuala Lumpur–Singapore High-Speed Rail (HSR) project will add another catalyst for the construction sector to proliferate in this decade.

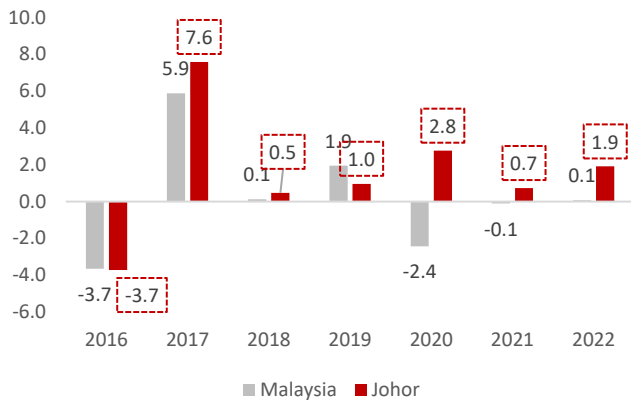
Table 2: Projection of Agricultural Area Suitability in the State of Johor by Crop Type, 2015 to 2030 (% of Agri. Area)

	2015	2020	2025	2030	2015-2030*
Oil Palm	73.5	74.8	75.7	76.3	0.9
Rubber	17.4	17.0	16.5	15.9	0.0
Coconut	1.2	0.8	0.5	0.4	-6.9
Cocoa	0.0	0.0	0.0	0.0	-11.6
Pepper	0.0	0.0	0.1	0.1	15.0
Coffee	0.1	0.1	0.1	0.1	0.0
Pineapple	1.1	1.3	1.5	1.6	3.1
Paddy	0.3	0.3	0.3	0.3	0.6
Fruits	4.4	3.5	2.7	2.1	-4.4
Vegetables	1.5	1.6	1.7	1.8	1.9
Other Crops	0.4	0.6	1.0	1.4	8.8
Total	-	-	-	-	0.6

Source: RSNJ2030, MIDFR

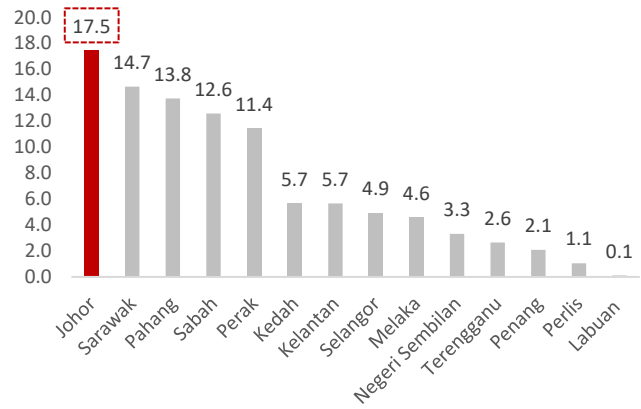
*CAGR

Chart 5: Johor vs. Malaysia Agriculture GDP (YoY%)



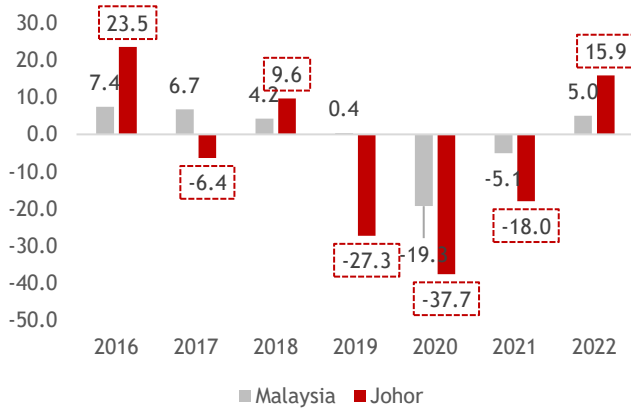
Source: DOSM, MIDFR

Chart 6: Contribution by State (% of Agriculture GDP)



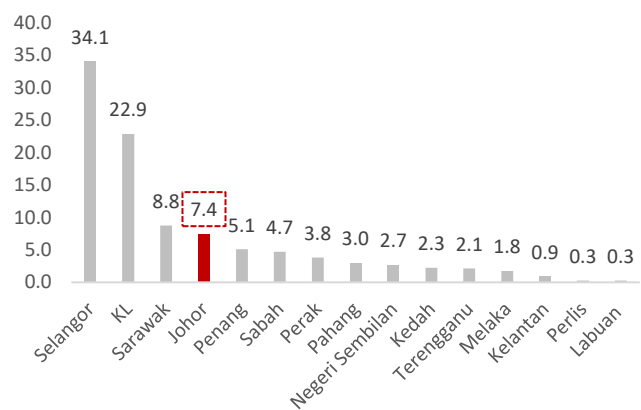
Source: DOSM, MIDFR

Chart 7: Johor vs. Malaysia Construction GDP (YoY%)



Source: DOSM, MIDFR

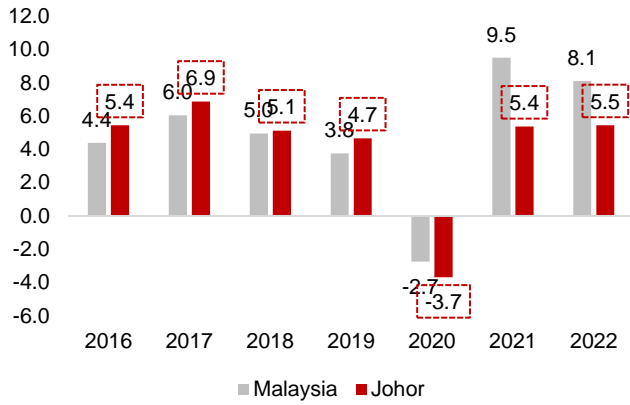
Chart 8: Contribution by State (% of Construction GDP)



Source: DOSM, MIDFR

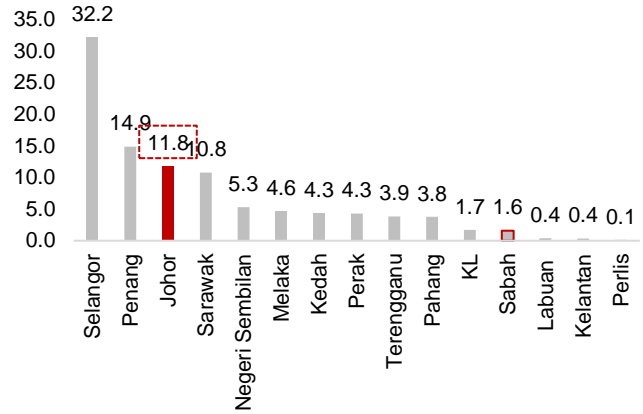
Close to 80% of Johor’s GDP is covered by manufacturing & services sectors. In 2015, manufacturing and services sectors’ contribution to state GDP was 77.7%. The combined ratio surged to a new high at 83.5% in 2022. Johor is the third national contributor for both sectors. The manufacturing sector is mainly driven by downstream segments of palm oil, petrochemicals, and E&E products. These three products serve 67.5% of the factory output. As for the services sector, we foresee a brighter outlook in the long run, especially after the completion of RTS. The ease of people mobility will provide more room for Johor’s services sector to expand especially with the ratio of non-residents to Singapore’s population has been above 25% since 2009. The key sub-sector of services namely utilities & transport, distributive trade, and real estate will benefit from the ease of mobility between Johor and Singapore.

Chart 9: Johor vs. Malaysia Manufacturing GDP (YoY%)



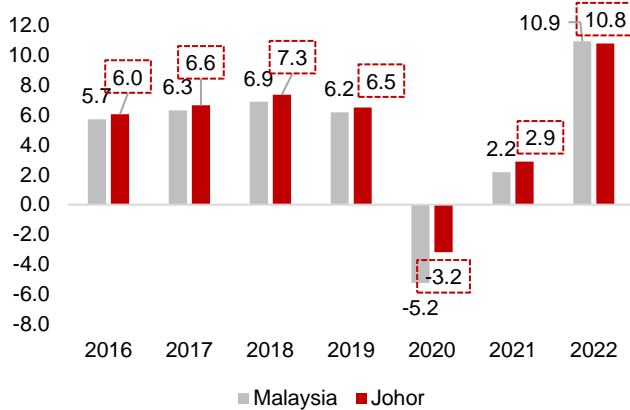
Source: DOSM, MIDFR

Chart 10: Contribution by State (% of Manufacturing GDP)



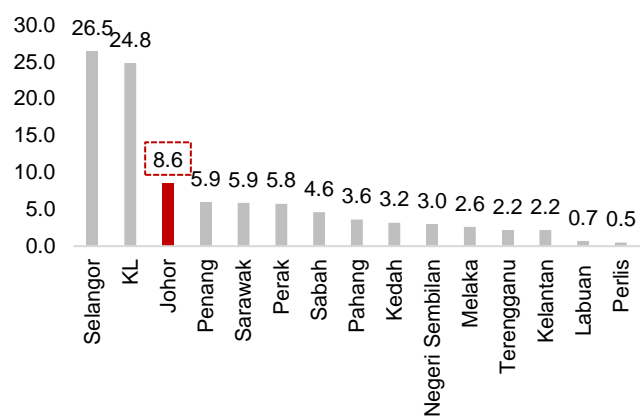
Source: DOSM, MIDFR

Chart 11: Johor vs. Malaysia Services GDP (YoY%)



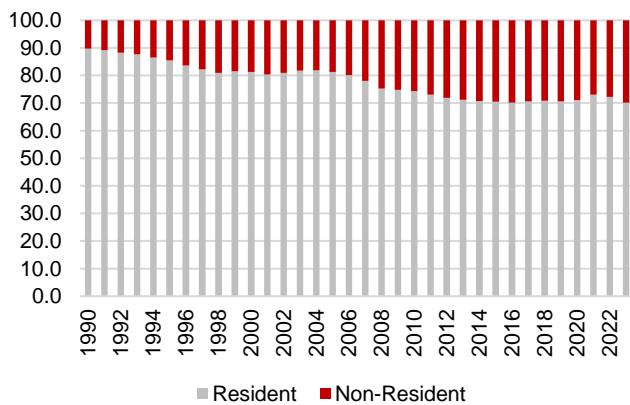
Source: DOSM, MIDFR

Chart 12: Contribution by State (% of Services GDP)



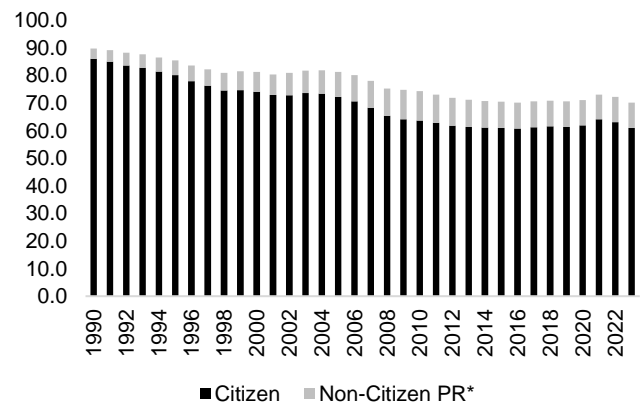
Source: DOSM, MIDFR

Chart 13: Singapore's Population (Share %)



Source: MACROBOND, MIDFR

Chart 14: Singapore's Population (Share %)



Source: MACROBOND, MIDFR

*Permanent Resident

More than 10% of the national population resides in Johor. In line with steady economic expansion, Johor's population increased steadily from 11.6% in 2019 to 12.3% of total population in 2022. In the span of 7 years (2015-2022), the population increased by +1.6%pa against national growth of +0.7%pa. Apart from the state's economic strength, the rise in population is in tandem with the expanding non-resident ratio of Singapore. In addition, Singapore's non-resident labour force ratio rose from 15.9% in 1990 to 35.1% in 2022. The non-resident labour force ratio surpassed the 30% level in 2007.

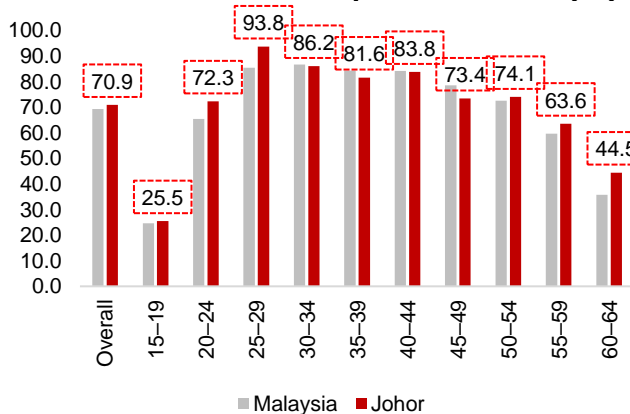
Table 3: Malaysian Population by State

	% of Total Population			YoY%		
	2019	2020	2022	2019	2020	2022
Malaysia (million)	32.5	32.4	32.7	0.4	(0.2)	0.4
Johor	11.6	12.4	12.3	0.3	6.6	0.2
Kedah	6.7	6.6	6.6	0.5	(1.9)	0.5
Kelantan	5.8	5.5	5.6	1.3	(4.8)	1.0
Melaka	2.9	3.1	3.1	0.7	7.5	0.4
Negeri Sembilan	3.5	3.7	3.7	0.3	6.6	0.3
Pahang	5.1	4.9	4.9	0.4	(4.8)	0.8
Pulau Pinang	5.4	5.4	5.3	0.3	(1.6)	0.1
Perak	7.7	7.7	7.7	0.2	(0.5)	(0.1)
Perlis	0.8	0.9	0.9	0.2	12.2	0.8
Selangor	20.0	21.6	21.6	0.5	7.5	0.5
Terengganu	3.8	3.5	3.6	1.3	(7.6)	1.4
Sabah	12.0	10.5	10.4	0.2	(12.4)	0.1
Sarawak	8.6	7.6	7.6	0.5	(12.6)	0.3
Kuala Lumpur	5.5	6.1	6.0	(0.4)	11.2	(0.1)

Source: DOSM, MIDFR

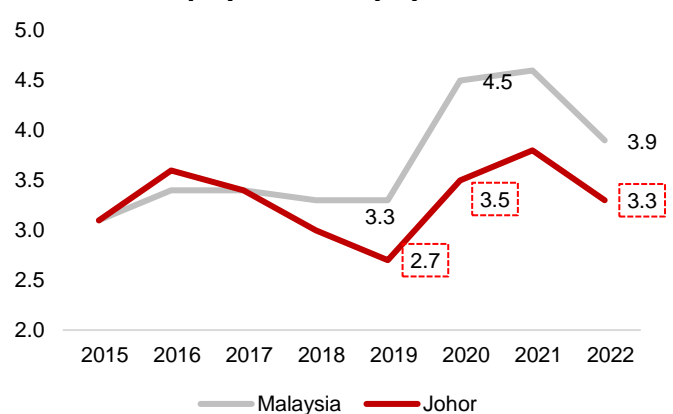
Better labor market structure but wage growth is a concern. The southern state has a better labour market as compared to overall Malaysia. The labour force participation rate is higher, 70.9% vs. 69.3%. Across age groups, only amongst 30-49 Johor are lesser than overall Malaysia. However, the participation rate for these age groups is above 70.0%. Johor has a lower jobless rate, 3.3% in 2022. In terms of the salaried worker-to-total employment ratio, Johor recorded a higher at 66.3% against Malaysia’s 64.5% in 2021. Nevertheless, among the key challenges in the state labour market are lower nominal wage growth and a relatively higher inflation rate, which lead to smaller real wage growth. Average annual nominal wage growth (2015-2019) is +3.4%pa against Malaysia’s +5.9%pa. Comparing the same period, the inflation rate was +2.3%pa against +1.9%pa.

Chart 15: Labour Force Participation Rate 2022 (%)



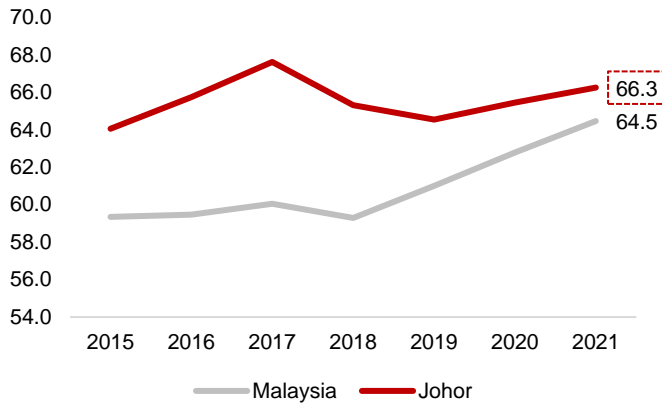
Source: DOSM, MIDFR

Chart 16: Unemployment Rate (%)



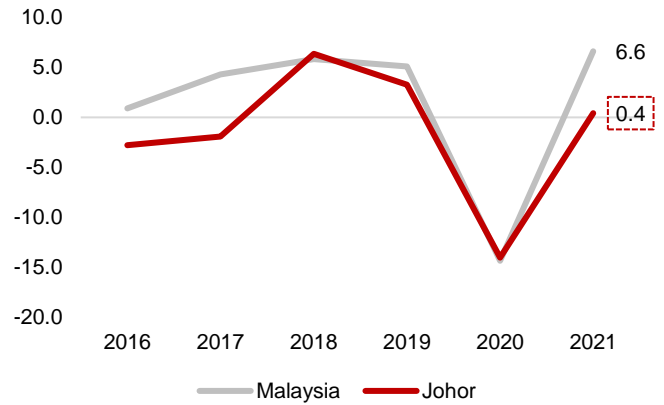
Source: DOSM, MIDFR

Chart 17: Salaried Worker (% of Employment)



Source: DOSM, MIDF

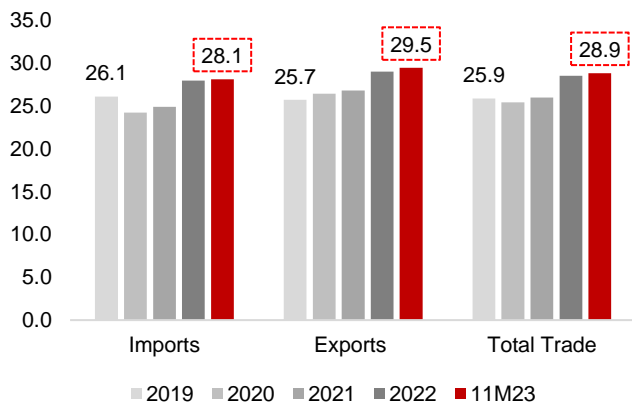
Chart 18: Real Wage Growth (YoY%)



Source: DOSM, MIDFR

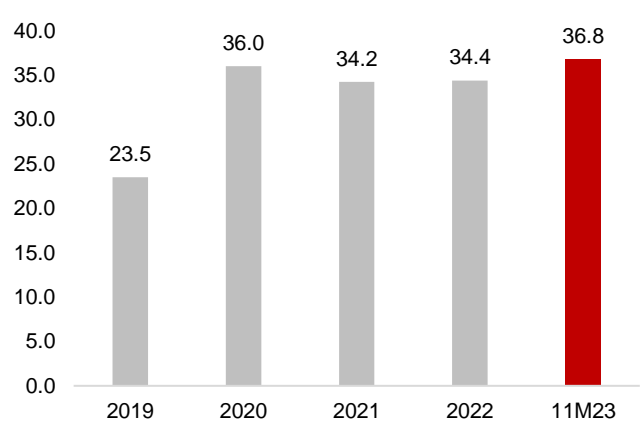
Close to one-third of national external trade goes through Johor. In terms of total trade, Johor contributed 28.9% to Malaysia’s total trade flows as of 11MCY23. Johor came in second after Selangor. The current contribution rate is the highest ever recorded. More than 50.0% of total trade goes through Tanjung Kupang and Pasir Gudang. More exports than imports flow in the state, resulting in a trade surplus of RM36.8 billion as of 11MCY23. Moving forward, Johor remains as key state in the external trade sector especially due to its geography, seaport access, diversified manufacturing industries, and adequate infrastructure support.

Chart 19: Johor External Trade (% of Malaysia’s External Trade)



Source: DOSM, MIDFR

Chart 20: Johor’s Trade Balance (RM Billion)



Source: DOSM, MIDFR

Table 4: Total Trade Performances by Johor’s External Trade Point

	% of Total Trade			Trade Balance (RM Billion)		
	2019	2022	11M23	2019	2022	11M23
Johor	-	-	-	34.2	88.1	74.5
Tanjung Kupang	34.6	32.7	32.4	17.4	63.9	59.0
Pasir Gudang	27.6	24.7	23.4	(2.6)	9.8	3.1
Tanjung(Tg) Pelepas	12.0	8.9	9.5	25.2	32.5	31.2
Tg. Bin, Pengerang, Tg. Langsat & Plentong	9.6	12.0	8.3	2.3	5.3	0.7
Johor Bahru (Tambak)	7.0	4.8	4.4	(2.8)	(5.8)	(3.2)
Others	7.3	17.4	21.9	(6.3)	(17.6)	(15.4)

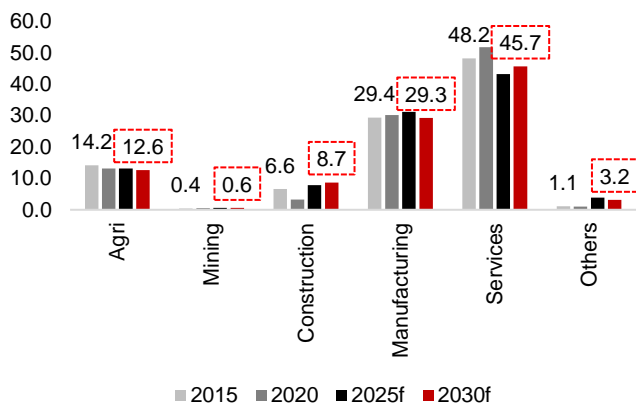
Source: DOSM, MIDFR

Johor, a National and Regional Economic Power. Under RSNJ2030, the state's vision is to become a national and regional economic power. The blueprint consists of four thrusts, 32 high-impact-projects, and 432 implementation initiatives. To execute the high-impact projects, the investment cost is estimated at RM35.57b. These projects will be implemented and

executed by 2030. Please refer to the addendum section of this report for further details on the high-impact projects and implementation initiatives.

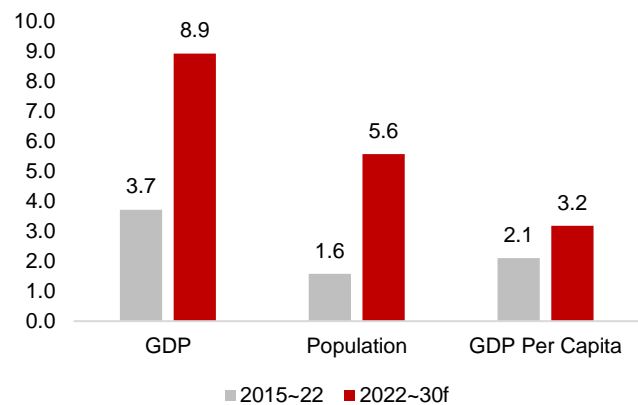
Johor has to grow its economy by +8.9% per annum in 2022-2030. Under RSNJ2030, Johor's GDP per capita is projected to reach RM45,300 with a population size of 6.2 million. As of 2022, the GDP per capita was RM35,300, and the population size of 4.03 million. The blueprint sets real GDP to hit RM281.7b by 2030. Hence, the state must grow by +8.9%pa from 2023-2030. GDP per capita and population must expand by +3.2%pa and +5.6%pa respectively to achieve the 2030 targets. Unlike MTR-12MP, RSNJ2030 foresees a bigger contribution rate of the construction sector at 8.7% (2025F: 7.8%) while agriculture shares at 12.6% by 2030 (2025F: 13.2%). Manufacturing share (2025F: 31.2%) is almost like the MTR-12MP yet the services sector contribution rate is predicted to trend lower at 45.7% (2025F: 43.3%).

Chart 21: Johor GDP Structure Forecasts by 2030 (%)



Source: RSNJ2030, MIDFR

Chart 22: Johor Long-Term Forecasts (CAGR %)



Source: RSNJ2030, MIDFR

Johor-Singapore Special Economic Zone (JS-SEZ) MOU to further strengthen ties. JS-SEZ aims at strengthening economic connectivity, enhancing cross-border flows of goods & people, and strengthening the business ecosystem to support investments. Malaysia and Singapore are both each other's second-largest trading partners, with Singapore also being Malaysia's largest source of FDI in 2022. The signing of the JS-SEZ MOU will bring about closer cooperation and enhance economic attractiveness and connectivity to mutually benefit both parties. Underlining the MOU are several initiatives including, (i) a passport-free QR code clearance system, (ii) digitized cargo clearance, (iii) co-organising an investor's forum, (iv) renewable energy cooperation (v) training and work-based learning initiatives and (vi) joint promotion events to promote trade and investment.

The 1st thrust of RSNJ2030 aims for more dynamic and balanced growth. The Thrust One underlined strategy for promoting balanced growth within Southern Conurbation and beyond. Key strategies include internationalizing Johor, strengthening regional cooperation, boosting economic competitiveness, and enhancing environmental sustainability. The thrust pays special focus on sustainable food supply, among the projects announced including the RM250m Agro Mersing Valley development and the RM210m State Agriculture Hub Development. Also, in focus are education infrastructure and tourism with projects like the RM300m development of Universiti Malaysia Johor and RM220m for the Development of an Integrated Eco-Resort.

Thrust 2 of RSNJ30 focuses on establishing an international standard transportation, communication, and infrastructure system. Key initiatives include conserving raw water sources like rivers and lakes, exploring alternative water supplies, and integrating flood management. The most significant project announced is the RM500m flood mitigation planned for several high-risk districts. The plan also aims to improve electricity supply through smart grids and renewable energy sources, hence RM445m is allocated for the construction of several dams and off-river storages (ORS). The thrust also aims at strengthening Johor's overall infrastructure, with RM1.7b allocated to construction of highways and upgrading city roads. The largest project under the thrust is the JB-Woodlands Rapid Transit System (RTS), with an estimated cost of RM10.0b.

The 3rd thrust of RSJN30 targets the prosperity and sustainability of the state. The thrust emphasizes the conservation and management of natural resources. Initiatives include sustainable forest conservation, protection of National Parks and Ramsar sites, and control of development in ecological corridors to prevent habitat fragmentation. These efforts include the initiative to gazette Pulau Kukup and Tanjung Piai as "Hutan Simpan Kekal" (HSK). Efforts also extend to maintaining biodiversity in marine parks and coastal areas, guided by the Integrated Shoreline Management Plan. To realize the goal, RM30m is allocated to the gazette Taman Laut Sultan Iskandar (TLSI) as an International Marine Conservation Zone.

Thrust 4 of RSJN30, "Strong and Competitive Governance," The last thrust focuses on enhancing governance through effective implementation and monitoring, institutional capability empowerment, and internationalization in governance. In realizing the goals, RM13.2m is allocated for state planning studies which encompasses disaster studies, conservation, and sustainability. The plan also emphasizes self-development and skills enhancement in public services, strengthening local authorities for internationalization, and creating a think tank for state governance. RM10m has been allocated to for establishment of states' think tanks and Johor State Big Data.

Table 5: Selected Key Strategic Directions under the Four Thrusts of RSNJ2030

Thrust 1: Dynamic and Balanced Growth of the Southern Conurbation and Outside the Southern Conurbation	Thrust 2: International Standard Transportation Network and Infrastructure System	Thrust 3: Well-Being and Sustainability of The State of Johor	Thrust 4: Strong and Competitive Governance
<ul style="list-style-type: none"> Strengthening of multilateral cooperation relationships among the Singapore-Johor-Riau Islands Region (SIJO Kepri), SOSEK MALINDO, and International. Improving productivity in agri-food crops, livestock, aquaculture, and marine fisheries using new and modern technology approaches. The development of new industries is encouraged in existing industrial parks. Providing and upgrading infrastructure and facilities for tourism that are safe, clean, conducive, and attractive. 	<ul style="list-style-type: none"> Exploring the use of renewable energy sources and the application of green technologies. Strengthening the function and role of Senai International Airport as an important airport in Malaysia and the international arena. Strengthening the network and connectivity between regions and modes of transportation. Alignment of railway network construction as an efficient land transportation system within the country and between nations. 	<ul style="list-style-type: none"> Sustainable conservation of forest resources, National Parks, and Ramsar sites. Conservation of coastal areas and the Johor Strait according to the Integrated Shoreline Management Plan (ISMP) concept. Encouraging sustainable planning and development practices as well as the use of green technology to shape a low-carbon community lifestyle. Management of development with resilience to climate change and natural disasters. 	<ul style="list-style-type: none"> Establishment of the Implementation and Monitoring Committee for RSNJ 2030 (RSNJ Monitor) to ensure the effective implementation of RSNJ 2030. Strengthening the Local Authorities and other government agencies in the Southern Conurbation to lead the internationalization agenda of the State of Johor. The establishment of a think tank entity towards strengthening governance in the context of the state's internationalization. The creation of an integrated Database and Geographic Information System (GIS), including the use of big data analytics.

Source: RSNJ2030, MIDFR

EQUITY

UTILITIES.....Maintain POSITIVE

Analyst: Hafriz Hezry

Mushrooming data centres. In our recent visit to Johor, one of the highlights was the development of data centre hubs in Johor. This is primarily led by the Sedenak Tech Park (STeP) data hub development which is part of the larger Ibrahim Technopolis (IBTEC) township development by JLand Group, a subsidiary of state-owned Johor Corporation. STeP entails a land area of 1400 acres located in the Kulai district of Johor which is designed specifically for the data centre ecosystem. Development is segregated into 2 phases with Phase 1 accounting for a gross land size of 700 acres. Phase 1 is expected to house 7 international data centers with a combined IT load of 1GW while Phase 2 (676 acres) which is to be developed up till 2028, is able to house another 1GW of data centre capacity.

The power utilities sector is a spillover beneficiary of Johor's data centre development as data centres are huge consumers of energy. Data centres generate an immense amount of heat, hence significant power is required for cooling systems, on top of energy requirements to power servers and hard drives. Additionally, the energy consumed by data centres is constant throughout its 24-hour operations. STeP Phase 1 is connected to 275kv/132kv/33kv PMUs (main incoming substation) with a power supply of 600MW and a committed addition of 400MW. Meanwhile, STeP Phase 2 is expected to see 1000MW of power supply capacity. While these data centres are still expected to be heavily reliant on more reliable conventional power sources given their constant demand, we believe there will be increasing demand for cleaner energy sources given ESG requirements by predominantly MNC-owned facilities at STeP. JLand Group is in fact exploring options to construct a solar farm within the STeP development to complement the power supply to the area.

EPCC sub-sectors are potential immediate-term beneficiaries. We believe the solar EPCC sub-sector are potential immediate-term beneficiaries of the data center-driven demand for RE EPCC services. Our BUY calls in the solar EPCC sub-sector are **Samaiden (BUY, TP: RM1.54)**, **Sunview (BUY, TP:RM1.13)** and **Pekat (BUY, TP: RM0.63)**. In addition, **Tenaga (BUY, TP: RM11.00)** is well positioned to benefit from increased capex requirements to connect these data centers to the grid having proactively introduced the Green Lane Pathway, a strategic offering for Malaysia's data center market to streamline onboarding process for data centers and fast track supply offerings with a reduced connection period of just 12 months from a usual 36-48 months. **Ranhill Utilities (NEUTRAL, TP: RM0.80)** is another potential beneficiary from potentially increased water demand for data centre cooling.

CONSTRUCTION.....Maintain POSITIVE

Analyst: Royce Tan Seng Hooi

Poised for further growth in Johor. As with the development of any country, state, or city, construction plays a vital role mainly due to the requirements of modern infrastructure and the need for improved connectivity. The spillover from Singapore and the recently inked MoU for the Johor-Singapore Special Economic Zone (SEZ) augurs well for the state as far as the construction sector is concerned, with the expectation of new infrastructures to improve connectivity and potentially stronger demand for industrial properties and office buildings. Among the main goals of the SEZ is to optimise the facilitation of trade and the movement of goods between Johor and Singapore while strengthening the broader Iskandar Malaysia and Singapore ecosystems.

RTS link. The construction of the Rail Transit System (RTS) link connecting Johor Bahru to Singapore, is well ahead of schedule with a progress of 65% as of Dec-23, as compared to a target of 57%. It is an RM10b project, of which Malaysia is expected to bear 39% of the cost while Singapore foots the remaining 69%. To recall, the RTS Link is a modern LRT system spanning 4km from Bukit Chagar in Johor Bahru to Woodlands in Singapore. Ekovest Bhd (Non-rated) hosted us on a brief tour to several sites where the RTS link is being constructed and we remain convinced of the swift progress of the project, which is expected to be completed (including testing) by Dec-26 and launched on 1 January 2027. Sites we saw were those undertaken by the subcontractors, such as the viaducts along Jalan Tun Abdul Razak, the Bukit Chagar station, and the marine viaducts between Johor Bahru and Singapore which is being constructed by China Communications

Construction Company (CCCC). Ekovest is the engineering, procurement and construction (EPC) contractor of the RTS Link. The Malaysian portion of the contracts are detailed in the table below:

Table 6: RTS Link Construction Packages

Company	Job Scope	RM'm
IJM Corp (BUY, TP: RM2.11)	Package 2A ICQC Complex; Package 2B ICQC external works	1,100.70
Gadang Holdings (N/R)	Package 4 Bukit Chagar Station and Operation Control Centre	370.0
	Package 6 Depot and Power Supply System	310.0
Sunway Construction (BUY, RM2.09)	Package 1B advance works; Package 5 terrestrial viaducts and ancillary structures (2.4km)	604.9
Rohas Tecnic (N/R)	Package 8 Construction and completion of Bukit Chagar Station's facade	199.8

Source: COMPANIES, MIDFR

One of the main aims of the RTS Link is to alleviate the bottleneck at immigration checkpoints for both Malaysia and Singapore with its capacity of 10,000 passengers an hour. With the expected improvement in connectivity, another area where construction players stand to benefit would be projects coming from transit-oriented development (TOD) or mixed development around the Bukit Chagar station area. MRT Corp and Hong Kong's MTR Corp Ltd inked an MoU in Jul-23 to undertake a mixed development project on land adjacent to the station, with a GDV of RM3b. We believe there could be a spillover of jobs in the vicinity with developments aiming to ride the RTS wave.

Figure 1: SunCon's RTS job in Jalan Tun Abdul Razak



Source: MRT CORP, MIDFR

Figure 2: Marine viaducts constructed by CCCC



Source: MIDFR

Johor Bahru LRT? Talks are abounding of a Johor Bahru LRT (JB LRT) to complement the RTS Link and to alleviate the congestion in the district, which is currently the second most populated with 1.8 million people, second to that of Petaling in Selangor with 2.3 million, according to DOSM's 2023 figures. We were made to understand that the three lines that have been identified by the state government, namely the Tebrau Line, Skudai Line, and Iskandar Puteri Line which is about 30km around Johor Bahru would take on the routes that were initially planned for the Bus Rapid Transit (BRT). During our meeting with YB Lee Ting Han, the Johor State Executive Council (EXCO) member for Investment, Trade, and Consumer Affairs, he mentioned that the state government will study the Penang LRT plan when it is announced as they can adopt the same model for the JB LRT. While the Federal Government has no objection to public transport infrastructure development in the state, Transport Minister Anthony Loke previously mentioned that various factors must be considered, especially the country's financial standing. In Mar-22, a consortium comprising Ancom Bhd (Non-rated), Nylex (M) Bhd, LBS Bina Group Bhd, Sinar Bina Infra Sdn Bhd, and Thailand's BTS Group Holdings proposed the JB LRT. We believe it is timely for the implementation

of an LRT system in JB, potentially in phases, considering its densely populated area and the potential spillover of visitors from Singapore, both for business and leisure when the SEZ gains traction.

Date centres. Our visit to Sedenak Teck Park where we were given a tour by JCorp's JLand where data centres were being constructed. We were pleasantly impressed by the ongoing construction progress, and among those that caught our attention was the one being built by Sunway Construction (SunCon) for K2 Strategic Infrastructure Malaysia Sdn Bhd, a wholly owned subsidiary of the Kuok Group. SunCon was awarded the RM192.9m contract on Oct-23 and the expected completion is in Nov-24. Works were full steam ahead as observed during our visit and we were informed that construction works are done round the clock. Just beside the site where the K2 data centre is also another data centre being built by SunCon, an RM1.7b project that was awarded on Dec-22 by a US-based client. As at Nov-23, the outstanding works was RM1.5b due to a delay in the issuance of the second and third notices to proceed (NTP), on the back of a change in end user. Delays are expected to last until 2Q24, according to our checks with management last quarter. Prospects are strong in terms of the data centre play especially in Johor thanks to the spillover from Singapore. A report by real estate consultancy Knight Frank in Apr-23 attributed the surge in interest in Johor for data centres due to the capacity constraints in Singapore. Other factors include favourable support from local authorities and the availability of land and power. Among the end users that will be anchoring the usage of the data centres and increasingly so in the future, are social media platforms and over-the-top media service providers. Apart from the Sedenak Tech Park, other main locations include the Nusajaya Tech Park and the YTL Green Data Centre Park. There should be an interesting growth prospect for data centres, with many other upcoming projects, which corroborate with our channel checks that companies are actively bidding for data centre jobs. Margins are rather thin for data centre projects, roughly between 5% to 8%, but contractors like them due to the fast-paced nature of the job.

Figure 3: SunCon's K2 data centre project



Source: MIDFR

Our views. Our **POSITIVE** recommendation on the construction sector is premised on the expectations of infrastructure development rollouts as envisioned under the 12th Malaysia Plan Mid-Term Review and the significant development expenditure of RM90b under Budget 2024. Compounding that is the prospects in Johor, which we believe is a compelling one, anchored by the RTS, SEZ, and data centres. Rather than playing catch up with Singapore and being a recipient of its spillovers, we believe the state government's stance is shifting towards putting crucial infrastructures in place, improving connectivity and its business environment in order to attract more foreign investors and MNCs. Adding to these are plans by the Federal Government to establish a trade zone and financial hub in the state. All these will come with major developments, that will be a strong catalyst for construction players. A mega project that may be set to kick off soon is the revival of the KI-Singapore High Speed Rail (HSR), which had just completed its request for information (RFI) exercise on Jan 15th, attracting seven proposals from seven consortiums comprising a total of 31 companies. MyHSR Corp will be evaluating the proposals before presenting them to the Cabinet for deliberation. A significant portion of the rail alignment would be in Johor. Our top picks for the construction sector are **Gamuda (BUY, TP: RM5.55)**, **IJM Corp (BUY, TP: RM2.11 – under review)**, and **Sunway Construction (BUY, TP: RM2.09 – under review)**. The prices of these counters have run up in recent weeks and we are in the process of reviewing our target prices, especially for IJM Corp and SunCon which are now

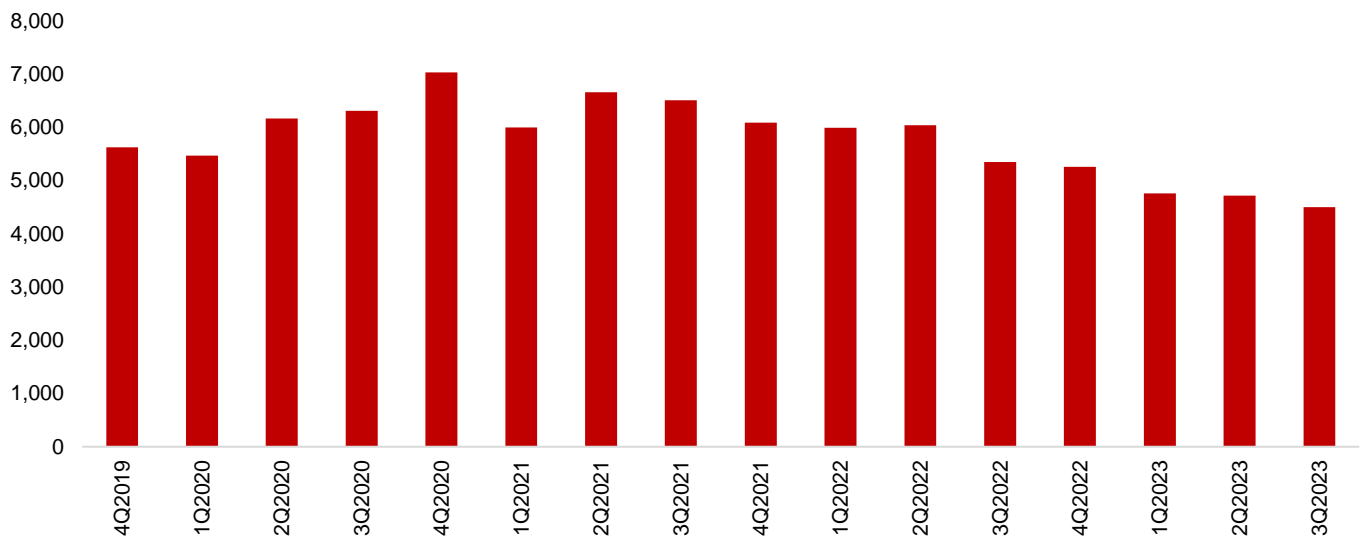
trading above our existing target prices. We believe the upside is present in these contractors, premised on the rollout of the mega projects and their ability to clinch jobs.

PROPERTY.....Maintain POSITIVE

Analyst: Jessica Low Jze Tieng

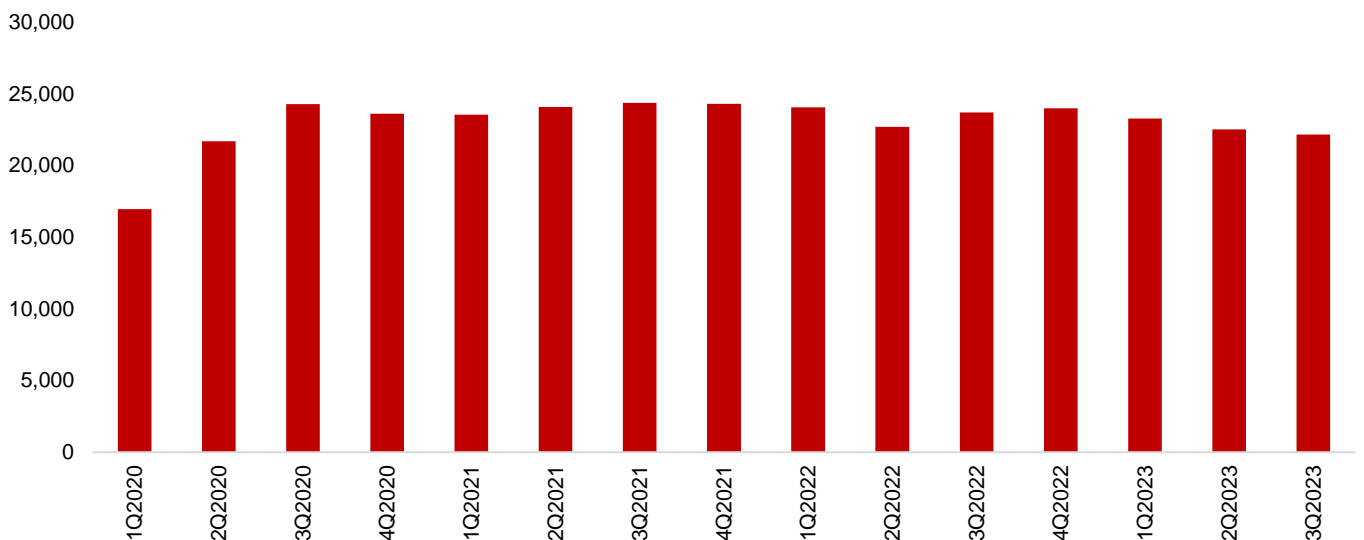
Improving property landscape in Johor. The property market in Johor is improving after the reopening of the economy and country borders where foreign buyers returned to the property market. The stronger buying interest has led to declining residential and serviced apartment overhangs in Johor. Notably, residential overhang in Johor fell to 4,500 units as of 3QCY23 from 4,717 units as of 2QCY23 while serviced apartment overhang in Johor dropped to 12,646 units from 13,366 units as of 3QCY23 and 2QCY23 respectively. Note that residential overhang in Johor fell for the fifth consecutive quarter in 3QCY23 since 3QCY22 due to pent-up demand post-reopening of counter borders. The declining property overhang bodes well for the recovery of the property market in Johor as that eased concern about the oversupply of property in Johor.

Chart 23: Johor Residential Overhang (Units)



Source: NAPIC, MIDF Research

Chart 24: Johor Serviced Apartment Overhang (Units)



Source: NAPIC, MIDF Research

Special economic zone (SEZ) in Johor and RTS to spur buying interest on property. Malaysia and Singapore agreed on 11th January 2024 to jointly develop a special economic zone (SEZ) in Johor. The SEZ aims to improve cross-border goods flows and enhance the ecosystem of the Iskandar development region. The development is positive for the property sector in Johor as it will improve demand for property in Johor because of the expected more economic activities in Johor. Besides, new infrastructure namely the Johor Bahru-Singapore Rapid Transit System (RTS) which links Johor Bahru and Singapore is expected to be completed by the end of CY26 or early CY27. The RTS is expected to boost demand for property in Johor as RTS will improve the connectivity of Johor and Singapore. Besides, the revival of High-Speed Rail (HSR) which links Malaysia and Singapore is also a long-term positive factor to the property sector in Johor as demand for property in Johor will be boosted.

Property developers benefit from higher landbank value. Property developers that have a landbank in Johor are expected to see better land value due to the improving property landscape in Johor. Among listed property companies, UEM Sunrise has a sizable landbank in Johor which is ~7,800 acres in Johor, followed by IOI Properties Group which has around 3,800 acres of remaining landbank in Johor, Sunway Berhad which has around 1,700 acres of land in Sunway Iskandar Johor, Eco World Development Group which has >1,000 acres of land in Johor and Mah Sing Group which has around 1,000 acres of land in Johor Meridin East township. The expected stronger demand for property in Johor bodes well for new property sales of developers that have exposure in Johor going forward.

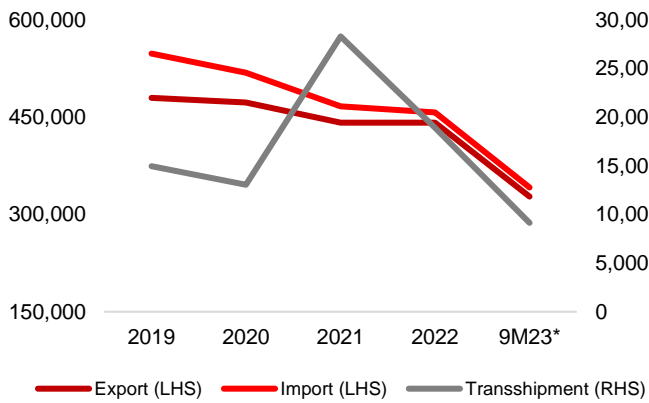
Maintain POSITIVE in the property sector. We remain **POSITIVE** on the property sector as we see the property sector should continue to recover in 2024. We see an improving outlook for the property sector in Johor due to various positive developments mentioned above. Our top picks for the sector are **Mah Sing Group (BUY, TP: RM1.04)** and **Matrix Concepts (BUY, TP: RM1.91)** as we favour property companies that have high exposure to affordable homes as demand for affordable homes remains resilient and that will underpin new property sales of the companies.

TRANSPORTATION (PORT & LOGISTICS).....Maintain POSITIVE

Analyst: MIDF Research Team

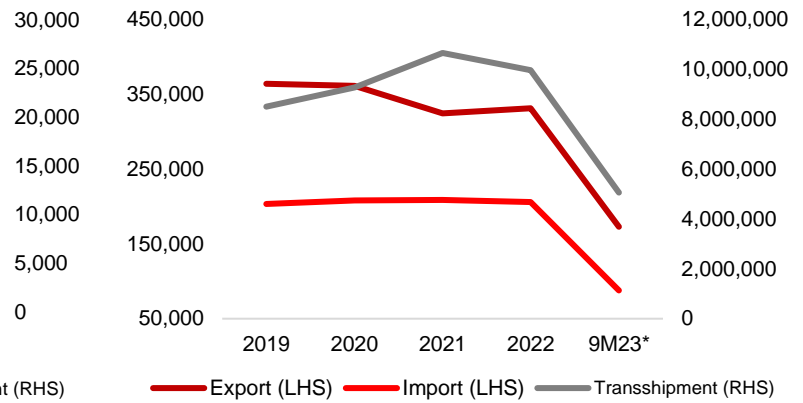
JS-SEZ agreement is approaching completion. Malaysia and Singapore are joining forces in the creation of JS-SEZ, located adjacent to the Singaporean border. JS-SEZ is poised to be a focal point for multinational corporations (MNCs) contemplating the relocation or decentralization of its operations, a response to both the post-pandemic landscape and the prevailing trade tensions between the U.S. and China. Currently, the specifics of the collaboration, including the targeted economic sectors and the exact geographic scope of JS-SEZ, are still in the developmental phase. The comprehensive agreement between both countries is expected to be concluded and signed in 4QCY24, providing further clarity on the details. Earlier discussions between the leaders of both countries outlined plans for unique tax benefits, proposed digitized processes for cargo clearance at land checkpoints, and the establishment of bonded warehouses. Bonded warehouses are facilities that allow the storage of goods without incurring import duties, thereby facilitating more seamless trade.

Chart 25: Port Throughput at Johor Port (TEUs)



Source: MOT, MIDFR

Chart 26: Port Throughput at PTP (TEUs)



Source: MOT, MIDFR

More cargo boosts port prospects. We anticipate that the ports will directly benefit from this development, as it is expected to stimulate growth in cargo-generating activities. The Port of Tanjung Pelepas (PTP) in Gelang Patah and Johor Port in Pasir Gudang hold strategic importance within the maritime sector in Johor. PTP has an annual handling capacity of 12.5m TEUs, comparable to the 14.0m TEUs capacity of Port Klang's Westports. Like Westports, PTP primarily emphasizes transshipment, constituting 95% of its container volume, with the remaining 5% dedicated to gateway operations involving import and export cargoes. The bulk of container gateway cargoes in the southern region flows through Johor Port, which managed 678,691 TEUs in 9M23, utilising 63% of its total capacity. Engagements with logistics players suggest that the port's volumes have remained relatively flat, attributed to a lack of FDIs in the state in recent years. Hence, there is an expectation that the proposed JS-SEZ development could potentially reverse this trend. Indicative plans are proposing the utilisation of Johor Port for sea transport of bulkier cargo, while higher-end cargo will be shipped via air through Singapore Changi International Airport.

Integrated logistics players to reap benefits. Apart from port operators, there is potential for a spillover effect on integrated logistics players, particularly those with operations and unutilised landbank in Johor. One of Malaysia's largest warehouse operators, **Tiong Nam Logistics Holdings Berhad (Non-rated)**, operates a network of 28 warehouses (both rented and owned) in the state, boasting a collective capacity of 4.02m sq ft. Its current 87% average warehouse utilisation rate serves as a gauge of the demand for warehousing space in Johor, with the potential for an escalation in demand following the proposed development of the SEZ. Among the companies under our coverage, **Swift Haulage Berhad (NEUTRAL, RM0.52)** is anticipated to reap benefits owing to its engagement in container haulage and freight forwarding operations in Johor. Swift Haulage commands a market share of approximately 5% based on the number of containers it hauled at both PTP and Johor Port. Even before the announcement of JS-SEZ, the Group had strategically planned to boost its warehouse occupancy in Tebrau by entering the Singapore distribution market, leveraging cost advantages as well as its proximity to the Tuas Second Link.

Challenges emerge alongside opportunities. However, there are a couple of priorities at the top of the industry players' wish list. One of these concerns is the time taken for vehicles to cross the Johor-Singapore border, which can average up to two hours and extend to four hours during festive periods. Among the key developments in the state, the completion of the RTS Link in CY26 has the potential to alleviate the traffic congestion at the Johor-Singapore Causeway. The consideration of a third bridge linking Malaysia to Singapore remains a possibility, contingent upon the successful implementation of the SEZ and in anticipation of increased economic activity. In addition, a shared concern for both port and logistics players operating in Johor revolves around the supply of manpower, especially truck drivers, as the more attractive remuneration in Singapore poses a challenge in retaining skilled workers. With companies resorting to hiring foreign workers, there is a suggestion for the government to provide special benefits or grants for companies to train the workers and address any skills gap among them.


Maintain POSITIVE. The impending JS-SEZ agreement marks a significant milestone in fostering collaborative economic development between Malaysia and Singapore. The anticipated benefits span across various sectors, with significant potential for cargo-related activities. While strategic plans are in place and industry players are optimistic, challenges such as transit

times and manpower supply underscore the need for comprehensive solutions. Nevertheless, there is optimism that these challenges will be addressed before the zone's establishment. In summary, while awaiting further implementation details, both port and logistics players in Johor are well-positioned to reap benefits from the anticipated upswing in shipment volume, considering it as a medium to longer-term prospect.

OIL & GAS.....Maintain POSITIVE

Analyst: MIDF Research Team

TLP is poised to grow as a liquid cargo port in Johor. Tanjung Langsat Port (TLP) is Johor's third port and is strategically located within 12 nautical miles from the international shipping lane. The port, which operates under Johor Corporation Bhd (JCorp), has served both local and international cargo since its commencement in 2003. While the port also serves dry bulk cargo, most of its revenue is derived from bulk liquid cargo, and its main produce is petroleum products and edible oils. We understand that 80% of the port's liquid cargo is derived from **Dialog (BUY, TP:RM3.28)** through its DIALOG Terminals Langsat (DTL) comprising a total storage capacity of 855,000cbm, with future expansion of 145,000cbm. In addition to its terminals in Pengerang, which houses 3.8Mcbm of storage for crude petroleum, petroleum products, and petrochemical liquid, Dialog has also established its DTL to cater for renewable fuel products with a capacity of 205,000cbm which will commence by end-CY24, as part of its commitment to ESG agenda as well as the growing demand for renewable fuels from the sector.

However, the surrounding waters seem to be shallow, between the international shipping line and the Johor River, where the jetties for TLP are located. Several measures had been planned to minimize this risk, whereby TLP had been looking into dredging while Dialog had sought safer routes for its ships. Overall, we are positive about the development of TLP as a liquid and dry bulk cargo port, given its: (i) strategic location in between Johor Port and Port of Pengerang, as well as the international shipping route, ((ii) established facilities to provide for maritime and land services, and (iii) over 8 million square feet of land available for the expansion of industrial cluster with direct connection to the port's jetty and terminals. 

APPENDIX

Table 7: High Impact Project under Thrust 1: Dynamic and Balanced Growth of the Southern Conurbation and Outside the Southern Conurbation

Project Component	Estimated Cost (RM)
HIP1: Ibrahim International Business District (IIBD) Development <ul style="list-style-type: none"> Proposed Financial Zone, Socio-Cultural Zone, and Business Zone. Mixed development. Affordable housing. Landscape elements in parks and public areas. Preserving the heritage of Johor Bahru's old town area. Development of tourist attractions of historical and heritage value, health tourism, and culture. 	25 billion
HIP2: Redevelopment of the national entrance at the passenger ferry Terminal Stulang Laut <ul style="list-style-type: none"> Study of RKK redevelopment of Stulang Laut (Brownfield area) Develop an image of the environment to be more welcoming. Provide complete facilities with attractive modern shops/services and vibrancy. Safe and comfortable sea transportation facilities. 	150 million
HIP3: Agro Mersing Valley Development <ul style="list-style-type: none"> Agriculture development to produce food. The in-situ approach involves the use of group planting methods in existing fields. Development of Collection centre, processing, and packaging (CPPC) to promote local and international marketing. Farm operations for guaranteed farm produce markets. Offers agro-tourism with farm visit activities, first-hand experience in agriculture, and farm stay. 	250 million
HIP4: State Agriculture Hub Development (Agriculture Powerhouse) <ul style="list-style-type: none"> Development of the State Agriculture Hub and offer incentives to entrepreneurs. Segamat district as Johor Agricultural Seeds Bank. Durian farm program and restoration of existing durian orchards with new crops, embroidered with selected durian breeds and extended period of production. The restoration of Bali lime plantations using stages flowering pruning technology in Jementah. Restoration of coconut plantations and development of two Agro Mix farms. Cattle Livestock Promotion Program using modern methods, Livestock Sales Centre, slaughterhouse complex, and infrastructure upgrading. Development of high technology laying chicken complex using a complete closed cage system. Collection centre of agricultural products and fruits. Development of two Collection Centre, Processing and Packaging (CPPC). Use modern farming methods to increase the productivity of fruits, crops, vegetables, short-term cash crops, and livestock. 	210 million
HIP5: Development area of <i>Periuk Nasi Selatan</i>, Tangkak district <ul style="list-style-type: none"> Formation of Integrated Agricultural Development Areas (IADA) Tangkak under the Ministry of Agriculture and Agro-based Industry. Irrigation and drainage infrastructure development up to the tertiary level and access to each farm. Expansion of paddy cultivation area and leveling project. Agricultural development facilities and provision of equipment. Rice processing factory development and collecting and marketing facilities. 	50 million
HIP6: Development of <i>Terminal Makanan Nasional</i> (TEMAN) <ul style="list-style-type: none"> Provide a facility that can help in the wholesale transactions, preparation of wider business space, convenience storage, and support service. A centre for collection activities, preparation, and supplies distribution for export purposes and import control from various government departments and agencies. Become a promotion centre and education for agricultural products. Creating a Halal Product Marketing Centre. 	50 million
HIP7: Aquaculture Industrial Zone Development	

Project Component	Estimated Cost (RM)
<ul style="list-style-type: none"> Formation of Shell Estate area in Tangkak, Muar, Batu Pahat, and Pontian which will help provide basic infrastructure to improve productivity as well as maximum earning. 	
<p>HIP8: Development of Eco-tourism product, Eco-Discovery Sg. Pulai Ramsar</p> <ul style="list-style-type: none"> Identify a suitable community for eco-tourism activities. Establish association of eco-tourism. One-stop centre for mangrove areas of eco-tourism. Infrastructure facilities for eco-tourism. 	7 million
<p>HIP9: Eco-Adventure Park, Labis Development</p> <ul style="list-style-type: none"> Administrative centre and counter. Zoo infrastructure facilities and visitor facilities. Trans-Park Trekking. Eco-Adventure Park. Orang Asli Homestay. Interpretive Centre and Gallery for learning purposes. 	20 million
<p>HIP10: Development of Kembara Wangsa- Jejak Johor Lama</p> <ul style="list-style-type: none"> Heritage studies and gazettement of heritage areas. Acquisition of land (if necessary). Development of infrastructure and facilities upgrading the jetty and beautifying the banks of the river. 	20 million
<p>HIP11: Development of Integrated Eco-Resort: Integrated Tourism R2R Resort</p> <ul style="list-style-type: none"> Resorts and water theme park. Caravan Park. Chalets. Jungle trekking and canopy walkway. ATV and bike ride. White water rafting. Boat cruise/rides. 	220 million
<p>HIP12: Eco-Tourism Product of Gunung Ledang Legendary Forest Development</p> <ul style="list-style-type: none"> Suggested Ledang Extreme Park. Suggested Eco-Challenge area with Durian Chondong Island. Proposed strengthening of <i>Gunung Ledang</i> as the main focus of recreation based on natural resources. Proposed Johor Cultural Village. Integrated with agro-tourism attractions in Sawah Ring and Water sports in Pulau Penarik. 	10 million
<p>HIP13: Development of Rental Housing with the Concept of "Rumah Iskandar Malaysia"</p> <ul style="list-style-type: none"> Apartment-type house that uses the fenced and guarded concept and has three or four bedrooms. Facilities such as business areas, prayer rooms, halls, and leisure areas including playgrounds. 	80 million
<p>HIP14: Transit Oriented Development (TOD)</p> <ul style="list-style-type: none"> Integrated transport station, rail, bus and taxi. Parking and park and ride facilities. Stratified development gated and securities. Low and medium-density housing. Affordable housing with high density and medium-high. Open spaces and recreational parks. 	400 million
<p>HIP15: Development of Universiti Malaysia Johor</p> <ul style="list-style-type: none"> Stratified development, gated, and security. Housing. Business and services, and integrated society facilities. Parking lot. Open spaces and recreational parks. Programs offered: <ul style="list-style-type: none"> Management and industrial development. Conservation of the environment and ecological corridors. 	300 million

Project Component	Estimated Cost (RM)
<ul style="list-style-type: none"> ○ Preservation of marine zones and tropical forests. ○ Development of sustainable agriculture. ○ Others according to the basis of the district administration. 	
HIP16: Development of the Johor States International Institute of Islamic Higher Education/ Tahfiz <ul style="list-style-type: none"> ● Administrative, study, and dormitory buildings. ● Dormitory facilities for students and visitors. ● "Sekolah Pondok" facilities for adults for short- and medium-term courses. ● Integrated business and service facilities. ● Parking lot, open spaces, sports facilities, and recreational parks. 	60 million

Source: RSNJ2030, MIDFR

Table 8: High Impact Project under Thrust 2: Transportation Connection System and International Class Infrastructure

Project Component	Estimated Cost (RM)
HIP17: Primary Watershed Gazetteer <ul style="list-style-type: none"> ● Gazette study of the primary watershed area and Private Ownership Land Development Control. ● Preparation of land ownership working paper and land acquisition. ● Setting the action area. ● Feasibility study and implementation. ● Gazette and enforcement. 	5 million
HIP18: Construction of Sg. Johor dam, Sg. Sedili Besar dam, Off River Storage (ORS) Sg. Johor, ORS Sg. Skudai, ORS Sg. Sedili Kecil, Sg. Muar dam, ORS Sg. Muar and Sg. Batu Pahat dam <ul style="list-style-type: none"> ● Land acquisition (if necessary). ● Hydrological research works, existing river water quality tests, and geological study of the structural site. ● Construction of a dam structure that will form a water reservoir which will be treated for increased water storage capacity. ● Construction of the dam structure. 	445 million
HIP19: Comprehensive Flood Mitigation Plan for Segamat District, Muar District and Batu Pahat District <ul style="list-style-type: none"> ● Area cleaning. ● River mud dredging. ● Construction of a flood mitigation wall. ● Flood early warning system. ● Flood reservoirs, sluice gates, and so on. 	500 million
HIP20: Coastal Erosion Management in Batu Pahat and Pontian Districts <ul style="list-style-type: none"> ● Construction of erosion mitigation walls. ● Stabilization and strengthening of slopes. ● Mangrove replanting. ● Drainage system. 	300 million
HIP21: Development of Integrated Solid Waste Management Facilities <ul style="list-style-type: none"> ● Build/ upgrade facilities at: <ul style="list-style-type: none"> ○ TPS Seelong and Tps Jamaluang: upgrade and control disposal site to the Level 4 sanitary landfill system. ○ TPS Bukit Payong: upgrade and control disposal site to sanitary landfill system. ○ Existing 11 TPS as temporary Transfer Centre. 	300 million
HIP22: Construction of Integrated Logistics Centre (Segamat, Kulai, Kluang, Tg. Pelepas and Pasir Gudang) <ul style="list-style-type: none"> ● Operations Centre. ● Warehouse. ● Depot and truck service center. ● Toilet. 	425 million

Project Component	Estimated Cost (RM)
<ul style="list-style-type: none"> • Related infrastructure (road, rail). • Surau and places to eat. 	
HIP23: Upgrade Cargo Rail Services between State Main Ports <ul style="list-style-type: none"> • Replacement of old rails that are not in good condition with new rails. • Provision of sufficient space for double rails. • Purchase of a new generation of diesel-powered locomotive machinery. 	82 million
HIP24: Construction of Highways and Upgrading of State and City Roads <ul style="list-style-type: none"> • Johor Central Highway. • Johor East Coast Highway. • Johor West - East Highway. • North Johor Regional Highway. 	1.665 billion
HIP25: Development of Johor Bahru – Woodlands Rapid Transit System (RTS) <ul style="list-style-type: none"> • 4km route from Bukit Chagar in Johor Bahru to Woodlands North in Singapore. • RTS Terminal in Bukit Chagar 	4.932 billion

Source: RSNJ2030, MIDFR

Table 9: High Impact Project under Thrust 3: Prosperity and Preservation of Johor State

Project Component	Estimated Cost (RM)
HIP26: Gazette of Pulau Kukup and Tanjung Piai as "Hutan Simpan Kekal" (HSK) <ul style="list-style-type: none"> • Upgrade and gazette Pulau Kukup National Park and Tanjung Piai as HSK under the National Forestry Act 1984 [Act 313] in the Pontian district. 	Only involve administrative matters without project cost.
HIP27: Development of Wildlife Crossing Facilities in the Ecological Network Corridor (CFS) <ul style="list-style-type: none"> • Provide wildlife crossing facilities in the CFS corridor traversed by new road construction in Mersing and Kota Tinggi districts. • Provide wildlife trails that separate them from humans, such as viaducts or underpasses tunnels. 	15 million
HIP28: Taman Laut Sultan Iskandar (TLSI) as International Marine Conservation Zone <ul style="list-style-type: none"> • Gazette the TLSI as a Marine Conservation Zone. • Prepare TLSI planning as a special zone with international recognition. • Prepare a work team/management committee Multi-agency TLSI. • Provide artificial reefs as marine life habitats. • Build a marine-based research facility such as laboratories, incubators, and boats. • Provide a hatchery site (hatchery farm) for turtles for conservation purposes. 	30 million
HIP29: Johor Strait Sea Seaweed Nursery and TLSI Marine Conservation Zone <ul style="list-style-type: none"> • Provide seaweed nursery site as a food source for dugongs in Straits Johor and TLSI (Johor Bahru District and Mersing District). 	8 million
HIP30: Renewable Energy and Green Technology initiative of the Taman Laut Sultan Iskandar Marine Conservation Zone (ZPM TLSI) <ul style="list-style-type: none"> • Create a renewable energy use centre that includes solar technology, technology, and power generation resource centre from seawater/waves (Sea Water Power Plant) and wind turbine. • Create a treated underground water supply system for community and tourist use. • Collection System usage and Recovery System of rainwater and grey water apart from drinking water. • New developments that adapt effects of sea level rise changes and disaster risk through "retreat" planning practice and effective management of hydrological engineering for monsoon wind problems. • New development with energy-efficient practices and green infrastructure in development in the archipelago that includes design and technology. • Management of natural resources on the coast based on an ecosystem approach. • 4R program practice. • Community gardens and tourists. 	10 million

Source: RSNJ2030, MIDFR

Table 10: High Impact Project under Thrust 4: Solid and Competitive Governance

Project Component	Estimated Cost (RM)
<p>HIP31: State Planning Studies</p> <ul style="list-style-type: none"> • Study of the impact of Sea Level Rise on the State's Major Cities in Johor. • Rainforest to Reef Regional Study (R2R). • Local plan review. • Special Area Plan Study. • Gazette study of Primary Watershed and private ownership land development control. • Study of Grey Water as an Alternative Water Resource. • Integrated Shoreline Management Plan (ISMP) east of Johor state study. • Study on the preparation of the Johor State Disaster Risk Plan 	13.20 million
<p>HIP32: Formation of State <i>Think Tank</i> and Johor State Big Data</p> <ul style="list-style-type: none"> • Create an entity either in the form of a corporation, institute, or unit under the agency/existing departments that are directly below Menteri Besar as in the State Division of Economy Planning. • Drafting organizational paperwork and State Authority approval. • Provide staff from all levels of management and skills with continuous training. • Provide office facilities and equipment. • Creating an integrated database and Geographic Information System. 	10 million

Source: RSNJ2030, MIDFR

Table 11: Strategic Direction under Thrust 1: Dynamic and Balanced Growth of the Southern Conurbation and Outside the Southern Conurbation

Development Initiatives	Implementation Initiatives
<p>RSJ 1: Internalization of Johor State 1. Recognition and Strengthening of Johor State's Internationalization Agenda</p>	<p>a. Collectively recognizing the state's internationalization agenda b. Forming a think tank body that will be responsible: - i. Studying the implementation of Johor's internationalization ii. Examining appropriate indices for application iii. Continuously collecting related data and information iv. Assessing district and state achievements based on selected indices v. Organizing steps/programs for achieving internationalization together with state agencies, higher education institutions, the private sector, Local Authorities, implementing agencies, technical departments, and the Authority of the State c. Consolidating efforts for Johor's internationalization and achieving Global City status for Johor Bahru - Iskandar Puteri as a state agenda through: - i. Establishing internationalization initiatives that will be centered in the International Zone ii. Driving the spread of internationalization throughout Iskandar Malaysia, to the entire Southern Conurbation, and ultimately to the entire State of Johor</p>
<p>RSJ 2: Strengthening of Regional and Neighboring State Cooperation 2. Strengthening of multilateral cooperation relationships among the Singapore-Johor-Riau Islands Region (SIJO Kepri), SOSEK MALINDO, and International.</p>	<p>a. Reorganizing and supporting projects of mutual interest in the SIJO Kepri and SOSEK MALINDO regions to increase international investment confidence and curb economic leakage to other regions, as well as ensuring that the SIJO Kepri and SOSEK MALINDO regions remain competitive in global competition. b. Strengthening cooperation and investment-friendly policies, especially from the SIJO Kepri and SOSEK MALINDO regions c. Conduct coordination, management, and preservation of coastal areas and the Johor Strait, including issues of border security, land reclamation, sea level rise, and navigation. d. Developing the SIJO Kepri and SOSEK MALINDO tourism trails and creating cross-country tourism packages to expand regional tourism potential e. Reactivating the SIJO Kepri and SOSEK MALINDO discussion platforms to continue planning the direction of inter-country cooperation, establishing effective cooperation mechanisms, and continuously monitoring collaborative efforts</p>
<p>RSJ 2: Strengthening of Regional and Neighboring State Cooperation 3. Strengthening relationships and</p>	<p>a. Strengthening inter-state management by:- i. Reinforcing the Regional Planning Committee (RPC) for the border area between the states of Negeri Sembilan, Melaka, and Johor with the establishment of a Border Technical Committee ii. Establishing RPCs for the states of Pahang, Negeri Sembilan, and Johor, including Border Technical Committees b. Conduct immediate strategic negotiations with neighboring states to determine land and maritime boundaries</p>

cooperation between bordering states.	<ul style="list-style-type: none"> c. Continuously coordinate the development of physical infrastructure, land use, and cross-border area connections through Local Plans, implementation, and monitoring d. Continuously cooperate in tourism and agriculture development with bordering states e. Preserving and controlling natural resources with neighboring states
<p>RSJ 3: Johor's Competitive and Resilient Economy</p> <p>4. Enhancing Johor's competitiveness to achieve and maintain a high economic growth rate</p>	<ul style="list-style-type: none"> a. Developing the economy according to regional strengths and proposed economic growth zones. b. Enhancing productivity potential in selected sectors for each district c. Strengthening the role of cities, especially in trade services and unique functions according to the strength of each city for every strategic growth center d. Generating wealth through innovation for every organization, enterprise, and researcher through collaboration between local universities and industry players in Johor's economic development. e. Enhancing the economic potential of existing cities in Johor as catalysts for economic growth by providing investment and trade opportunities in line with the urban hierarchy f. Enhancing knowledge-based and digital economic activities by providing high-quality infrastructure and support services in urban and rural areas, especially high-speed broadband, and good physical, social, and environmental facilities g. Encouraging the adoption of a smart economy practice in business through online trading and marketing to enhance branding and product marketing via social media and messaging apps like WhatsApp and WeChat. h. Providing various incentives and development encouragements for investors and entrepreneurs involved in high-tech and knowledge-intensive industries
<p>RSJ 4: Sustainable Population Growth.</p> <p>5. Achieving sustainable population growth with a target of six (6) million people by 2030</p>	<ul style="list-style-type: none"> a. Reducing the migration trend of the population from non-conurbation areas to the Southern Conurbation by exploring new economic bases, providing job opportunities from various sectors, and improving urban living quality b. Enhancing connectivity between urban and rural areas to enable Southern Conurbation's workforce to live in outlying districts and commute easily to their jobs c. Reducing infant mortality and child death rates by improving healthcare facilities quality
<p>RSJ 5: Efficient Management of Non-Citizen Population</p> <p>6. Efficient management of non-citizen population, especially in the International Zone.</p>	<ul style="list-style-type: none"> a. Recommend non-citizen population share not to exceed 15% of the targeted state's total population b. Regulating the entry of skilled foreign workers with a ratio of 60% skilled, 30% semi-skilled, and 10% unskilled c. Promoting planned non-citizen rental housing (International Village) in new development areas equipped with registration, community, and shopping facilities d. Regulating foreign property ownership according to state authority policies and laws, subject to review
<p>RSJ 6: Environment Management that is Friendly with the Aging Society" in English</p> <p>7. Incorporating the needs of the aging society in development, including aspects of mobility, accessibility, and welfare.</p>	<ul style="list-style-type: none"> a. Ensuring housing development considers the needs of the aging community, including specialized retirement village and affordable housing b. Provide elderly care centers in major urban areas according to needs, in line with PLANMalaysia's Elderly Planning Guidelines and KPWKM's Elderly Care Center Guidelines c. Improving the provision of health services and elderly care facilities, appropriate and senior-friendly recreational activities, whether in residential areas, recreational parks, or sports centers, including the establishment of senior citizen activity centers in every PSWN and PPU d. Integrating the needs of the elderly in public transportation planning e. Enhancing retirees' engagement and participation in work activities through sharing experiences and skills for continued contribution to state development
<p>RSJ 7: Symbiotic Growth of Urban and Rural Areast</p> <p>8. The strategic growth of the State of Johor, which is balanced and integrated, will be guided by the Johor State Master Plan 2030.</p>	<ul style="list-style-type: none"> a. The Johor State Plan is based on five sub-regions (South Johor Region, West Johor Region, East Johor Region, Central Johor Region, North Johor Region) b. Prioritize the development of urban areas in the Southern Conurbation (including the International Zone) encompassing Iskandar Malaysia, parts of Pontian and Kota Tinggi Districts. c. The primary development areas in the Southern Conurbation are within the following Urban Corridors: - <ul style="list-style-type: none"> i) Johor Bahru (Skudai, Ulu Tiram, Danga, Pasir Gudang) ii) Pengerang (Teluk Ramunia) iii) Pontian (Air Baloi) iv) Penawar (Desaru) d. Spreading more balanced physical and socio-economic development throughout the state through development in ZPPs e. Urban development in conurbations is limited within the urban containment and growth boundaries, identified by each local authority
<p>RSJ 8: Enhancement of Competitiveness of The Southern Conurbation Area</p> <p>9. Consolidation of the competitive stage of the Southern Conurbation through</p>	<ul style="list-style-type: none"> a. Designing Johor Bahru - Iskandar Puteri as a Dual-Nuclei Metropolitan Center with Global City status. Johor Bahru and Iskandar Puteri will perform high-level functions and hierarchy to achieve global competitiveness. The services offered by the National Regional Center include: - b. Design flagship urban centers/zones in the Southern Conurbation Semi-Regional State Centers (PSWN) with high function and hierarchy, aligned with their importance in achieving global competitiveness c. Developing the International Zone identified in the Johor Strait Development Corridor Master Plan (2025) to become a hub for international trade and services, leading Johor's internationalization agenda

<p>continuous development of the National Region City Center Metropolitan Dual Nucleus (Due-Nuclei Metro), namely Johor Bahru City and Iskandar Puteri, towards achieving the status of a Global City in the future.</p>	<p>d. Advancing the goals of Low Carbon and Smart Cities, especially in regional city centers and the Southern Conurbation, by following guidelines such as the Low Carbon Society Blueprint for Iskandar Malaysia 2025 and the Smart and Healthy City framework</p> <p>e. Controlling urban sprawl and saturated development in line with market demand</p> <p>f. Development in the Southern Conurbation includes managing rural expansion near urban areas, aligning village infrastructure with urban standards, and upgrading areas near the Johor Strait Development Corridor Focus areas are land ownership, appropriate land use, community involvement in decisions, and improving community facilities and relations</p>
<p>RSJ 9: Strengthening the Functions and Competitiveness of Regional Centers and Cities Outside Conurbations</p> <p>10. Enhancement of Competitiveness in the Southern Conurbation Area</p>	<p>a. Creating clear and functional PWN plans based on local economic strengths to boost regional competitiveness and support state development</p> <p>b. Planning the PSWN hierarchy for administrative cities outside the South Conurbation to strengthen the functions and roles of cities and enable them to offer efficient services</p> <p>c. Advancing PPU to serve the district's residents</p> <p>d. Enhancing urban land development and the economy in State/Regional Centers to improve services to suburban areas and create better job opportunities for local residents</p> <p>e. Expanding rural infrastructure by strengthening rural infrastructure planning and improving road, water, electricity, and telecommunications provision</p> <p>f. Improving urban-rural connectivity, namely facilitated mobility such as railways and upgraded roads connecting the Southern Conurbation to State Capitals/District Centers</p>
<p>RSJ 10: Rejuvenation of Livable Areas, Rural Economic Empowerment, and Sustainable Rural Environment</p> <p>11. Development of the Village Growth Center (PPD) that serves as an advanced hub for rural areas and surrounding villages.</p>	<p>a. Creating an advanced PPD as a central facility for the surrounding villages within a 7-kilometer service radius, including various efforts</p> <p>b. Enhancing urban-rural symbiotic relationship</p> <p>c. Increasing rural residents' involvement in business and entrepreneurship activities, as well as boosting the production output and marketing capabilities of rural products so that they can enter the market. Private sector involvement is facilitated as an anchor company</p>
<p>RSJ 10: Rejuvenation of Livable Areas, Rural Economic Empowerment, and Sustainable Rural Environment</p> <p>12. Planning inclusive village development on the outskirts of the city to mitigate the effects of urban development expansion.</p>	<p>a. Providing data and information on suburban areas, including Malay Reserves, especially those near the state's major cities</p> <p>b. Planning the upgrading of the environment, infrastructure, and quality of life in selected affected villages from the development boom</p> <p>c. Planning clear urban boundaries integrated with rural development and transportation</p> <p>d. Planning suburban villages as comfortable living alternatives for residents working in nearby urban areas</p> <p>e. Ensuring the participation of rural outskirts residents in urban development planning in their surroundings</p> <p>f. Plan socio-economic programs to enhance the knowledge and skills of rural outskirts residents to improve their participation in urban economic development</p>
<p>RSJ 10: Rejuvenation of Livable Areas, Rural Economic Empowerment, and Sustainable Rural Environment</p> <p>13. Transformation of FELDA area development and modernization through integrated planning to align with urban development and meet the needs of the second generation.</p>	<p>a. Planning and redesigning FELDA planned area service center with adequate facilities to meet the changing population and the needs of the community according to current lifestyles and local authority requirements</p> <p>b. Ensuring the sustainable modernization of FELDA with the empowerment of the second-generation settlers through higher education and skills development to enhance their socio-economic well-being and quality of life, ultimately lifting the FELDA community out of the poverty gap</p> <p>c. To ensure the modernization of FELDA Johor State, a focus is placed on agricultural activities that revolve around three key elements: the utilization of modern technology, ongoing development and research, and the optimal utilization of land resources</p>
<p>RSJ 10: Rejuvenation of</p>	<p>a. Inclusive and Sustainable Development for Indigenous Communities in line with the State's Modernization</p>

Livable Areas, Rural Economic Empowerment, and Sustainable Rural Environment

14. Inclusive and Sustainable Development for Indigenous Communities in line with the State's Modernization

- b. Elevating the Orang Asli community within modernization through local studies on cultural values and changing their way of life, reducing reliance on the wilderness and land for traditional sustenance
- c. Clearly allocate Indigenous settlement reserves based on legal provisions in productive and progressive areas, ensuring that there is no unfair displacement of Indigenous communities from their original settlements, including from permanent forest reserves and national parks
- d. Empowering the indigenous Orang Asli community through human resource development and entrepreneurship, including active involvement in commercial agriculture and eco-tourism
- e. Developing Indigenous settlements with community and economic facilities that enable direct involvement in commercial economics that can boost entrepreneurial abilities and job opportunities

RSJ 11: Johor State as A Brilliant International Malay Civilization Center

15. Preserving Johor's heritage strengthens identity and elevates the state globally.

- a. Recognition of the importance of cultural heritage and the achievement of the aspiration "Johor as the Center of International Malay Civilization" by all parties, including decision-makers and landowners involved
- b. Ensuring the sovereignty of the State of Johor in all aspects of state planning and development, including cooperation with neighboring countries and the international community
- c. Providing state heritage studies as the center of Malay international culture, state history, and complete districts
- d. Preserving the state's tangible heritage through integrated efforts
- e. Preserving the state's hidden heritage through integrated efforts
- f. Offering a high-level international cultural experience by providing a Center for the Arts, State Museum, and Theater that can showcase the historical heritage of the state and region, as well as hosting regional cultural events and managing continuous cultural and heritage activities throughout the state
- g. Enhancing the image of Johor Bahru City as an 'International, Cultural, and Sustainable City' through the strengthening of heritage building/site maintenance and distinctive character areas, especially through the Area Character Statement Blueprint for Iskandar Malaysia study
- h. Developing the image of cities across the state through heritage element planning
- i. Upholding the use of the Malay language in all state's official and unofficial affairs, including the naming of new cities, residential areas, highways, state and local events, as well as billboards and signs
- i. Empower Yayasan Warisan Johor to advance the Malay Johor and International civilization, historical heritage, arts, and culture through the enhancement of skills and knowledge from research and development activities, administration, and finance

RSJ 12: Sustainable Food, Meat, and Fish Supply.

16. Preservation of farmland outside development zones for high-yield agricultural, livestock, and aquaculture activities.

- a. Developing and establishing suitable areas for a new Food Production Zone Program (FPZP), aligning with the Food Production Zone (FPZ) Program and Permanent Aquaculture Production Park on government land free from flood issues, idle land, and existing unproductive projects
- b. Developing and announcing suitable areas for the Organic Food Production Park (OFPP) with a minimum area of 50 hectares in the Kota Tinggi District, Mersing, and any suburban areas with suitable water supply
- c. Identifying and selecting suitable areas for rice cultivation outside of paddy fields
- d. Establish IADA Tangkak under the Ministry of Agriculture and Agro-Based Industry to manage paddy cultivation areas in the "Southern Rice Bowl Area."
- e. Providing appropriate legal or administrative mechanisms to control any exchange of paddy fields to other crops within the 'Southern Rice Bowl Area,' 'Endau-Rompin Rice Bowl Area,' and Kahang Organic Rice Area.
- f. Establishing Herbal and Spice Planting Projects Hundreds in suitable locations, particularly involving unused land to boost small-scale farmers' involvement in producing herbal and spice foods. Encouraging private organizations to undertake agricultural projects on vacant land
- g. Optimizing the development of existing ruminant farming reserve land and opening up new large-scale areas equipped with infrastructure, sanitation, business environment, and incentive schemes to increase the number of ruminant livestock for continuous, economic, and competitive production in the Kluang, Segamat, and Mersing districts
- h. Transforming small-scale and traditional cattle and goat farms into commercial units capable of managing up to 500 animals efficiently through skilled manpower and technology, making them more productive, progressive, and competitive
- i. Establishing and announcing the Permanent Food Park for Poultry Farming (TKPA) covering a minimum of 100 acres equipped with road infrastructure, electricity, and water supply, and operated using a closed-house and environmentally friendly system
- j. Building and establishing a Permanent Food Park for poultry farming (TKPA) covering a minimum of 100 acres
- k. Moving pig farming fields that pollute in the Johor Bahru District, Batu Pahat, Pontian, Segamat, and Kluang to a more remote location near rubber and oil palm plantations with a buffer zone of at least 200 meters
- l. Encouraging poultry farmers, especially chicken breeders, to supply their livestock manure for processing into organic fertilizer
- j. Encouraging oil palm and rubber plantations throughout the state of Johor to implement integrated farming practices
- k. Promoting brackish water aquaculture activities, especially in the Aquaculture Industry Zone
- l. Developing government land in Mawai, Kota Tinggi as an Ornamental Fish Industry Zone and optimizing development with infrastructure, sanitation, and incentive schemes
- m. Building and announcing the Aquaculture Industry Zone in the waters of Johor River (Johor Bahru and Kota Tinggi Districts), Santi River, and Lebam River

	<p>o. Developing and promoting aquaculture areas located in the river waters of the Johor Bahru district as an Aquaculture Industry Zone and optimizing sustainable activities and production for mussel farming and cage fish</p> <p>p. Developing and declaring the Kesang river area to the Penerok waters as an Aquaculture shellfish industrial zone</p> <p>q. Encouraging the use of modern technology like remote sensing and GIS applications to control land size changes for agricultural activities</p> <p>r. "Making Segamat District and Mersing District the respective main agricultural districts through the Segamat Agriculture Powerhouse and Mersing Agro Valley projects</p>
<p>RSJ 12: Sustainable Food, Meat, and Fish Supply. 17. Improving productivity in agri-food crops, livestock, aquaculture, and marine fisheries using new and modern technology approaches.</p>	<p>a. Boosting agricultural and food crop productivity, livestock, aquaculture, and marine fisheries through innovative and modern technology</p> <p>b. Encouraging integrated farming methods through agro-forestry land management, which is a method of integrated cultivation of food crops</p> <p>c. Encouraging the development of integrated agro mix-farm projects (nucleus farms) involving food crops, livestock, and aquaculture in the Segamat, Tangkak, Kluang, and Mersing Districts</p> <p>d. Promoting quality and selected plant cloning and diversity, using modern technology, and adhering to good agricultural practices in the agricultural sector through certifications such as myGAP, myOrganic, and other certifications under the Department of Agriculture</p> <p>e. Restore the existing fruit orchard area from the less economically valuable diversity to a more profitable one</p> <p>f. Replanting any agri-food cultivation area that is experiencing a declining production capacity with more productive plant varieties</p> <p>g. Consolidating small-sized farmland and managing it in a group system</p> <p>h. Engaging in commercial farming and aquaculture activities</p> <p>j. Expanding the size and number of ponds/cages for livestock farming on existing or potential new sites using the latest technology</p> <p>k. To increase the placement of artificial reefs to create breeding habitats for marine fish and as a means of protecting the marine environment</p> <p>l. Promoting deep-sea fishing activities through the addition of Class C2 vessels capable of operating in deep-sea zones</p>
<p>RSJ 12: Sustainable Food, Meat, and Fish Supply. 18. Promoting agricultural activities in urban areas with infrastructure support using new approaches and modern technology.</p>	<p>a. Developing the Urban Agro-Technology Park involves an area of 200 hectares on the outskirts of each city in the districts of Johor Bahru, Kulai, Kota Tinggi, Batu Pahat, and Pontian, leased to entrepreneurs with a small size of 2 hectares and equipped with facilities</p> <p>b. Developing the Floriculture Agro-Technology Park at least 100 hectares located on the outskirts of each city in the districts of Kota Tinggi, Kulai, Batu Pahat, Pontian, Tangkak, and Muar, leased to entrepreneurs with a small size of 2 hectares and equipped with facilities</p> <p>c. Encouraging vertical farming activities in vacant and abandoned buildings using suitable modern methods.</p> <p>d. Zoning areas and promoting urban farming/community farming activities on vacant lands in cities, operated by residential association using suitable modern methods for food production</p>
<p>RSJ 12: Sustainable Food, Meat, and Fish Supply. 19. Enhancement of facilities and expansion of market areas for agri-food crops, livestock, aquaculture, and fisheries.</p>	<p>a. Developing structured and hierarchical marketing centers throughout districts and states involving the construction and provision of facilities for aquaculture livestock processing centers, marine catch, and agricultural produce</p> <p>b. Encouraging more ruminant livestock, poultry, and aquaculture entrepreneurs to use the satellite farm or nucleus farm approach in collaboration with parent companies that can guarantee high production, quality, and a continuous market</p> <p>d. Promoting more contract farming undertaken by entrepreneurs and participants of the farmer's market who have myGAP certification with FAMA to create a stable and assured market</p>
<p>RSJ 12: Sustainable Food, Meat, and Fish Supply. 20. Upgrading and enhancing facilities infrastructure for activities related to the landing and marketing of marine fishery and aquaculture products.</p>	<p>a. Upgrading facilities for fish landing and marketing in the three Fish Landing Complexes of LKIM Endau, Mersing, and Kuala Sedili, as well as obtaining GlobalGAP certification for the Endau LKIM jetty, enabling these complexes to become fishing ports capable of playing a role at the international level</p> <p>b. Providing integrated facilities for marine fish landing activities along the west coast, particularly in the coastal areas of Batu Pahat, Muar, and Pontian, equipped with good and comprehensive road systems as well as storage and cooling facilities</p> <p>c. Identifying and upgrading small fishing jetties into Small Fisherfolk Hubs managed by Area Fishermen Associations, especially along the coastal land, and developing Integrated Fishing Hubs in Batu Pahat, Muar, and Pontian</p> <p>d. Controlling and coordinating private fisherman jetties through strict enforcement to prevent safety risks</p> <p>e. Encouraging the participation of Bumiputera fishermen in the deep-sea fishing industry</p>
<p>RSJ 13: Sustainability of Industrial Crop and Commodity Development 21. Preservation of industrial crop and commodity areas outside urban regions,</p>	<p>a. Maintaining palm oil plantation areas outside urban areas, located outside water catchment zones</p> <p>b. Encouraging the cultivation of rubber and palm oil plantations managed by smallholders with uneconomically small sizes to be conducted collectively</p> <p>b. Promoting the integrated cultivation of pineapple, coffee, and coconut in suitable areas, especially in the districts of Pontian, Batu Pahat, and Muar</p> <p>c. Developing research and development (R&D) centers and nurseries for the production of high-quality industrial crop and commodity seeds in the districts of Segamat, Batu Pahat, and Mersing</p> <p>e. Encouraging the use of the latest research findings and modern technology in rubber and palm oil cultivation and farming for continuous and high-quality production</p>

cultivated through modern management methods and high productivity.	
<p>RSJ 14: Forest Management and Sustainable Natural Resource Production</p> <p>22. Diversity in forest management activities in permanent forest reserves for the benefit of the economy, society, and the environment.</p>	<ul style="list-style-type: none"> a. Promoting nature-based eco-tourism activities and enhancing learning and research activities in permanent forest reserves b. Intensifying tree planting programs with forest/tree crop species to reduce pressure on natural forests to meet the wood-based industry needs in the State of Johor c. Increasing reforestation activities with forest tree species in degraded/encroached areas of permanent forest reserves d. Strengthening existing forest management, controlling forest production activities for optimum yield, and enhancing more comprehensive and effective enforcement against forest encroachment
<p>RSJ 14: Forest Management and Sustainable Natural Resource Production</p> <p>23. The implementation of mining and quarrying activities in a sustainable, planned, and environmentally friendly manner, based on mining zones, considering the valuable output and distribution of the found natural resources.</p>	<ul style="list-style-type: none"> a. Encouraging mining activities according to district b. Zoning of mining and quarrying areas in locations that do not create land use conflicts, and providing a buffer zone of at least 500 meters from sensitive development areas
<p>RSJ 15: Strengthening the Manufacturing Industry and Exploring New Industries</p> <p>24. Strengthening industrial clusters according to selected industrial corridors as a driver of regional and state development.</p>	<ul style="list-style-type: none"> a. Providing incentives to new investors who choose to place their industrial activities in the Johor Industrial Corridor b. Attracting more investment in the state's main manufacturing industries such as the electrical and electronics industry, petroleum, textiles and apparel, furniture and wood products, and new industries like the creative industry c. Creating opportunities by establishing an attractive investment climate for new industries e. Encouraging the establishment of resilient industries based on regional excellence and local resources (such as kaolin and agriculture), especially in high-value midstream and downstream activities f. Enhancing small and medium enterprises (SMEs) to be resilient and export-oriented g. Improving the capabilities of existing manufacturing industries with the use of ICT, green technology, and the adoption of modern practices such as Industrial Symbiosis Waste, where waste material can be used as a resource for related industries h. Encouraging the transformation of industries into high-tech and green industries, guided by the concept of low carbon and other modern practices i. Introducing the Polluters Pay principle to potentially polluting industries j. Controlling pollution (air, water, noise) from industrial activities k. Promoting clean and halal concept industries, especially in the food and beverage industry l. Strengthening the development of industrial corridors according to the Johor Industrial Corridor m. Enhancing existing industrial parks by improving infrastructure facilities with the application of green infrastructure concepts n. Encouraging the development of new industrial parks in the Johor Industrial Corridor with the concept of a complete eco-industrial park, equipped with facilities that are attractive to investors o. Encouraging high-tech industrial activities in the Southern Conurbation such as digital industry, robotics, oil and gas, more productive research and development (R&D), and reducing reliance on less skilled labor p. Imposing the requirement of an impact assessment study for high-risk industrial project developers before any approval is given to protect residents and the environment
<p>RSJ 15: Strengthening the Manufacturing Industry and Exploring New Industries</p> <p>25. Regulation of industries outside industrial zones</p>	<ul style="list-style-type: none"> a. Relocating industrial activities located outside of industrial zones or within urban boundaries and near residential areas to areas that have been zoned for industry, especially to existing industrial parks b. Intensifying and accelerating the enforcement and implementation of regularization programs for resource-based industries in resource areas d. Controlling resource-based industrial activities such as brick, ceramic factories, and palm oil processing mills including Small and Medium Industries (SMIs) in resource areas

<p>RSJ 15: Strengthening the Manufacturing Industry and Exploring New Industries 26. The development of new industries is encouraged in existing industrial parks.</p>	<ul style="list-style-type: none"> a. Enhancing the management, maintenance, and image of existing industrial parks with a more investor-friendly approach while creating a good environment for workers b. Improving infrastructure facilities such as electricity, water, gas, and telecommunications in existing industrial parks, especially in the Segamat, Mersing, Pontian, and Kluang districts c. Enhancing access and connectivity of existing industrial parks to major road networks and highways, as well as logistical facilities like ports and railway terminals d. Introducing the concept of a green industrial park through integrated management, including environmental standard improvements in terms of waste disposal and effluents e. Allowing the use of vacant industrial spaces and buildings for compatible activities such as warehousing, commercial, modern agriculture, and industrial support facilities f. Strengthening GeoJohor geospatial data for reference and control purposes with the addition of several attributes g. Improving the information sharing system in industrial area management so that information can be used by all parties at the district, state, and national levels, such as local authorities, related agencies, and investors. h. Creating a special management body for handling geospatial data and information sharing systems in industrial area management
<p>RSJ 16: Dynamic and Competitive Trade Development 27. Trade development is planned based on the function and role of city centers as well as the expertise and potential of regions.</p>	<ul style="list-style-type: none"> a. Identifying and promoting types of businesses and trade services suitable for cities, prioritizing State Regional Centers and cities within the ZPP area b. Identifying potential sites for the 'Urban Rejuvenation' program, especially for old cities, through RT and RKK. c. Monitoring the implementation of large-scale trade development projects to ensure completion according to schedule and prevent abandonment d. Creating trade centers at Public Transport Transit Centers or in the form of transit-oriented development (TOD) emphasizing mixed development concepts f. Integrating commercial clusters in the form of neighborhood centers in affordable housing areas. g. Encouraging trade development such as shopping complexes, hypermarkets, supermarkets, hotels, or free-standing offices within the urban containment boundary h. Providing infrastructure and a trade climate that meets current trade trends and lifestyles i. Establishing specific guidelines for budget hotels and orchid-level hotels, particularly in terms of location and facilities provision j. Studying and strengthening the Johor State Mixed Development Planning Guidelines to meet future development needs and trends
<p>RSJ 16: Dynamic and Competitive Trade Development 28. Establishment of international-level trading activities in the Southern Conurbation area.</p>	<ul style="list-style-type: none"> a. Promoting business investment and higher order goods and services in the Johor Bahru - Iskandar Puteri PWN and cities in the Southern Conurbation b. Providing infrastructure and a high-level trading environment that meets the needs of international investors. c. Creating a database for the management of international trading activities d. Establishing specific incentives to attract investors for the development of trade
<p>RSJ 16: Dynamic and Competitive Trade Development 29. Optimizing the use of existing trade spaces or zones in both urban and suburban areas.</p>	<ul style="list-style-type: none"> a. Creating a database containing information on brownfield areas across the state and identifying potential areas for development b. Encouraging the redevelopment of brownfield trade sites and infill development in urban areas by identifying owners and establishing smart collaborations through Public Private Partnerships (PPP) and Public Private Community Partnerships (PPCP) to develop these sites c. Promoting urban renewal programs by assessing the suitability of implementing the concept of adaptive reuse for empty commercial buildings or spaces into other potential, appropriate, and economical uses d. Encouraging the creation of multi-functional commercial spaces for day and night use (such as parking spaces that transform into food truck areas at night) as well as the horizontal and vertical use of space. e. Establishing modern and fully equipped commercial spaces (such as bathrooms, prayer rooms, etc.) for small and medium enterprises (informal sector)
<p>RSJ 17: High-Value Tourism and Sustainable Tourism Management 30. Strengthening and empowering State Tourism Corridor.</p>	<ul style="list-style-type: none"> a. Creating a Tourism Corridor connected by a statewide tourism trail Johor b. Recognizing and identifying must-visit product locations in each corridor and tourism zone to support the continuity of routes and tourism trails
<p>RSJ 17: High-Value Tourism and Sustainable Tourism Management 31. Formation of niche tourism products of international standard and high value.</p>	<ul style="list-style-type: none"> a. Enhancing efforts and promoting Signature Events for the organization of national and international level events and championships b. Encouraging the development of attractions characterized by man-made features c. Encouraging the development characterized by natural and heritage elements outside the Southern Conurbation

<p>RSJ 17: High-Value Tourism and Sustainable Tourism Management 32. Providing and upgrading infrastructure and facilities for tourism that are safe, clean, conducive, and attractive.</p>	<ul style="list-style-type: none"> a. Enhancing the provision of accommodation premises and hotels that are quality, conducive, and attractive to international tourists, encouraging them to stay longer and spend more b. Improving the provision of tourism facilities at the entry points of tourism products c. Preparing and upgrading the accessibility and facilities of land and sea transportation, improving road connections, as well as directional and information signboards to national parks and rural areas d. Preparing and enhancing MICE (Meetings, Incentives, Conferences, and Exhibitions) services through the support of logistics network connections and capacity that can meet the needs of the state and inter-regional relations
<p>RSJ 17: High-Value Tourism and Sustainable Tourism Management 33. Encouragement of promotion, product brand renewal, service strengthening, and the role of agencies and tourism operators.</p>	<ul style="list-style-type: none"> a. Strengthening, promoting, and aggressively enhancing the efforts of promoting Johor tourism through the tagline "Xplore Johor; The Land Where Excitement Begins." b. Encouraging tourism operators/agents/guides skilled in foreign languages and versatile in providing standard guidance and storytelling, especially related to the history and culture of Johor c. Providing and upgrading mobile applications such as Tourism Johor apps that promote e-brochures, AR scanner, and QR scanner, online package offers applications, nearby tourism location tags on pedestrian routes near heritage attraction areas, hotel locations, tourism facilities, and a calendar of signature events. e. Diversifying promotions and themed tourism packages that generate economic returns f. Upgrading and rebranding the image of international land and sea entry points g. Requiring every tourism operator/agent to include 'Must-Visit' locations as one of the stops h. Providing incentives to local operators who successfully attract tourists through the production of local products
<p>RSJ 17: High-Value Tourism and Sustainable Tourism Management 34. Preparation of a Sustainable Tourism Management Plan for all eco and heritage tourism products to control and preserve cultural and natural heritage.</p>	<ul style="list-style-type: none"> a. Developing a Management Plan and Carrying Capacity to manage and protect natural ecosystems from disturbance by unsustainable tourism activities at all eco-tourism sites and heritage sites b. Strengthening efforts in eco-friendly green technology that adhere to international standards to protect and preserve the natural environment and cultural heritage in all product operations c. Declaring eco and heritage tourism areas to control and preserve natural heritage d. Involving local communities in preserving heritage and culture, subsequently benefiting from local tourism activities e. Exploring financial instruments for each tourism product to ensure continuity and stability of the product for maintenance, improvement, and upgrading purposes (such as selling souvenirs, obtaining sponsorships, or smart partnerships with other products or international operators)
<p>RSJ 18: Sufficient and Quality Housing Supported with Complete Facilities and a Conducive Environment 35. Construction of sufficient housing according to the target population and household needs as well as the requirements of those in need in suitable locations.</p>	<ul style="list-style-type: none"> a. Meeting the needs and capabilities of local residents by encouraging the construction of various types of housing at different prices in urban zone areas and establishing a monitoring system in the provision of types of houses to ensure that housing supply meets actual housing demand b. Encouraging the construction of housing in residential zone areas within districts c. Encouraging Local Authorities to implement forward planning especially in aspects of community facilities provision and open spaces by identifying sites, funds, and methods of implementation as well as the types and forms of facilities d. Ensuring that committed development is implemented after approval is granted by requiring developers to provide regular implementation reports
<p>RSJ 18: Sufficient and Quality Housing Supported with Complete Facilities and a Conducive Environment 36. Implementation of a study to address issues of excess housing supply, insufficient availability of landed houses, and non-compliance with current demand, as well as foreign ownership in the housing market,</p>	<ul style="list-style-type: none"> a. Conducting discussions to determine the objectives, scope, outcomes, and timeframe of the study, as well as other terms to be included in the Terms of Reference for both studies b. Appointing an executor for the study and a monitoring committee for the study c. Ensuring that Local Authorities provide the necessary information periodically according to the study's set timeframe d. Ensuring that the results and recommendations of both studies are transparently shared with all levels (State/District/Local Government)

including serviced apartments in the state of Johor.	
<p>RSJ 18: Sufficient and Quality Housing Supported with Complete Facilities and a Conducive Environment</p> <p>37. The implementation of affordable housing construction, simultaneously with the construction of planned housing in the approval of planning permission</p>	<ul style="list-style-type: none"> a. Improving and implementing the Johor People's Housing Policy b. Establishing the condition that affordable housing construction is carried out simultaneously with the construction of other housing as a condition for the approval of planning permission for housing schemes c. Encouraging the construction of affordable landed housing, whether inside or outside the Southern Conurbation d. Strengthening collaboration between the State Government and developers interested in affordable housing construction f. Ensuring the construction of the Johor Nation's Dream House (Rumah Impian Bangsa Johor - RIBJ) by the Sultan Ibrahim Foundation at the designated location j. Encouraging the construction of RIBJ schemes in redevelopment areas such as in New Plentong Village, Johor Bahru District, or other suitable areas
<p>RSJ 18: Sufficient and Quality Housing Supported with Complete Facilities and a Conducive Environment</p> <p>38. Construction of rental housing, ownership and purchase for B40, M40, elderly and PWD groups at selected locations.</p>	<ul style="list-style-type: none"> a. Establishing collaboration between the Federal Government, State Government, Local Authorities and private developers for the construction of rental housing schemes in suitable areas. b. Providing continuous funding for the construction of rental housing. c. Forming a management body with the capability, skills and experience in planning, management, administration, reporting and maintenance of residential properties d. Creating a mechanism for setting eligibility criteria, acceptance, assessment and approval of rental housing application e. Encouraging the provision of transit housing and housing under the People's Housing Project (PPR) for rent, including through the approach of adaptive reuse and building rehabilitation on brownfield sites, especially in urban areas
<p>RSJ 18: Sufficient and Quality Housing Supported with Complete Facilities and a Conducive Environment</p> <p>39. Development of transit-oriented housing (TOD) in selected locations.</p>	<ul style="list-style-type: none"> a. Encouraging the construction of strata or land-based housing schemes with a TOD concept near public transportation nodes in eight (8) selected locations to meet the needs of the B40 and M40 groups b. Providing studies related to the implementation and further strengthening TOD development guidelines for use by developers and local authorities c. Creating various incentives as an encouragement for TOD housing construction, including density incentives, plot ratio, and height
<p>RSJ 19: Provision of High-Quality and Comprehensive Community Facilities with The Best Services</p> <p>40. The provision of community facilities such as education, health, safety, religious, and sufficient burial grounds according to the needs of the population catchment.</p>	<ul style="list-style-type: none"> a. Providing sufficient educational facilities (preschool, primary school, secondary school, and post-secondary training institutions) according to the population needs in easily accessible locations b. Encouraging the provision of educational facilities (including public/private universities) based on district excellence. These include branches of Universiti Putra Malaysia/Universiti Teknologi MARA and community colleges focused on agriculture in Segamat District/Small District Labis and aerospace/aircraft colleges in Kulai District c. Providing sufficient health facilities (clinics and hospitals) according to the hierarchy of facilities and population needs in easily accessible locations d. Providing sufficient police safety facilities (district police headquarters, police stations, and police posts) according to the level of urban activity and population needs in highly accessible locations f. Providing sufficient fire safety facilities according to the risk of disasters (such as fires, explosions, toxic gas releases, etc.) and population needs in highly accessible locations g. Providing sufficient religious facilities according to the population needs in easily accessible locations, especially in the Southern Conurbation h. Providing centers for senior citizen activities and community rehabilitation centers for persons with disabilities (PWD) according to the demand and needs of the population in easily accessible and PWD-friendly locations i. Providing integrated burial grounds according to the population needs in easily accessible locations j. Establishing and managing recycling center facilities at strategic locations throughout the state k. Establishing the Community Facilities and Open Space Monitoring Committee (chaired by PLANMalaysia State) to monitor and expedite the declaration of community facility sites including open spaces. This committee consists of BPEN, PBT, PTG, PTD, and agencies providing community facilities l. Strengthening the Johor Geo Spatial database by including information on facility sites that have received planning permission/in planning as a reference for future planning of related agencies
<p>RSJ 19: Provision of High-Quality and</p>	<ul style="list-style-type: none"> a. Review of the Johor State Community Facilities Guidelines and development charges for the International Zone within and outside the Southern Conurbation in line with different community usage demands

<p>Comprehensive Community Facilities with The Best Services 41. Innovative and human-centric community facility provision based on location/financial suitability through collaboration and participation of various parties.</p>	<ul style="list-style-type: none"> b. Encouraging private sector participation in providing educational facilities such as private colleges, paid specialist hospitals, facilities for the elderly and disabled, and religious facilities, especially in urban areas, by offering paid service quality to those who can afford it at controlled prices c. Using rental buildings in shop houses to provide temporary facilities while obtaining funds and sites for building permanent or multi-level facilities to increase space capacity d. Upgrading existing facilities through redevelopment, staff/equipment/building additions, replacement of facility components and machinery/latest technology, facility upgrades, facility expansion, and relocation to more suitable sites e. Building Community Facility Complexes (KKK) or Community Hubs at eight (8) strategic locations f. Providing sufficient basic community facilities (such as village clinics, community halls, and schools) with permanent staff or mobile facilities for rural communities (such as Orang Asli and FELDA communities) g. Providing facilities like Community Clinics in areas with many low-income community members in need of services h. Providing quality health facilities to increase the average lifespan of the aging population and reduce infant and child mortality rates through healthy lifestyle programs
<p>RSJ 19: Provision of High-Quality and Comprehensive Community Facilities with The Best Services 42. Development of the State of Johor as a Hub for Health, Hospitality, and Knowledge at an International Level</p>	<ul style="list-style-type: none"> a. Advancing the Southern Conurbation, particularly the Iskandar Malaysia area, as an Integrated State Health Tourism Hub b. Mersing and Kota Tinggi districts will be developed as health tourism destinations in a natural environment, supported by complete integrated facilities, including transportation facilities c. Batu Pahat, Kluang, Muar, and Segamat districts will be developed with public and private health facilities in collaboration with nursing colleges and the enhancement of workers' skills d. Johor as a retirement destination with an environment tailored to the needs of the aging community, promoting retirement homes in suitable locations with related facilities, including through the MM2H program. e. Enhancing the innovation of the health industry in Johor through research and development, human self-reliance, traditional medicine and support, diversity of expertise and related entrepreneurship, and telehealth services f. Developing high-quality higher education facilities to produce a knowledgeable generation and Ulul Albab of Johor State, such as Universiti Malaysia Johor of international standard, and the State of Johor Islamic/ Tahfiz Higher Education Institutes also offering quality programs at an international level g. Health tourism and public/private higher education institutions are encouraged to be built in districts that need development impetus based on their respective excellence
<p>RSJ 20: Provision of Diverse and Quality Open Spaces to Meet the Needs of The Population 43. The provision of quality, diverse open, recreational, and sports areas to meet the needs of the population and promote a healthy lifestyle.</p>	<ul style="list-style-type: none"> a. Developing a master plan for open and recreational areas in each district, including tree inventory studies and related management to plan the provision of urban and rural public recreational spaces b. Creating an urban green belt by upgrading river reserves, coastal reserves, and potential catchment areas for public recreation c. Providing vibrant urban public recreational spaces in major urban centers as a gathering place for community members d. Providing complete sports facilities according to a healthy lifestyle in urban and rural areas, such as futsal courts, gym centers, public swimming pools, and extreme parks e. Encouraging the provision of public rooftop gardens (public rooftop gardens) in multi-story developments (green building initiatives) in line with green technology initiatives
<p>RSJ 20: Provision of Diverse and Quality Open Spaces to Meet the Needs of The Population 44. Compliance with the provision of open spaces in development areas</p>	<ul style="list-style-type: none"> a. Ensuring that public open and recreational spaces provided are immediately gazetted b. Ensuring the policy of providing at least 10% open land is effectively planned in new development schemes (7% absolute and 3% other facilities) c. Encouraging the development and provision of quality public open and recreational spaces as a focus and attraction of development d. Ensuring that public open lands and existing open land reserves are not converted to other land uses to guarantee public interest e. Maintaining recreational facilities and recreational areas provided according to schedule so that they are in a functional condition and accessible to the public f. Providing a tree inventory and implementing a Tree Preservation Order in an effort to increase green density in each development and urban greening

Source: RSNJ2030, MIDFR

Table 12: Strategic Direction under Thrust 2: International Standard Transportation Network and Infrastructure System

Development Initiatives	Implementation Initiatives
<p>RSJ21: Raw Water Source Conservation 45. The conservation of water sources such as rivers, lakes, reservoirs, and existing</p>	<ul style="list-style-type: none"> a. Proclaiming primary water catchment forest areas (government land) to ensure the forests are preserved for more even rainfall distribution to obtain main raw water sources b. Proclaiming the areas of water body reserves and reservoirs to fully cover the existing reservoir areas c. Mapping and proclaiming river reserves to curb uncontrolled activities potentially causing river water pollution, such as the disposal of sewage waste, industrial waste, and toxins from agricultural and livestock activities

Development Initiatives	Implementation Initiatives
rain catchment areas to ensure a healthy and sufficient raw water supply to meet the development needs of the state.	<ul style="list-style-type: none"> d. Controlling agricultural and settlement activities (privately owned land) in primary water catchment areas and around water body basins through integrated land use planning in the preparation of Local Plans, land application processes, and planning permissions e. Preventing seawater intrusion into raw water sources by constructing barrages at Sg. Johor, Sg. Sedili Besar, Sg. Muar, and Sg. Batu Pahat f. Developing River Edge Raw Water Storage Schemes or Off River Storage (ORS) at Sg. Johor, Sg. Skudai, Sg. Sedili Kecil (Lok Heng Water Plant), Sg. Muar, and Sg. Gambut, capable of increasing water supply up to 550 million per day g. Conservation of the entire Johor River Basin, particularly the Muar River Basin and its surroundings, to ensure continuous raw water supply from the Sg. Muar Dam in Gerisik, Tangkak to the State of Melaka.
<p>RSJ22: Exploration of Alternative Water Supply</p> <p>46. Implementation of measures in the effort to obtain alternative water supply to address the shortage and meet the increasing demand.</p>	<ul style="list-style-type: none"> a. Conducting detailed geological studies to identify large aquifer basins for serious underground water extraction b. Implementing groundwater resource management plans for groundwater source areas, especially those with high aquifer potential c. Controlling and monitoring the use of public wells, important groundwater sources for commercial, industrial, and agricultural activities d. Exploring methods and suitability for developing dams for the purpose of extracting raw water downstream with consideration of effective water treatment methods and strict enforcement of wastewater discharge e. Developing a clean water supply system (tube wells) in the Mersing Islands to meet the needs of residents and tourists f. Conducting Integrated River Basin Management (IRBM) in each river basin area in the State of Johor, to maximize the socio-economic benefits of water resources sustainably while simultaneously preserving or restoring the natural ecosystem of water sources g. Taking organized and planned steps to reduce reliance on existing clean water supply, apart from drinking water and domestic use by developing a system
<p>RSJ22: Exploration of Alternative Water Supply</p> <p>47. Integrated flood management includes planning for flood-prone areas, Integrated River Basin Management (IRBM), Urban Drainage Master Plan, and Flood Mitigation Plan for the entire state of Johor.</p>	<ul style="list-style-type: none"> a. Conducting detailed mapping in flood-prone areas for each district in the state of Johor for the purpose of controlling development and economic and social activities to curb flooding b. Implementing Integrated River Basin Management (IRBM) in every river basin area in the state of Johor as an integrated measure to control flooding while also managing raw water resources c. Establishing an Urban Drainage Master Plan (Eco-Friendly Drainage Master Plan) for all major cities in the state of Johor. This includes enforcing the construction of water retention ponds according to the MASMA II guidelines enforced by the JPS d. Continuing more extensive flood mitigation plan (FMP) projects throughout the state, especially in rural areas e. Controlling planning for new developments in flood-prone areas. Among them, ensuring that all new developments comply with and adopt the Urban Drainage Master Plan
<p>RSJ 23: Preparation of infrastructure and utility services to meet user demand</p> <p>48. Efficient and reliable supply of electricity throughout the TNB 132kV, 275kV, and 500kV transmission line networks</p>	<ul style="list-style-type: none"> a. Developing a smart grid system and time-of-use tariffs b. Increasing generation capacity and strengthening the transmission and distribution network c. Increasing off-grid generation to improve rural electricity supply coverage d. Providing readily available supply facilities in key areas such as new urban development areas and industrial zones proactively
<p>RSJ 23: Preparation of infrastructure and utility services to meet user demand</p> <p>49. Exploring the use of renewable energy sources and the application of green technologies.</p>	<ul style="list-style-type: none"> a. Promoting the development of environmentally friendly solar energy and retrofitting, especially in government buildings, corporate buildings, and agricultural areas such as Segamat District and Kota Tinggi District b. Mandating Green Building status for new buildings in the Iskandar Puteri area c. Requiring the use of air conditioning from the District Cooling System (DCS) in industrial, commercial, and large-scale development areas that use high-capacity air conditioning d. Encouraging the use of micro-hydro power in tourism areas and islands, especially in Endau Rompin National Park and the Mersing Archipelago e. Promoting the development of biogas and biomass energy in waste management and agricultural areas. f. Studying the feasibility of alternative energy sources such as solar energy and windmills for use on islands.
<p>RSJ 23: Preparation of infrastructure and utility services to meet user demand</p> <p>50. A high-quality telecommunication</p>	<ul style="list-style-type: none"> a. Improving and upgrading the telecommunications network system proactively in urban and rural areas, especially in city centers, industrial and tourism areas b. Enhancing and upgrading information technology and ICT coverage proactively in urban and rural settlements, particularly in city centers, industrial and tourism areas c. Providing digital infrastructure to support the creation of smart cities such as in Iskandar Malaysia Region and the International Zone

Development Initiatives	Implementation Initiatives
<p>network and digital infrastructure system nationwide to expand connections between districts and internationally, as well as to enhance domestic investment activities.</p>	
<p>RSJ 23: Preparation of infrastructure and utility services to meet user demand 51. The expansion of centralized sewage systems and treatment plants, prioritized in the Southern Conurbation and Major Urban Centers with high density.</p>	<p>a. Providing centralized sewage systems in high population areas or new development zones, especially in the International Zone c. Constructing biosolids processing plants in each district according to population needs. Priority should be given to identified locations</p>
<p>RSJ 23: Preparation of infrastructure and utility services to meet user demand 52. Establishment of an integrated and sustainable solid waste management system.</p>	<p>a. Upgrading and controlling existing disposal sites to a more organized and systematic sanitary disposal system b. Providing a shared disposal site at a new location according to suitability and consumer demand c. Expanding the implementation of the zero-waste concept throughout the state through integrated and holistic management with 30% of each volume of waste generated to be recycled from the source (household recycle), 60% of it is reused through the Material Recovery Facility (MRF) treatment method, and finally, only 10% of solid waste actually needs to be disposed of d. Transforming solid waste disposal sites into Waste Eco Parks with disposal site management focused on food waste that cannot be recycled and processed, such as for use as fertilizer for crops/landscaping and feed for livestock/aquaculture in an environmentally friendly way e. Implementing the use of thermal treatment plants (incinerators), especially in the Iskandar Malaysia Region and the Johor Strait Development Area f. Ensuring high standards of cleanliness and reduced per ton solid waste disposal through strict and continuous enforcement g. Promoting recycling activities through the waste to wealth concept, where it can be shaped as a business and supporting industry that can reduce the amount of solid waste produced daily h. Increasing community, association/NGO, and individual involvement through incentives and education on the application of 4R</p>
<p>RSJ 23: Preparation of infrastructure and utility services to meet user demand 53. Expanding the use of natural gas in all domestic and industrial sectors.</p>	<p>a. Encouraging the use of gas in new development areas, especially industrial areas and new settlements. b. Encouraging the use of natural gas in areas along the natural gas supply route</p>
<p>RSJ 24: Strengthening the Capabilities of Johor's Ports and Airports to Remain Resilient in the Flow of Trade and Competitive to Drive Economic Growth 54. Strengthening the functions and roles of Pasir Gudang Port, Tanjung Pelepas Port, Pengerang Port (new), and Tanjung Langsat Terminal Jetty as prime ports that are</p>	<p>a. Enhancing the competitiveness and resilience of Pasir Gudang Port b. Prioritizing integrated development of Tanjung Pelepas Port to ensure the effectiveness of capacity and operational efficiency through c. Prioritizing the support for the development of infrastructure and related facilities for Pengerang Port and Tanjung Langsat Terminal Jetty to enhance their operational effectiveness and competitiveness based on specific functions that mutually support other ports in the State of Johor d. Ensuring the fastest/continuous interconnectivity between the ports and the integrated logistics center and main industrial areas of the state in the form of road and rail transportation</p>

Development Initiatives	Implementation Initiatives
resilient in global competition, in line with the Johor Ports Development Master Plan.	
<p>RSJ 24: Strengthening the Capabilities of Johor's Ports and Airports to Remain Resilient in the Flow of Trade and Competitive to Drive Economic Growth</p> <p>55. Preparation of a goods/cargo transportation network between Tanjung Pelepas Port, Pasir Gudang, Tanjung Langsat, and between the ports and Senai International Airport.</p>	<p>a. Upgrading the existing railway track from Pasir Gudang to Tanjung Pelepas and planning future railway needs for the Pasir Gudang to Pengerang route</p> <p>b. Constructing a dedicated road for heavy vehicles connecting Pasir Gudang Port to the Senai - Desaru Expressway and direct connection with Senai International Airport</p>
<p>RSJ 24: Strengthening the Capabilities of Johor's Ports and Airports to Remain Resilient in the Flow of Trade and Competitive to Drive Economic Growth</p> <p>56. Strengthening the function and role of Senai International Airport as an important airport in Malaysia and the international arena.</p>	<p>a. Rebranding Senai International Airport to Johor International Airport, in line with the strengthening of its function and role in the international arena</p> <p>b. Upgrading the facilities of the terminal building, cargo management building, and runway facilities according to international standards in line with the image and future capacity targets</p> <p>c. Enhancing infrastructure for the storage and import/export of perishable materials to enable the provision of quality goods services to the international business community</p> <p>d. Providing air connectivity facilities between Senai International Airport and other international and domestic airports including Changi Airport, KLIA/KLIA2/Subang International Airport, Mersing Airport, and Batu Berendam International Airport, Melaka</p> <p>e. Increasing the interconnectivity between Senai International Airport and Johor Bahru City, Iskandar Puteri, and Singapore through additional rail networks and feeder connections to public transport stations of Electric Train Service (ETS), Rapid Transit System (RTS), and High-Speed Rail (HSR)</p>
<p>RSJ 24: Strengthening the Capabilities of Johor's Ports and Airports to Remain Resilient in the Flow of Trade and Competitive to Drive Economic Growth</p> <p>57. Development of Mersing Airport to become a hub for tourism flights.</p>	<p>a. Construction and provision of equipment for domestic and international flight operations such as control towers, terminal buildings, parking areas, ticket counters, and ground travel services by tourism agencies.</p> <p>b. Provision of feeder services between Mersing Airport and Tanjung Leman Jetty, Endau Rompin National Park, and Tanjung Gemok Jetty in Rompin, Pahang, by providing bus/van services for tourists</p> <p>c. Establishing interconnectivity of domestic flights and tourism with Batu Berendam International Airport, Melaka, and Sultan Haji Ahmad Shah Airport, Kuantan</p>
<p>RSJ 24: Strengthening the Capabilities of Johor's Ports and Airports to Remain Resilient in the Flow of Trade and Competitive to Drive Economic Growth</p> <p>58. Strengthening the function of Segamat as</p>	<p>a. Enhancing the provision of infrastructure and utility facilities to a high level proactively to offer an available and attractive industrial and logistics investment environment in Segamat Dry Port</p> <p>b. Providing equipment for the unloading and temporary storage of goods</p> <p>c. Identifying related incentives to promote the existing facilities at Segamat Dry Port at the state and national levels</p>

Development Initiatives	Implementation Initiatives
a Dry Port for the State of Johor	
RSJ 25: Enhancing the Network of Communication and Transportation Systems 59. Strengthening the network and connectivity between regions and modes of transportation	a. Consolidating the network of highways between states, Southern Conurbation, and areas outside the Southern Conurbation b. Enhancing the connectivity between modes of transportation c. Initiating the redevelopment of the Johor Causeway d. Coordinating the implementation of all transportation infrastructure projects and road networks between states and neighboring countries e. Providing an efficient and tourist-friendly rural road network complete with clear directional road signs to tourism destinations/products f. Ensuring all road alignments or highways are planned with sensitive alignments and designs that do not threaten areas of wildlife importance and the environment (including avoiding CFS corridors identified by the CFS Master Plan Study)
RSJ 25: Enhancing the Network of Communication and Transportation Systems 60. Alignment of railway network construction as an efficient land transportation system within the country and between nations	a. Alignment of railway network construction as an efficient land transportation system within the country and between nations b. Use of the Light Rail Transit (LRT) system to address congestion problems in urban centers c. Providing feeder connections between ETS stations and HSR stations for the convenience of moderate and long-distance travel and access to wider areas d. Ensuring the continuity of public transport, especially from Johor to Singapore, as another channel for the people on both sides of the Johor Causeway to commute between Woodlands North in Singapore and Bukit Chagar, Johor Bahru
RSJ 25: Enhancing the Network of Communication and Transportation Systems 61. Strengthening the water transportation system as an efficient, safe, and attractive alternative transportation facility.	a. Upgrading passenger jetties/terminals (10 registered jetties with 5 of them offering shuttle services to Indonesia) including waiting areas, parking facilities, shopping amenities, and rest and treatment facilities b. Developing water taxi facilities and services in the Johor Strait (between Puteri Harbour jetty to Danga Bay jetty and ending at Stulang Laut Ferry Terminal after the Johor Causeway is redeveloped) and Batu Pahat River as new tourism product attractions such as river/coastal cruising attractions c. Upgrading the quality and facilities of ships/boats carrying passengers between countries to ensure comfort and safety at all times d. Coordinating the entry of tourists/users and tightening the security system at all sea entry points to prevent illegal entry e. Promoting water transportation as an alternative mode of transport including encouraging online ticketing and offering safe and user-friendly services f. Enhancing the service level and safety of the Mersing and Tanjung Leman tourist ferry terminals for the convenience of travelers to Sultan Iskandar Marine Park
RSJ 25: Enhancing the Network of Communication and Transportation Systems 63. Increased use of existing airports for air sports activities.	a. Identifying the functions and advantages of airports according to location b. Providing facilities for air sports suitable for the location c. Providing necessary facilities such as changing rooms, toilets, prayer rooms, and pavilions d. Promoting the organization of air sports at Segamat District airport every year
RSJ 26: Preparation of Public Transport and Communications that are Interconnected and Comprehensive 64. Provision of various modes of public transportation and a comprehensive network.	a. Full implementation of the recommendations contained in the Johor Public Transport Master Plan 2015 - 2045 b. Coordinating the construction of public transport and goods terminals throughout the state according to user demand priorities c. Promoting the use of public transport for all journeys to increase awareness of its benefits
RSJ 26: Preparation of Public Transport and Communications that are Interconnected and Comprehensive 65. Aligning land use planning and	a. Coordinating the placement of future development zones and district-level priority projects with the locations of major rail stations to enhance their utilization b. Developing integrated public terminals and promoting complete TOD (Transit-Oriented Development) with park and ride infrastructure facilities, shopping facilities, community amenities, and residential spaces c. Providing feeder connections between TODs and rail transport stations, land and water transport, and the surrounding land use, rural areas, and tourist regions through the provision of integrated transport modes such as bus transportation (including Muafakat Johor buses) and taxis (including e-hailing services) d. Utilizing Global Positioning System (GPS) technology or equivalent to obtain real-time information on bus journeys, displayed at all terminals

Development Initiatives	Implementation Initiatives
relationships with rail network development through the provision of integrated facilities.	e. Identifying the needs for development and upgrading of transportation and traffic infrastructure in urban areas as planned at the district level (RT), including the construction of new bridges, city ring roads, protocol roads, and the separation of conventional and public vehicle lanes

Source: RSNJ2030, MIDFR

Table 13: Strategic Direction under Thrust 3: Well-Being and Sustainability of The State of Johor

Development Initiatives	Implementation Initiatives
RSJ 27: The Importance of Conservation and Management of Natural Resources 66. Sustainable conservation of forest resources, National Parks, and Ramsar sites.	a. Managing all HCVF areas, National Parks, and Ramsar sites as forestry sector KSAS level 1 b. Practicing eco-friendly engineering methods in the development of land and infrastructure that pass through HCVF areas, National Parks, and Ramsar sites to minimize environmental impact c. Preventing any encroachment activities in all types of forest areas, especially water catchment forests, which can disrupt their ecosystems. This includes involving local communities (Indigenous Peoples and village residents) in monitoring and reporting any forest encroachment activities, if they occur c. Preventing production forests in wildlife reserve areas that overlap with HCVF areas d. Replacing HCVF areas that have been abolished f. Developing forest plantations in production forest areas and degraded forest areas g. Replanting suitable forest trees in degraded forest areas, abandoned lands, open areas, and appropriate infrastructure reserves as forested areas to increase the percentage of the state's forest cover
RSJ 27: The Importance of Conservation and Management of Natural Resources 67. Control of development in the ecological corridor CFS environment to prevent forest habitat fragmentation.	a. Managing land use planning for four (4) ecological corridor networks (primary and secondary) and their surroundings to avoid forest habitat fragmentation so that wildlife pathways are not interrupted b. Limiting the expansion of agricultural areas and non-forest land use near ecological corridors or HSK in all districts, especially in Mersing, Kluang, Kota Tinggi, and Segamat districts c. Providing facilities for wildlife through CFS areas without having to interact with humans, such as eco viaducts and large ditches
RSJ 27: The Importance of Conservation and Management of Natural Resources 68. Maintenance of biological diversity in the waters of the Sultan Iskandar Marine Park (TLSI) and the eastern coast of Johor.	a. Proclaiming the area of the Sultan Iskandar Marine Park Conservation Zone (ZPM TLSI) located within the Mukims of the Pulau District of Mersing and controlling the activities of this zone with the cooperation of all state and federal agencies b. Developing facilities for the community and eco-tourism products that are marine-friendly in TLSI with control, according to guidelines set by the Department of Marine Parks Malaysia and RKK Mukims of the Pulau District of Mersing c. Preparing and proclaiming seaweed nursery sites in Mukim Pulau Sibul and Pulau Tinggi as habitats and dugong sanctuaries d. Managing turtle landing sites on Pulau Tengah, Pulau Sibul, and Pulau Tinggi e. Managing development work and facilities provided so as not to negatively impact the ecosystem while economic projects must maximize the positive impact on the socio-economy of the local inhabitants f. Providing a capacity action plan for the TLSI ZPM area to maintain the stability of the island's ecosystem, waters, and coral reefs g. Controlling the environmental quality of the islands of the Marine Park in terms of water pollution control, visual quality control, and waste management h. Providing complete facilities to improve the standard of living and comfort of visitors to TLSI i. Providing a Disaster Risk Plan with the participation of local residents and managing the Emergency Disaster Plan for the Archipelago Area
RSJ 27: The Importance of Conservation and Management of Natural Resources 69. Conservation of coastal areas and the Johor Strait according to the Integrated Shoreline Management Plan (ISMP) concept.	a. Managing mangrove swamp areas b. Preserving the water areas around Tg. Andang and Pulau Merambong as the Pulau Biosphere and marine protection areas to support the growth of seaweed in the Johor Strait c. Practicing environmentally friendly engineering works d. Limiting land reclamation development in coastal areas that do not experience significant erosion problems e. Sustainably managing port operations and the oil and gas industry in ports to prevent accidents and pollution from vessels (water transport/shipping activities) f. Managing the routes of ships in terms of their number and speed to reduce the impact of marine pollution in the waters of Pulau Kukup, Tg. Piai, and along the Johor Strait g. Ensuring coastal development provides public access to the beach and along the coast, including in private areas h. Completing the ISMP for the entire state of Johor; and adopting planning measures, coastal land use zoning control, and guidelines as stipulated in the RFZPPN and ISMP
RSJ 28: The Need to Conserve and Manage KSAS In an Integrated and	a. Recognizing the level of KSAS as the basis for consideration in the land application process at the state level b. Planning land use according to the suitability of the KSAS level and integrated with the overall land use planning c. Planning land use according to the suitability of the type of integrated KSAS

Development Initiatives	Implementation Initiatives
<p>Effective Manner 70. Compliance with development according to the type and level of KSAS at all stages of land development.</p>	<p>d. Managing land use planning that considers KSAS through the establishment of the State KSAS Committee</p>
<p>RSJ 29: Low Carbon Community and Disaster Resilience 71. Encouraging sustainable planning and development practices as well as the use of green technology to shape a low carbon community lifestyle.</p>	<p>a. Studying the implementation of Carbon Trading between local authorities and developers b. Reducing reliance on private vehicles to lower carbon emissions c. Promoting the concept of dense urban areas that do not require extensive land use, such as transit-oriented development (TOD), vertical development, and mixed development d. Managing urban sprawl from urban growth centers through optimal land use control in existing areas and providing urban/suburban boundaries e. Creating centers for renewable energy use and practicing the 4R program (reuse, reduce, recycle, and recovery), especially in the manufacturing and trade sectors f. Encouraging the development of biogas and biomass energy in large-scale agricultural/plantation areas, especially in the districts of Kluang, Kota Tinggi, and Segamat g. Promoting energy efficiency practices and green infrastructure in all development sectors, encompassing design and technology</p>
<p>RSJ 29: Low Carbon Community and Disaster Resilience 72. Management of development with resilience to climate change and natural disasters.</p>	<p>a. Providing an integrated disaster control network system among various government agencies and non-governmental organizations (NGOs) b. Providing the Johor State Disaster Risk Plan and implementing actions in the Disaster Emergency Plan at the state and district level c. Studying the impact of global climate change and sea level rise on the development of coastal cities in Johor State and providing effective mitigation and adaptation measures to reduce the disasters that will be faced d. Providing a research center to conduct studies and research on the effects of global warming on coastal cities e. Planning new developments that are capable of adapting to the effects of climate change f. Conducting public awareness activities to increase preparedness and form communities resilient to disasters (community resilience) g. Developing a high-tech spatial disaster database system for development and control purposes</p>

Source: RSNJ2030, MIDFR

Table 14: Strategic Direction under Thrust 4: Strong and Competitive Governance

Development Initiatives	Implementation Initiatives
<p>RSJ 30: Effective Implementation and Monitoring System Plan Structure 73. Establishment of the Implementation and Monitoring Committee for RSNJ 2030 (RSNJ Monitor) to ensure the effective implementation of RSNJ 2030.</p>	<p>a. Appointing PLANMalaysia@Johor as the secretariat to the Implementation and Monitoring Committee for RSNJ 2030 (RSNJ Monitor) b. Providing methods for data collection and continuous review of achievement indicators c. Preparing the RSNJ 2030 implementation report by Local Authorities and for RSNJ Monitor d. Empowering the resources of staff and finances of PLANMalaysia@Johor to strengthen the monitoring secretariat e. Organizing the RSNJ 2030 discussion platform twice a year with the participation of all stakeholders, for example in the form of workshops, conferences, awareness programs, and focus group discussions (FGD) f. Establishing the Sensitive Environmental Area Committee (KSAS) to ensure that all developments in KSAS, mega projects, and state interest projects are referred to this committee to scrutinize studies such as Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) g. Setting the methods of implementation for financing instruments and the implementation of high-impact initiatives and projects, including pragmatic public-private cooperation to ensure their success h. Outlining forms of pragmatic cooperation and accountability in achieving state strategic goals, objectives, and directions based on RSNJ 2030 i. Monitoring the implementation of high-impact RSNJ 2030 projects periodically to ensure smooth execution through the formation of committees</p>
<p>RSJ 31: Empowerment of the Institutional Capability of the Implementation Machinery for the Johor State Structural Plan 74. Self-development through quality personality development, training,</p>	<p>a. Designing a comprehensive training program to enhance skills in RS implementation, especially in the context of management and regulatory supervision of development b. Conducting monitoring and improvement on initiatives for building and enhancing the self-reliance of public services involved in RS implementation c. Handling training/seminars/broadcasts related to work processes, policies, and standards associated with RS to provide understanding and implementation of subsequent planning to avoid overlap or conflict among involved agencies d. Empowering the role of council members at the PBT level through qualification enhancement and expertise to become effective facilitators at the grassroots level of the PBT area e. Strengthening self-reliance in developing a first-class public service mindset to be far-sighted, analytical, and confident in achieving RSNJ 2030</p>

Development Initiatives	Implementation Initiatives
<p>and skills enhancement (up-skilling and capability building) to drive governance in implementing the RSNJ.</p> <p>RSJ 32: Internationalization of The Southern Johor Conurbation in The Context of Governance</p> <p>75. Strengthening the Local Authorities and other government agencies in the Southern Conurbation to lead the internationalization agenda of the State of Johor.</p>	<p>f. Increasing skilled and professional personnel positions in government agencies to enhance competence for quality services in line with the rapid development of the state</p> <p>a. Enhancing the functions of the involved Local Authorities in the administration and management of the Southern Conurbation development, especially in the International Zone areas</p> <p>b. Expanding the service areas of the Local Authorities to include a 3 nautical mile area into the sea (state administrative area) and reclaimed land areas</p> <p>c. Implementing development charges as an alternative to strengthen the finances of the Local Authorities and to improve their services</p> <p>d. Studying the implementation mechanisms of transfer of development rights to coordinate more effective and controlled development</p> <p>e. Further enhancing efforts to improve processes and work procedures to reduce the time frame in service delivery</p> <p>f. Improving mechanisms and providing an effective platform/environment to encourage investment through cooperative networks in the trade sector</p> <p>g. Upgrading the Local Authorities involved in the Southern Conurbation that meet the criteria, have potential, and are strategically positioned to continue providing more effective services, in line with rapid socio-economic changes</p> <p>h. Creating a communication plan, cooperation, and a systematic and integrated approach with stakeholders in the international zone</p> <p>i. Conducting a comprehensive special study to examine the current position of district administrative areas, sub-districts, and Local Authorities potentially for upgrading to a higher level in the context of transforming the administrative structure of the State of Johor towards the 2030 planning year</p> <p>j. Establishing local service centers in the form of One Stop Centers (OSC) with the provision of the Johor Urban Transformation Center (UTC Johor) in each State Regional Center (PWN) and Rural Community Centers (previously known as Rural Transformation Centers - RTC) to provide good services to the people.</p>
<p>RSJ 33: Strengthening the Organization and Decision-Making Quality to Support the Internationalization of the State of Johor</p> <p>76. The establishment of a think tank entity towards strengthening governance in the context of the state's internationalization.</p>	<p>a. Establishing a think tank to lead the efforts in the development of the Internationalization of the State of Johor and other state strategic policies/directions</p> <p>b. Creating benchmarks based on standards/indicators practiced at the international level</p> <p>c. Providing methods for the collection and review of performance indicators on an ongoing basis</p>
<p>RSJ 33: Strengthening the Organization and Decision-Making Quality to Support the Internationalization of the State of Johor</p> <p>77. The creation of an integrated Database and Geographic Information System (GIS), including the use of big data analytics.</p>	<p>a. Managing the use of the Johor State Big Data System in the planning and monitoring of development programs</p> <p>b. Strengthening and empowering agencies such as PLANMalaysia@Johor, Local Authorities, and the Land and District Office in managing current data through upgrading IT capabilities and integrated GIS Database</p> <p>c. Formulating governance systems, delivery systems, and information systems for the database of implementing agencies and modern government departments based on information technology (ICT)</p> <p>d. Encouraging the expansion of open data policies among agencies and data sharing between them, as well as utilizing big data analytics in the effective delivery of services</p>

Source: RSNJ2030, MIDFR

MIDF RESEARCH is part of MIDF Amanah Investment Bank Berhad (197501002077(23878 – X)).
(Bank Pelaburan)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report has been prepared by MIDF AMANAH INVESTMENT BANK BERHAD (197501002077 (23878 – X)) for distribution to and use by its clients to the extent permitted by applicable law or regulation.

Readers should be fully aware that this report is for information purposes only. The opinions contained in this report are based on information obtained or derived from sources that MIDF Investment believes are reliable at the time of publication. All information, opinions and estimates contained in this report are subject to change at any time without notice. Any update to this report will be solely at the discretion of MIDF Investment.

MIDF Investment makes no representation or warranty, expressed or implied, as to the accuracy, completeness or reliability of the information contained therein and it should not be relied upon as such. MIDF Investment and its affiliates and related companies and each of their respective directors, officers, employees, connected parties, associates and agents (collectively, "Representatives") shall not be liable for any direct, indirect or consequential loss, loss of profits and/or damages arising from the use or reliance by anyone upon this report and/or further communications given in relation to this report.

This report is not, and should not at any time be construed as, an offer, invitation or solicitation to buy or sell any securities, investments or financial instruments. The price or value of such securities, investments or financial instruments may rise or fall. Further, the analyses contained herein are based on numerous assumptions. This report does not take into account the specific investment objectives, the financial situation, risk profile and the particular needs of any person who may receive or read this report. You should therefore independently evaluate the information contained in this report and seek financial, legal and other advice regarding the appropriateness of any transaction in securities, investments or financial instruments mentioned or the strategies discussed or recommended in this report.

The Representatives may have interest in any of the securities, investments or financial instruments and may provide services or products to any company and affiliates of such companies mentioned herein and may benefit from the information herein.

This document may not be reproduced, copied, distributed or republished in whole or in part in any form or for any purpose without MIDF Investment's prior written consent. This report is not directed or intended for distribution to or use by any person or entity where such distribution or use would be contrary to any applicable law or regulation in any jurisdiction concerning the person or entity.

MIDF AMANAH INVESTMENT BANK : GUIDE TO RECOMMENDATIONS

STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	Stock price is expected to <i>rise</i> by >10% within 3-months after a Trading Buy rating has been assigned due to positive newsflow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	Stock price is expected to <i>fall</i> by >10% within 3-months after a Trading Sell rating has been assigned due to negative newsflow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology