



# REGIONAL CORRIDORS – THE ECER EXPERIENCE

Key Note Address by

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CEO of East Coast Economic Region Development Council (ECERDC)

# ABOUT ECERDC

**ECERDC was formed to narrow the regional disparity**

## WHO WE ARE

The East Coast Economic Region Development Council (ECERDC) is a statutory body established under an Act of Parliament, the East Coast Economic Region Development Council Act 2008 (Act 688).

## OUR ROLE

- To drive the implementation projects and key programmes identified in the ECER Master Plan to make ECER a developed region by 2020.
- To provide the proper direction, policies and strategies in relation to the development within the East Coast Economic Region.
- To facilitate the coordination between Government entities in the promotion of trade, investment, tourism and development activities within the East Coast Economic Region (ECER).

## CHAIRMAN

Prime Minister

## MEMBERS OF THE COUNCIL

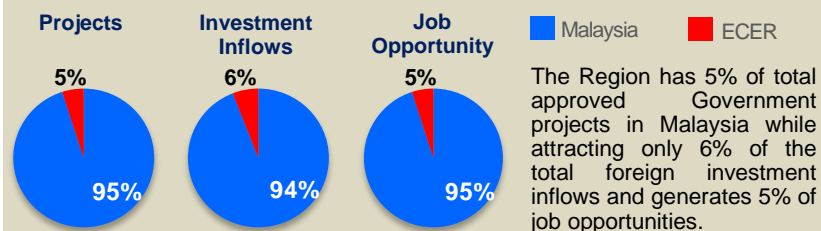
- Deputy Prime Minister
- Menteri Besar  
(Johor, Pahang, Terengganu & Kelantan)
- Finance Minister II
- Minister in the Prime Minister's Department
- Chief Secretary to the Government
- Private Sector Representatives
  - PETRONAS
  - IOI GROUP



The East Coast Economic Region (ECER) has a population of about 4.2 million (2013) representing 15% of Malaysia population. The total area of the Region is 66,736 sq km or 51% of the Peninsula land area. The low level of household income is reflected in the high incidence of poverty in the Region.

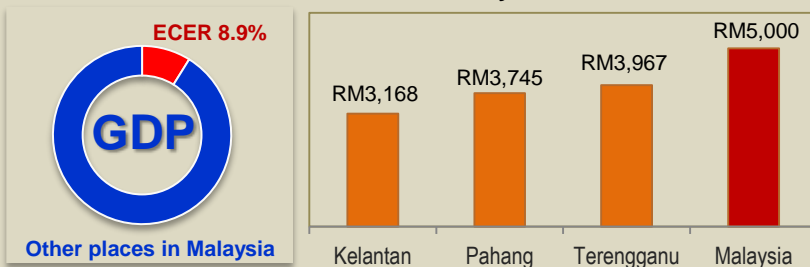


State	Income Gap (2012)
 Kelantan	1 : 0.63
 Terengganu	1 : 0.79
 Pahang	1 : 0.75



ECER represents 8.9% of the total GDP of Malaysia.

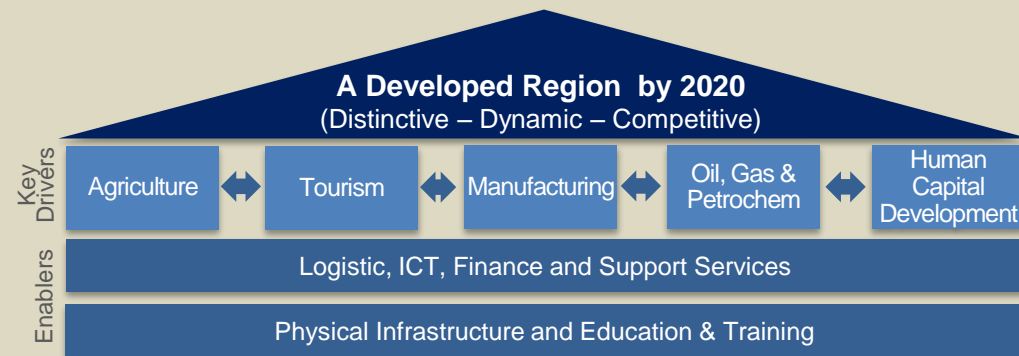
Meanwhile, average income level in ECER is 73% of the national average. Average monthly household income in ECER and Malaysia for 2012.



The main objective of the ECER Master Plan is to bridge the regional disparity by:

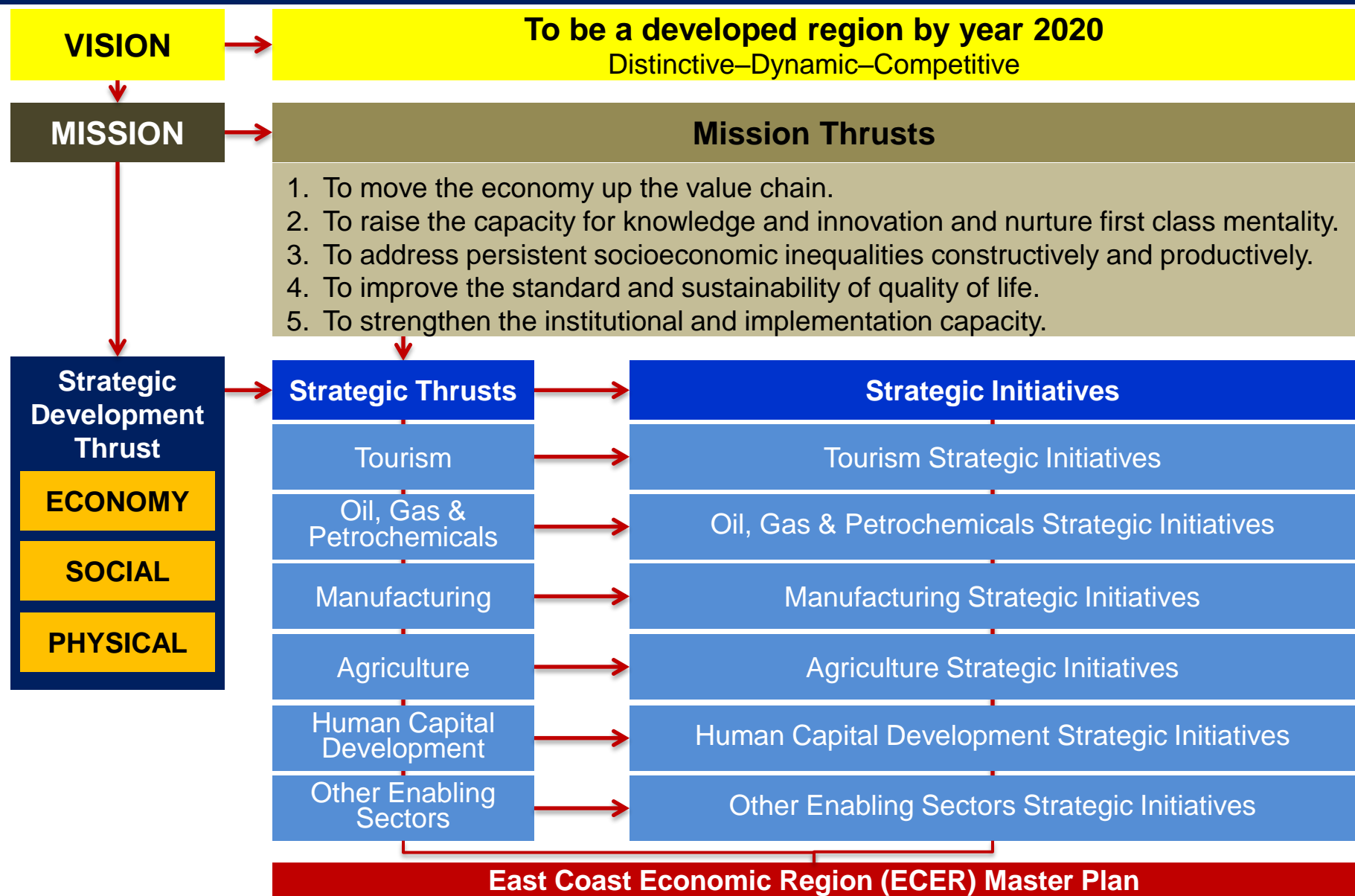
- Developing the economy of the East Coast Region in a competitive, balance and sustainable manner.
- Implementing programmes and projects to **raise income levels** and **eradicate poverty** by **generating job prospects** and **entrepreneurialism** through **high impact projects** and **investments** to spearhead the development of the Region.

## ECER's Vision as stated in the Master Plan



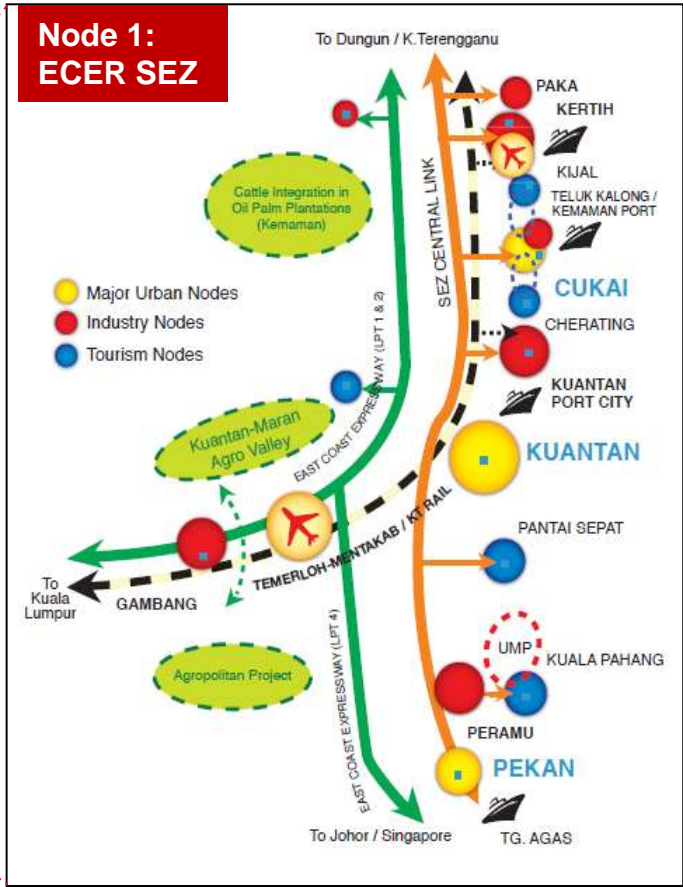
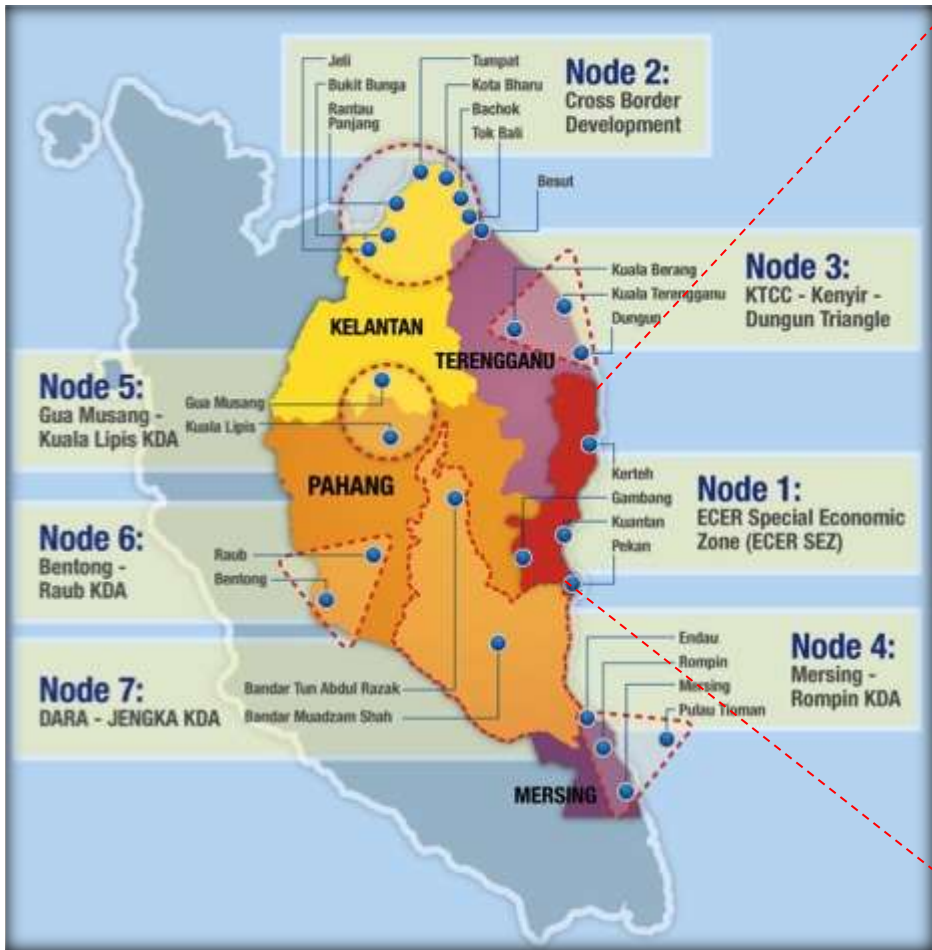
Today is the start of a brighter tomorrow...





# KEY DEVELOPMENT AREAS (KDAs)

Seven KDAs were identified within ECER



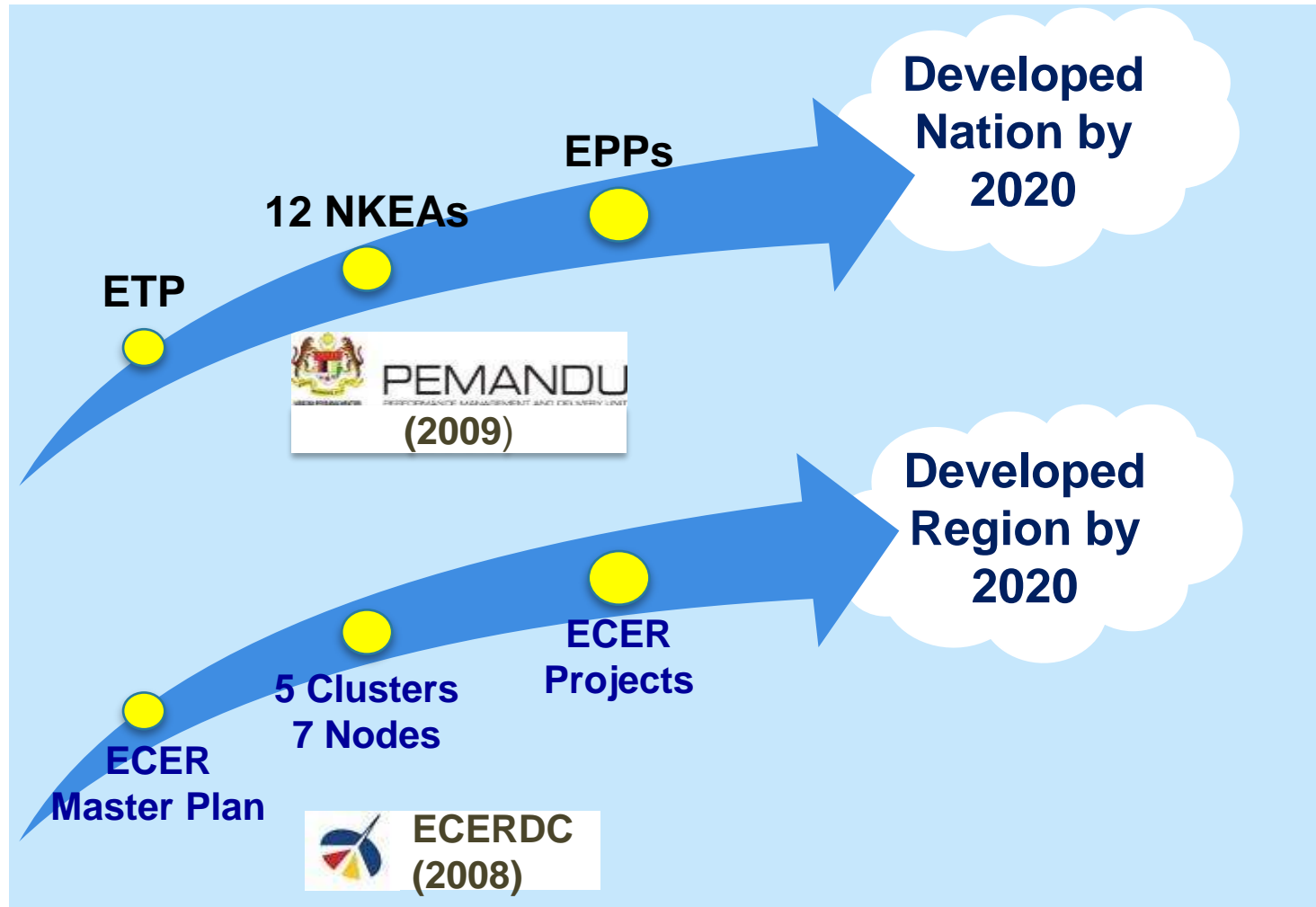


- Eastern Gateway to almost 4 billion population of ASEAN, Asia Pacific & Far East, with US\$17 trillion combined GDP.
- Major Tourism Destination.
- Exporter of Resource-based and Manufacturing products.
- Positioned as infrastructure and logistics hub.

# CLUSTER APPROACH IN ECER MASTER PLAN

Confidential

Is aligned with the National Key Economic Areas (NKEAs) under the Government's Economic Transformation Programme (ETP)



# C&C LAB IDENTIFIED 18 ENTRY POINT PROJECTS (EPPs)

14 EPPs for Corridor and 4 EPPs for Cities were identified during PEMANDU C&C Lab

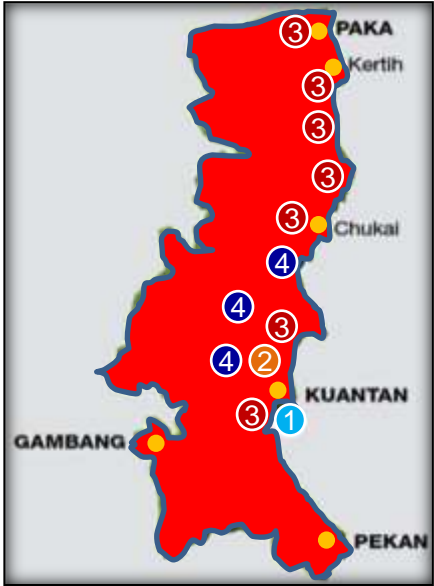
<b>Aquaculture</b> GNI: RM1,030 mil Jobs: 4,516 Private Investment: 94%	1	<b>Dairy Cattle</b> GNI: RM667 mil Jobs: 1,026 Private Investment: 86%	2
<b>Goat &amp; Sheep</b> GNI: RM816 mil Jobs: 3,727 Private Investment: 83%	3	<b>Cassava</b> GNI: RM427 mil Jobs: 4,200 Private Investment: 76%	4
<b>Coastal Tourism</b> GNI: RM1,974 mil Jobs: 32,358 Private Investment: 94%	5	<b>Ecotourism</b> GNI: RM349 mil Jobs: 2,056 Private Investment: 91%	6
<b>Island Tourism</b> GNI: RM 156 mil Jobs: 989 Private Investment: 95%	7	<b>Automotive Assembly</b> GNI: RM 1,340 mil Jobs: 28,338 Private Investment: 94%	8
<b>Downstream Palm Oil</b> GNI: RM 2,279 mil Jobs: 8,259 Private Investment: 88%	9	<b>Halal Hub</b> GNI: RM1,100 mil Jobs: 12,881 Private Investment: 89%	10
<b>Polymer</b> GNI: RM 1,600 mil Jobs: 3,229 Private Investment 97%	11	<b>Supply Base Services</b> GNI: RM2,700 mil Jobs: 14,010 Private Investment: 95%	12
<b>Kuantan Port Expansion</b> GNI: RM 3,796 mil Jobs: 8,638 Private Investment: 75%	13	<b>Roads &amp; Rail</b> Total Investment: RM4.1bil Private Investment: 3.4%	14

## 14 EPPs for Corridor



- Agriculture
- Tourism
- Manufacturing
- Oil, Gas & Petrochemicals
- Enablers - Infrastructure

## 4 EPPs for Cities in SEZ



### Modern Amenities

#### Kuantan Waterfront

Public Investment: RM237 mil  
Private Investment: 90%

### Connectivity

#### Buses & Taxis

Public Investment: RM56 mil

### Essential Services

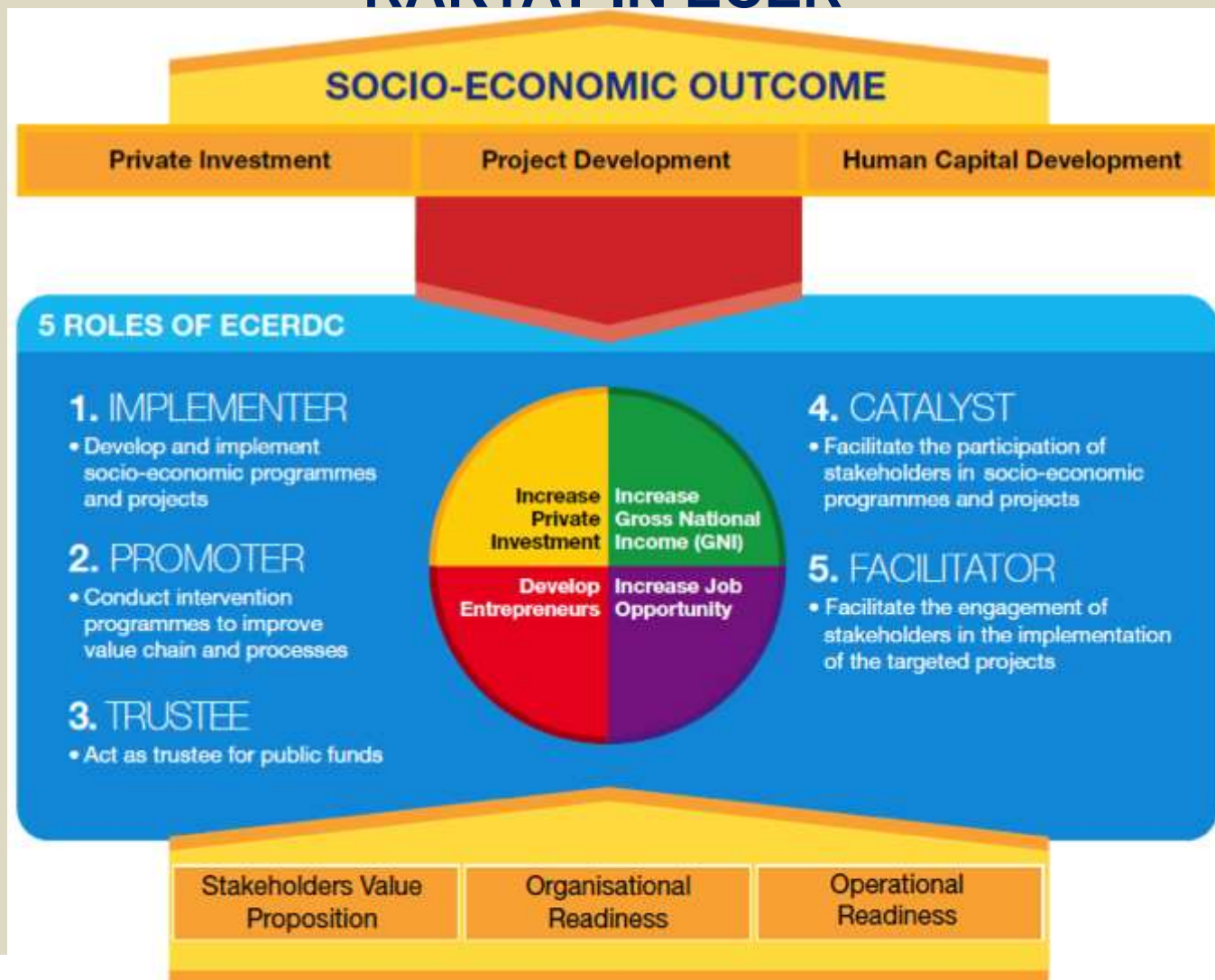
#### Flood Mitigation

Public Investment: RM653 mil

#### Sewerage Management

Public Investment: RM926 mil

## RAISE THE LIVING STANDARDS OF THE RAKYAT IN ECER



Raise the living standards  
of Rakyat in ECER

Our Shared Values.....

As **ONE**



Consolidate  
Deliver  
Sustain

**P**rofessionalism

**L**oyalty

**I**ntegrity

Our Roles...

Trustee

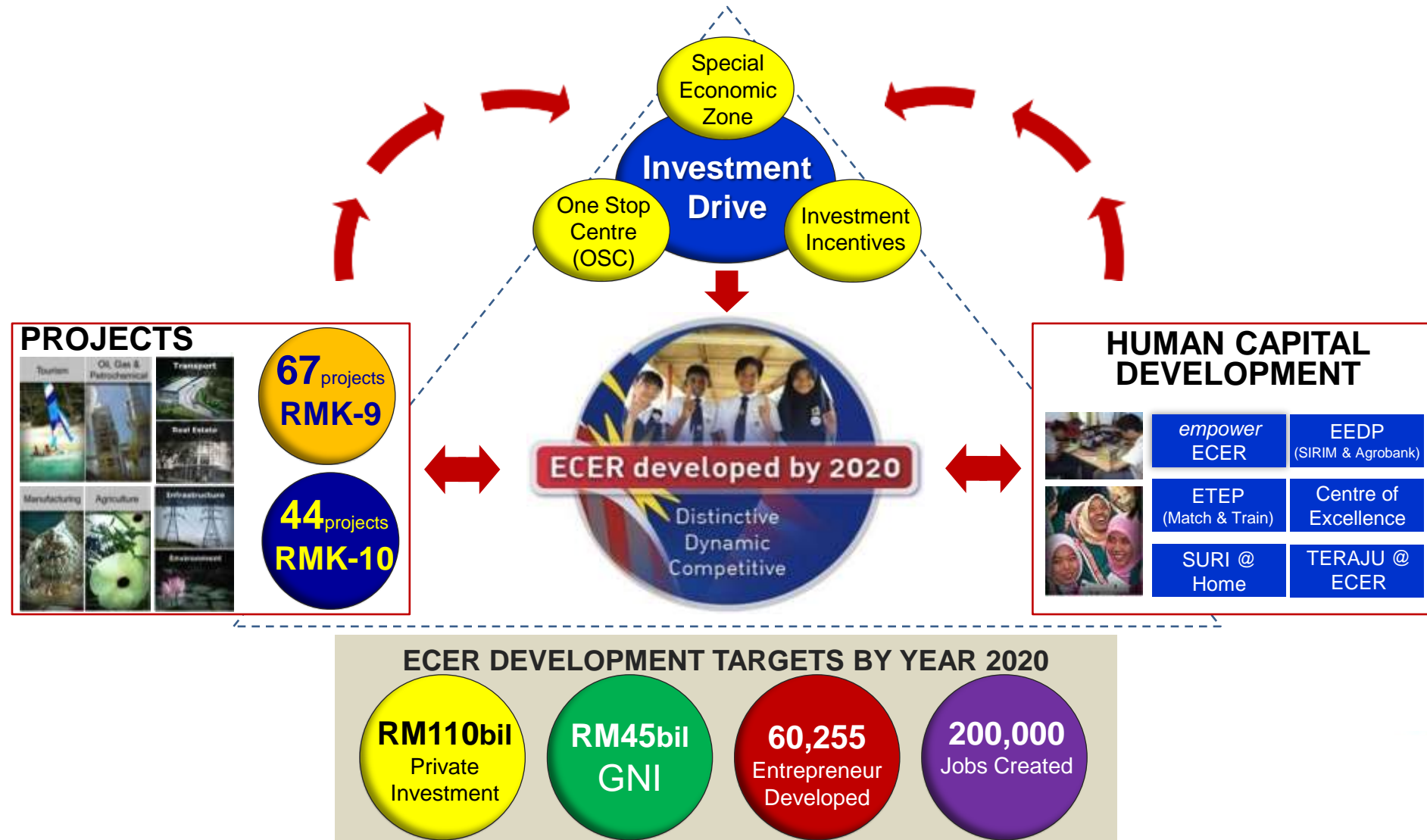
Promoter

Catalyst

Facilitator

Implementer

## IMPROVING THE QUALITY OF LIFE OF RAKYAT IN ECER





High Level Objective (HLO)	Key Performance Indicator (KPI)	
<b>Private Investment</b>	1	Potential Investment
	2	Committed Investment
	3	Approved Investment
	4	Realized Investment
	5	Gross National Income (GNI)
	6	Number of Anchor Company Appointed
<b>Project Development</b>	7	Number of Projects Commenced
	8	Number of Projects Completed
	9	Utilization of DE Budget
	10	Fatal Accident At Site

High Level Objective (HLO)	Key Performance Indicator (KPI)	
<b>Human Capital Development</b>	11	Number of Active Participants in the Agropolitan Programme
	12	Average % increase in monthly household income of Agropolitan participants
	13	% of Passes in the UPSR/PMR/SPM Examination for 9,400 <i>empower</i> ECER Students
	14	Number of Jobs created
	15	Number of Entrepreneurs created (a) Total entrepreneurs created (b) % of women entrepreneurs created
<b>Agenda Pemerkasaan Ekonomi Bumiputera</b>	16	% of Jobs created for Bumiputera (from Item 14)
	17	% of Bumiputera Entrepreneur created (from Item 15) (a) Total Bumiputera entrepreneurs created (b) % of women Bumiputera entrepreneurs created
	18	% of ECERDC Contracts Value awarded to Bumiputera
	19	Number of Orang Asli involved in ECERDC's academic, entrepreneurship, poverty eradication and skills training Projects and Programme

High Level Objective (HLO)	Key Performance Indicator (KPI)	
<b>Corporate and Strategic Planning</b>	20	Develop 2015 Organizational KPIs
	21	Monitor 2014 Organizational KPIs
	22	Formulate ECER Strategic Framework for 11th Malaysia Plan
	23	Prepare and consolidate DE Budget for application under 10th Malaysia Plan (Rolling Plan 5)
	24	Review and propose revised ECERDC Entry Point Projects (EPP)
	25	Formulate Strategic initiatives for ECER Special Economic Zone (SEZ)
	26	Formulate Strategic initiatives for Border Economic Zone
	27	PR Value on Media Coverage
<b>Operational Efficiency and Organizational Readiness</b>	28	Accurate Information on ECERDC Website
	29	Utilization of Operating Expenditure (OE) Budget
	30	Accountability Index
	31	Staff Talent Developed in Business and Leadership Competencies

	Meeting Frequency	Level	Chairperson	Responsibilities
<b>ECERDC Board Meeting</b>	Quarterly	ECER	YAB Prime Minister	<ul style="list-style-type: none"> <li>Review progress of individual project.</li> <li>Approval and Strategic Issue Resolution to EPPs and enabler projects in ECER</li> <li>Ensure alignment of regulatory framework, vision and policies</li> </ul>
<b>Implementation &amp; Coordination Committee (ICCs)</b>	Quarterly	State	YAB Menteri Besar	<ul style="list-style-type: none"> <li>Review progress of individual project</li> <li>Approval and Strategic Issue Resolution to EPPs and enabler projects at respective state.</li> <li>Ensure alignment of regulatory framework, vision and policies</li> </ul>
<b>ECERDC Management Committee</b>	Monthly	ECERDC	CEO, ECERDC	<ul style="list-style-type: none"> <li>Drive the implementation and outcomes of the EPPs</li> <li>Provide guidance / direction to project and program implementation teams.</li> <li>Seek and execute mandate from the Board</li> <li>Endorse new or potential investors for new projects</li> <li>Propose new or improved policies and procedures to enhance the effectiveness of the project and program implementation.</li> </ul>

## ECER's Key Projects

SUPPLY CHAIN and VALUE CHAIN INTEGRATION – VALUE ADD TO THE RESOURCES OF THE REGION

**KUANTAN  
INTEGRATED  
BIOPARK**



**RM2.0bil**

Private  
Investment

**8,260**

Jobs Created

**TOK BALI**



**RM4.7bil**

Private  
Investment

**2,544**

Jobs Created

**GAMBANG &  
PASIR MAS  
HALAL PARK**



**RM2.6bil**

Private  
Investment

**11,780**

Jobs Created

**KERTIH  
POLYMER  
PARK**



**RM4.2bil**

Private  
Investment

**3,229**

Jobs Created

**PEKAN  
AUTOMOTIVE  
PARK**



**RM5.2bil**

Private  
Investment

**28,300**

Jobs Created

## ECER's Key Projects

### DAIRY CATTLE



### GOAT & SHEEP



### AQUACULTURE & FISHERIES



### HERBAL & BIOTECHNOLOGY



**RM568mil**  
Private  
Investment

**1,026**  
Jobs Created

**RM705mil**  
Private  
Investment

**3,727**  
Jobs Created

**RM2.0bil**  
Private  
Investment

**4,516**  
Jobs Created

**RM66mil**  
Private  
Investment

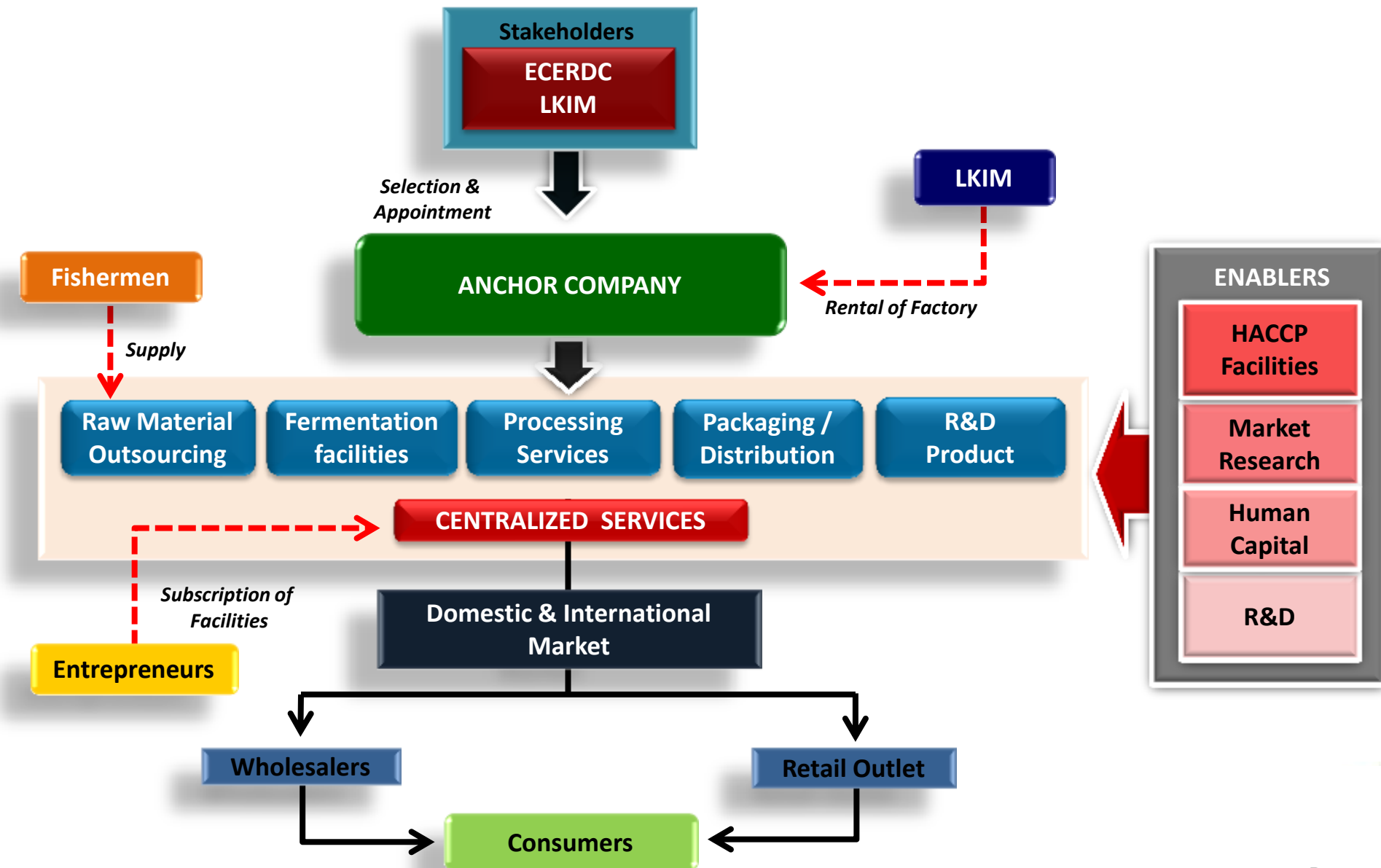
**1,244**  
Jobs Created

**INVESTMENT OPPORTUNITIES IN LARGE SCALE AND FULLY INTEGRATED VALUE CHAIN  
AGRICULTURE PROJECTS AND ANCHOR COMPANY – CONTRACT FARMING BUSINESS MODEL**

# Sample of Business Model CPPC Pengkalan Kubor

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Generate agricultural sustainability via appointment of Anchor Company (AC) to operate large scale and commercial farms



## ECER's Key Projects

CREATES OPPORTUNITIES FOR REAL ESTATE DEVELOPMENT SUCH AS HOTELS, RESORTS AND COMMERCIAL & OFFICE PREMISE

### COASTAL TOURISM



### CULTURAL & HERITAGE TOURISM



### ECOTOURISM



### URBAN TOURISM



### ISLAND TOURISM



- Cherating Coastal Tourism
- Teluk Bidara Coastal Tourism
- Bandar Dungun Coastal Tourism
- Pulau Besar / Kg. Penarek Coastal Tourism

- Pekan Heritage Development
- Sultan Abu Bakar Museum
- Sultan Abdullah Mosque
- Homestay & Kampung Stay

- Setiu Wetlands State Park
- Ecotourism Trail (Malasian Tiger Trail)
- Tasik Chini State Park
- Lojing Highlands
- National Park (*Taman Negara*)
- Endau Rompin National Park (*Taman Negara Endau Rompin*)

- Kuala Terengganu City Center (KTCC)
- Kuantan Waterfront
- Kota Bharu City Center (KBCC)

- Pahang Islands
- Terengganu Islands
- Mersing Islands

# LEVERAGING ON ECER's NATURAL RESOURCES

Sustainable ecotourism projects are being planned, mindful of the need to preserve and conserve the natural environment and cultural assets such as forest communities while building or upgrading facilities and amenities for the convenience and comfort of visitors.

Alignment with international standards



The International Standard for Sustainability

Criteria & Indicators

- Sustainable Management
- Social Economic
- Environmental
- Cultural Heritage



Pekan Heritage Development



Homestay & 'Kampung' Stay



Upgrading of Infrastructure for Islands of Terengganu, Pahang & Mersing



Eco-Adventure Trail Kuala Krai-Gua Musang-Kuala Lipis-Jerantut-Raub-Lanchang



Proposed Setiu Wetlands Management Zones



Proposed Tasik Chini Management Zones



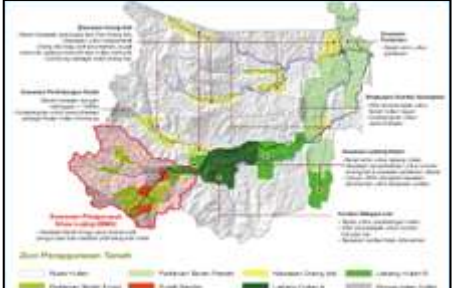
Coastal Protection at Pantai Teluk Lipat, Dungun



Proposed Endau-Rompin Management Zones



Proposed National Park Management Zones



Proposed Lojing Special Management Areas

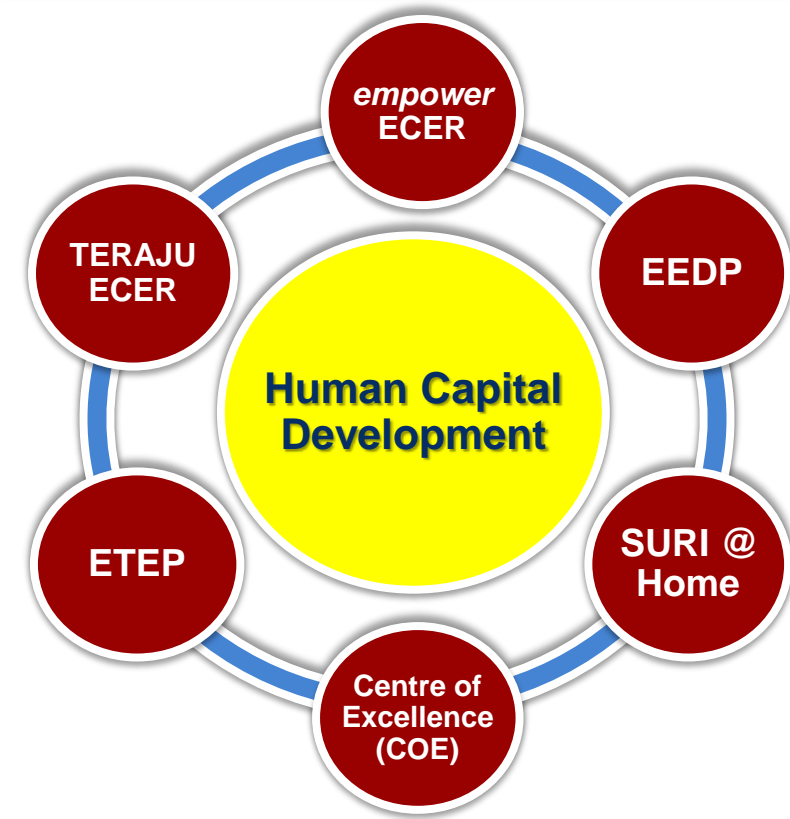
# HUMAN CAPITAL DEVELOPMENT

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Ensuring local population is not left out of the rapid transformation and new prosperity

## 2 THRUSTS of Human Capital Development

- To create a skilled workforce, with the appropriate skill sets and talents to meet the demands of existing and emerging industries in ECER.
- To create a pool of entrepreneurs and small medium enterprises for the Region's four clusters – Tourism, Oil, Gas & Petrochemicals, Manufacturing and Agriculture.



- Agropolitan is an ECERDC poverty eradication initiative based on the agriculture platform.
- Participants are resettled and work in plantation agriculture and the livestock industry.
- Housewives are encouraged to work in secondary economic activities.
- SINAR ECER conducts tuition and motivational classes for children.



# ECER TALENT ENHANCEMENT PROGRAMME (ETEP)

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- To accelerate the development of technical, vocational, engineering and non-engineering graduates and skilled professional workforce through partnerships and collaboration with the private sector.
- To build a talent pool via industry relevant skills training and on-the-job (OJT) practical exposure.
- To increase the employability amongs technical, vocational, engineering and non-engineering graduates in ECER.

100 Talent Enhancement Programme participants at HICOM Manufacturers (M) Sdn Bhd, Pekan Pahang



64 Talent Enhancement Programme participants at KANEKA (M) Sdn Bhd, Gebeng Pahang.





Kuantan Port Expansion



Jengka Central Complex, Maran



Bukit Kuang Bridge



Central Spine Road Gua Musang to  
Kuala Lipis



Panching Water Treatment Plant



Kuala Terengganu City Centre (KTCC)

# 10 REASONS TO INVEST IN ECER

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- 1** Strong support from Federal and State Governments with pro-business and liberal investment policies
- 2** Advantageous geographical orientation - Eastern Gateway of Malaysia to Europe, US & Asia Pacific
- 3** Strong resources endowment - crude oil, natural gas, tin, timber, palm oil, rubber and others
- 4** Abundance of land to set up diverse range of business facilities
- 5** Good accessibility and connection by highways, airports, seaports and railway
- 6** Competitive wage rates compared to the West Coast states
- 7** Multilingual workforce speaking two or three languages, including English & Mandarin
- 8** Large & established foreign business community in all business sectors
- 9** Market-oriented economy - exporter of resource based & manufacturing products
- 10** ECERDC is the One-Stop Center for investor management facilitating the incentive application for approval

## **100%** **INCOME TAX** **EXEMPTION FOR** **10 YEARS**

Commencing from the  
year company derives  
statutory income

### **Fiscal Incentives**

- (or) Income tax exemption equivalent to 100% of qualifying capital expenditure (or Investment tax allowance) for 5 years
- Stamp duty exemption for industrial park development, agriculture and tourism projects
- Import duty and sales tax exemption on raw materials, components, machinery, equipment, spare parts and consumables that are not produced locally and used directly in the production activity

### **Non-Fiscal Incentives**

- Competitive Land Prices
- Industrial park ready with infrastructure
- Flexibility in employment of expatriates
- Facilitation of human capital development
- Facilitation Fund from UKAS\*

*\* (Public Private Partnership Unit)*

**Note: Customized incentives are given on merit basis.**



# **COME AND DISCOVER ECER. YOUR UNIQUE INVESTMENT DESTINATION.**

**We invite individuals and corporations to explore the various business opportunities in ECER, especially in Tourism, Oil, Gas & Petrochemical, Manufacturing, Agriculture and Education.**

***For more information please contact :***

**ECER Secretariat**

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