

ECONOMY

JS-SEZ Still Strong Despite Uncertainty Over US Tariffs 

The Star – 3 February 2025

The Johor-Singapore Special Economic Zone (JS-SEZ) remains well-positioned to attract foreign investment despite global economic uncertainties following United States (US) President Donald Trump's 25% tariffs on imports from Mexico and Canada and 10% on Chinese goods, imposed on 1 February 2025. The JS-SEZ serves as a gateway for investors to access the growing ASEAN market.

Trade War Will Not Hinder Malaysia's GDP Growth Target of 4.5%-5.5% for 2025 

The Edge – 5 February 2025

Malaysia is on track to meet its 2025 Gross Domestic Product (GDP) growth target despite risks from the tariff war. Optimism for the Country's medium- and long-term prospects has remained steady over the past month, with the ringgit strengthening in the past week. The Ministry of Finance projects GDP growth between 4.5% and 5.5% in 2025. As the trade war becomes a lasting global challenge, Malaysia must adapt to its impacts.

Economic Disparity Persists for Bumiputeras in East Malaysia 

The Edge – 5 February 2025

Bumiputeras in East Malaysia have seen slower income growth than their counterparts in Peninsular Malaysia due to limited access to quality health and education services, according to the World Bank. Economic mobility remains lowest among *Bumiputeras* in Sabah, Sarawak, and Labuan, highlighting persistent spatial inequality. While *Bumiputeras* account for nearly 70% of Malaysia's population and hold 62% of total income (an improvement from 55% in 2004) those in Sabah and Sarawak have the lowest mean income among all ethnic and regional groups. In contrast, Chinese and Indians in East Malaysia fare significantly better.

GOVERNMENT

862 Housing Projects Revived as of 2024 

The Star – 6 February 2025

The Ministry of Housing and Local Government Malaysia has revived 862 projects comprising 102,808 housing units with a gross development value of RM85.82 billion as of 2024. This was achieved in two years through the Task Force on Sick and Abandoned Housing Projects. Additionally, the Ministry rehabilitated 4,814 housing units and built 245 new homes for the poor with an allocation of RM104.4 million.

PROPERTY

Significant Drop in Johor Property Overhang

The Star – 3 February 2025

The Johor-Singapore Special Economic Zone (JS-SEZ) has helped reduce property overhang in Johor, driving demand for serviced apartments. From 2022 to 2024, Johor's overall property sales grew by over 15%, including overhang properties, particularly serviced apartments priced at RM500,000 and above. As of December 2024, Johor had 102,438 serviced apartments, with only 11,810 unsold. Of the overhang units, 90% are high-priced serviced apartments, while the remaining 10% are landed properties. Meanwhile, 90% of serviced apartments priced at RM500,000 and below have been sold, with demand rising for higher-priced units.

INFRASTRUCTURE

Government Okays RM60 Million for Sultan Azlan Shah Airport Expansion

The Star – 1 February 2025

The Federal Government has approved RM60 million to expand Sultan Azlan Shah Airport, increasing its capacity from 500,000 to 700,000 passengers. In 2024, passenger numbers exceeded capacity at 512,000. Additionally, a 10.52-hectare plot adjacent to the airport has been designated for cargo development.

ECRL Progress Surpasses 78%, First Phase to Start Operations in 2027

The Edge – 4 February 2025

The East Coast Rail Link (ECRL) project, spanning Pahang, Kelantan, Terengganu, and Selangor, reached 78.5% completion as of January 2025. The first phase, from Kota Bharu to the Gombak Integrated Terminal, is on track for completion by December 2026, with operations starting in January 2027. The second phase, linking Gombak to Port Klang, is set for completion by December 2027 and full operation by January 2028.

RM9.8 Billion East Coast Expressway 3 Project Yet to be Finalised

The Edge – 5 February 2025

The proposed RM9.8 billion East Coast Expressway 3 (LPT 3) is still under evaluation, with no tender awarded yet. The fully tolled highway, running from Kampung Gemuroh, Terengganu, to Kampung Tunjong, Kelantan, requires a feasibility assessment for concessionaires. The Ministry of Works Malaysia is reviewing interest, as the estimated RM70 toll for the full route must be viable and competitive.

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