

RI – WEEKLY NEWS

WEEK 27 | 27 June – 4 July 2025

ECONOMY

Johor Records Highest GDP Growth Among States in 2024 2

The Edge – 1 July 2025

Johor recorded the highest Gross Domestic Product (GDP) growth among Malaysian States in 2024 at 6.4%, surpassing the national average of 5.1%, according to the Department of Statistics Malaysia (DOSM). The State's GDP rose to RM158.0 billion in 2024, supported by its strategic location, modern infrastructure, major ports and competitive industrial zones. In 2023, Johor posted a 4.1% growth with a GDP of RM148.6 billion.

GOVERNMENT

Urban Renewal Act Drafted After Record 101 Engagement Sessions

The Edge – 27 June 2025

A total of 101 engagement sessions have been held in drafting the Urban Renewal Act, involving developers, homebuyers' associations, community groups, academics, Members of Parliament, and political parties. The Act, expected to be tabled in the upcoming parliamentary session, aims to drive systematic and comprehensive urban redevelopment. Currently, such efforts fall under the Strata Titles Act 1985, which requires unanimous consent from all property owners. The proposed Act introduces a tiered consent system: 75% for buildings over 30 years old, 80% for those under 30, and 51% for buildings classified as dilapidated or unsafe.

Kota Madani a Comprehensive, Value-Based Housing Solution for Civil Servants *The Edge – 30 June 2025*

Prime Minister Datuk Seri Anwar Ibrahim has emphasised that the newly launched Kota Madani development in Precinct 19, Putrajaya is more than a housing project for civil servants — it reflects the values of Malaysia Madani and aims to provide quality, people-centric living. The smart city development will feature 10,000 high-density residential units for over 30,000 residents, along with vertical schools, a mosque, gymnasium, playgrounds and other public amenities. The first phase of construction is set to begin in September 2025, with completion targeted by end-2027.

Manual Tax Return Filing Allowed for New Taxable Services Under Expanded SST ☐ The Edge − 4 July 2025

The Ministry of Finance (MOF) has allowed businesses to manually file tax returns for newly taxable services under the expanded sales and service tax (SST) from 1 July to 30 September 2025. This temporary measure aims to ease compliance and ensure a smoother transition. Businesses must still charge and remit the service tax during this period. The SST expansion, announced on 9 June 2025, imposes a 5% to 10% sales tax on selected non-essential goods and extends the service tax to sectors like rental or leasing, construction, finance, private healthcare, education and beauty services, with rates of 6% to 8%.

PROPERTY

Data Centres in Malaysia to Pay 10%-15% More for Electricity

The Edge – 2 July 2025

Data centres in Malaysia could face electricity bill hikes of up to 15% under the new power tariff structure. The facilities will be classified under a new "ultra-high voltage" category, with average tariffs of around 60 sen per kilowatt-hour, following changes announced by the Energy Commission. The revised structure, taking effect in July 2025, introduces monthly tariff adjustments and shifts the burden to heavy consumers, encouraging greater energy efficiency. While typical households may see slight savings, users with low load factors or high peak-time consumption will face higher charges. Despite their high load factors, data centres are expected to see increased costs due to higher peak and off-peak rates.

INFRASTRUCTURE

RM140 Million Paloh-Bekok Road to Reduce Travel Time

The Star - 30 June 2025

A RM140 million road project is underway to connect Kluang and Segamat in Johor, significantly shortening the travel distance from 70 kilometres to just 13 kilometres. The Jalan Paloh-Bekok road, expected to be completed by September 2027, will reduce travel time between Paloh and Bekok to just 15 minutes. The project involves the construction of a two-lane road.

Land Dispute Delays WCE Completion

The Star – 30 June 2025

A land dispute involving 19 families in Kampung Jawa is delaying the West Coast Expressway (WCE), now expected to be fully completed by end-2026. The 233-kilometre expressway is 96% complete, with Section 3 (Sri Andalas, Klang) facing setbacks despite 75% of the RM9.8 million compensation paid. Court proceedings on the final compensation amount are ongoing but do not prevent construction. Section 4, connecting WCE to the Federal Highway, is 99% complete, with a partial opening targeted by end-2025. Section 7 (Tanjung Karang), linking Selangor to Perak, is 80% complete, with construction to resume after soil works.

RTS Link Achieves 56% Physical Progress

The Edge - 30 June 2025

The Johor Bahru-Singapore Rapid Transit System (RTS) Link has reached 56% physical progress as of June 2025, covering track works, station construction and system testing. The RTS Link will connect Bukit Chagar, Johor Bahru to Woodlands North, Singapore in five minutes, easing border congestion, boosting economic activity, and strengthening bilateral ties. Designed for high efficiency, it can carry 10,000 passengers per hour in each direction, with peak-hour trains every 3.6 minutes, accommodating up to 180,000 passengers daily. Completion is targeted by the end of 2026.

RI - Weekly News is published by REHDA Institute

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