

26 APR, 2025

JS-SEZ bridging supply chain barriers

The Star, Malaysia

Page 1 of 2



**TENGKU DATUK SERI
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Investment, Trade and
Industry Minister

I JUST returned from a trip to Washington DC. I believe the Investment, Trade and Industry Ministry (Miti) team had productive engagement sessions on April 24, 2025, with the US Secretary of Commerce Howard Lutnick and the US Trade Representative Ambassador Jamieson Greer.

Malaysia stands ready to continue collaborating with the United States regarding President Donald Trump's reciprocal tariffs, and we remain open to negotiations in four key areas: reducing the trade deficit; addressing non-tariff barriers; strengthening technological safeguards and security; and exploring a potential bilateral trade agreement.

Several days ago, on April 21 to April 22, 2025, Miti collaborated with Johor and Singapore's Trade and Industry Ministry (MITI) – as well as other partners in government and private sector – to successfully organise the inaugural Johor-Singapore Special Economic Zone (JS-SEZ) Joint Business and Investment Forum in Johor Baru.

How do these two events connect?

For a start, I mentioned during my keynote at the forum on how the heart of the Malaysia-Singapore relationship lies in the fact that both countries are at our best when we work together, and there is no better time to strengthen that partnership than through the JS-SEZ, while many countries are searching for the best solutions to ensure a softer economic landing due to US tariffs.

In 2024, Malaysia and Singapore were each other's second-largest trading partner, while Singapore was Malaysia's largest export destination.

Our trade in 2024 was a robust US\$86.69bil, driven by electrical and electronics products, petroleum products, machinery and others.

Indeed, when Malaysia and Singapore entered the memorandum of understanding (MoU) on JS-SEZ in January 2024, no one expected that, 15 months later, President Trump would drop the US reciprocal tariff "bomb" on all its trading partners.

I believe this sentiment was also shared by approximately 1,000 attendees of the two-day JS-SEZ business forum.

So, moving forward, how do we leverage on the 3,588 sq km JS-SEZ to build resilience in the current global trading scenario?

Regardless of what is happening in the world, to Malaysia, the JS-SEZ offers an unbeatable strategic location, connectivity, rule

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■ **Malaysia open to negotiations with the United States in four key areas including reducing trade deficit and addressing non-tariff barriers**

■ **Now is the time to position JS-SEZ as a key player in regional and global supply chains**

of law, abundant resources and skilled talent to attract high-quality investments in sectors such as advanced manufacturing, logistics, green technology, and digital services into Johor.

For Singapore, it provides space and scale to support its businesses as they expand, leveraging Johor's land and power availability, as well as Malaysia's talent pool.

This offers a cross-border ecosystem for multinational corporations looking for stability, scalability, and sustainability.

I dare say that the JS-SEZ is in a sweet spot, particularly in a situation where Trump's tariffs are fast changing trade from a bridge to becoming a barrier, and global investors reconfigure their supply chains to make them more resilient.

Thus, we must seize the opportunity to quickly carve out a powerful presence for the JS-SEZ in regional or global supply chains.

Inclusive growth and benefits

Even while we keep engaging with the United States, the Madani government has also been diversifying our markets and reforming our economy.

The JS-SEZ plays a crucial role in supporting both objectives.

In economic reforms, for example, Miti regards the JS-SEZ as a massive "industrial park" that will be a perfect launching pad for many of our initiatives under the New Industrial Master Plan 2030.

We are also determined to ensure that the bulk of the 20,000 skilled job opportunities are taken up by Malaysians, particularly through initiatives like the Johor Talent Development Council.

What about small and medium enterprises (SMEs)?

During our forum, there was much discussion on integrating Malaysian SMEs into the regional and global supply chains by supporting both multinational corporations and local companies based in Johor.

The JS-SEZ will also help SMEs tap opportunities arising from the Singapore side, acting as a base for them to access greater logistics and exports enablers to the Asean and Asian markets.

Bear in mind, too, of the potential benefits of a successful JS-SEZ for both ordinary Malaysians and Singaporeans.

Traffic congestion and quality of life will improve dramatically once we can create passport-free QR code clearance for everyone at the Malaysia-Singapore border.

All hands on deck

That brings me to the second question: Will Malaysia, Singapore and Johor remain committed to the massive undertaking vis-à-vis the JS-SEZ?

The most compelling argument is the unity of purpose and effort between the governments involved – I felt honoured and privileged to share the stage with Johor Menteri Besar (MB) Datuk Onn Hafiz Ghazi and Singapore's Deputy Prime Minister and Trade & Industry Minister Gan Kim Yong, at the forum.

Even before the forum, Miti has been busy leading the working group for "ease of doing business", while actively supporting others like the "economic sector" (led by the Economic Ministry), "movement of goods" (led by the Royal Malaysian Customs Department) and "talent" (led by the Human Resources Ministry).

Agencies like Malaysian Investment Development Authority, Iskandar Regional Development Authority and Invest Johor have been actively collaborating with various local councils in Johor, too.

These have led to some quick wins, including the establishment of the Invest Malaysia Facilitation Centre Johor on Feb 18, 2025, a significant milestone in streamlining investment processes for the JS-SEZ.

JS-SEZ must grow

Therefore, the commitment of all three parties to the JS-SEZ is undoubtedly clear.

In expanding the JS-SEZ scope, for example, the federal government supports Johor's proposed regulatory sandbox initiative, which will be instrumental in unlocking new waves of sustainable, high value investments that will benefit both local stakeholders and international partners.

Given the JS-SEZ's strategic location at the heart of South-East Asia and Asia, we also aim for the JS-SEZ to support these regional supply chains, which must be championed well beyond Malaysia's 2025 Asean chairmanship.

This was already exemplified by the MoU exchange at the forum – between Tanjung Langsat Port and Pertamina Energy Terminal – aimed at achieving an annual trading volume of three million tonnes within JS-SEZ.

This is also why Miti welcomes the Johor MB's proposal to establish an Asean (or even Regional Comprehensive Economic Partnership) Industrial Park within the JS-SEZ, to foster economic integration and attract high-value investments from within Asean and beyond.

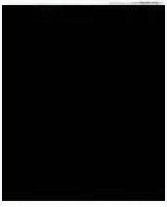
The focus should be on enhancing supply chain efficiency and resilience in Malaysia-Singapore industries that complement, rather than compete, such as research and development, biotechnology, and renewable energy.

There will be scepticism, no doubt, but we must stay the course.

Considering how global trade is evolving (potentially for the worse), Malaysia and Singapore must harness their complementary strengths to elevate ourselves regionally vis-à-vis the JS-SEZ.

With the right public-private support from both sides of the Causeway, the JS-SEZ can emerge as a regional economic powerhouse to strengthen both Asean and Asia's supply chain, while serving Asia's 4.7-billion strong market.

What is clear is that in this quest, both Malaysia and Singapore can be winners via the JS-SEZ.



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Page 2 of 2

SUMMARIES

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