

Game-changer for Melaka

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KUALA LUMPUR: The new Melaka Waterfront Economic Zone (M-WEZ) is expected to transform the state's economic and social landscape.

Melaka Chief Minister Datuk Seri Dr Sulaiman Md Ali said the new economic zone targets to attract more than RM100bil in high-impact, high-value investments over a 15-year period, and create over 20,000 jobs annually.

The M-WEZ will be on 25,000 acres of coastal and reclaimed land, and a 33km stretch running from northern Melaka near Sungai Udang to the south in Umbai.

Sulaiman also said it will contribute at least 5% to the state's annual gross domestic product (GDP), excluding the contribution via direct income taxes to the federal government by companies operating in the zone. He described M-WEZ as a game-changer and an economic enabler for the state, and the main pillar of the Melaka Strategic Plan 2035.

"In an increasingly competitive world, Melaka needs to embark on new drivers to spur its economic development and create a new growth area, which is more inclusive and sustainable," said Sulaiman at the official launch of M-WEZ at Royale Chulan Kuala Lumpur Hotel yesterday. Also present were Melaka state assembly speaker Datuk Seri Ab Rauf Yusoh and state secretary Datuk Seri Dr Hasim Hasan.

Sulaiman said the state will offer incentives, based on the type and size of planned



investments for the economic zone. "There will be dedicated agencies providing end-to-end facilitation for investors at the district, state and federal levels. The state government will expedite approval processes for investors by doing away with unnecessary procedures and red tape," he said, adding that the state government's pro-business policy will support the development of the economic zone.

This economic zone will have five distinct clusters consisting of the Melaka Harbourfront, Smart Logistic Nucleus, Digital Satellite Township, Central Eco Business Park and Trade Nucleus New Township.

Sulaiman said a unique aspect is that it is maritime-oriented, given the long coastline and its position as a natural, deep-water harbour. "Thus, our main focus is to boost the maritime sector as a major economic contributor. We will encourage the development of container and general cargo ports, cruise and ferry terminals, free-trade zones, logistics hub, oil and gas terminals, ship

repair yards and ship-to-ship, or STS, transfer facilities," he said.

STS operations enable ships to transfer their cargo to other vessels without having to dock at the piers, which allows higher shipping flexibility and cut costs for shippers.

The economic zone will also have new areas dedicated to tourism products, duty-free zones, shopping malls, offices, hotels, residences and the IR 4.0 industries. "We will soon be signing agreements with several investors and partners to develop the zone," said Sulaiman.

He pointed out that attractions for investors include M-WEZ's strategic location, as it is almost midway between Kuala Lumpur and Singapore and capability to tap the vast market in nearby Sumatra, which has 60 million people and a growing middle-class.

"Melaka should also be able to grow its important medical tourism sector by tapping the Indonesians who are seeking better medical treatment overseas," added Sulaiman.

He also noted that despite the Covid-19

pandemic and the economic slowdown, Melaka remained attractive for investors, including foreign investors.

Last year, Melaka recorded RM2bil in investments in 41 approved manufacturing projects (compared with RM879mil in 35 projects in 2019).

"This year, we expect investments to reach RM5bil," said Sulaiman, noting that there had been a spate of new investments coming to Melaka. He said they include German semiconductor giant Infineon Technologies, which has pledged to invest RM3.25bil in Malaysia, and mostly in Melaka, over 10 years until 2029.

With almost 9,000 employees, Infineon is the largest employer in Melaka, accounting for 2% of the total workforce in the state.

Melaka has also been selected as the site by German-based company Leuze Electronic, to set up its first optical sensor production plant in South-East Asia. The company currently has similar plants in Germany, China and Brazil.