



**FOSTERING CAPACITY FOR SUSTAINABLE
REGIONAL ECONOMIC GROWTH:**

**MALAYSIA GEOSPATIAL FORUM
11TH MARCH 2014**



**SABAH ECONOMIC DEVELOPMENT AND
INVESTMENT AUTHORITY**



SABAH DEVELOPMENT CORRIDOR 2008-2025

The vision for Sabah is to be a vibrant, economically successful and liveable state

SDC is underpinned by 3 key principles

- Capture higher value economic activities
- Promote balanced economic growth with distribution
- Ensure sustainable growth via environmental conservation

New Economic Model:

- Creativity
- Innovation
- Capture higher value economic activity



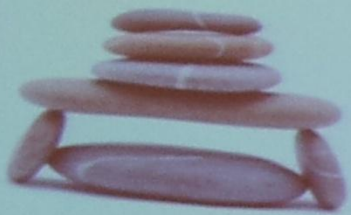
Catalysing future growth via infrastructure as well as high economic impact and poverty eradication projects

Higher order value-add activities, the presence of global companies and a strong base of local SMEs

An attractive destination for FDIs with strong supporting infrastructure, global companies and knowledge workforce



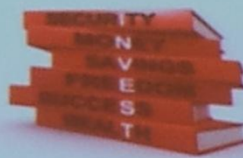
WHY MALAYSIA?



Political and
Economic Stability



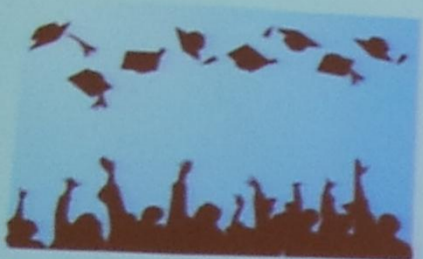
Pro-business
Government



Liberal Investment
Policies



Well Developed
Infrastructure



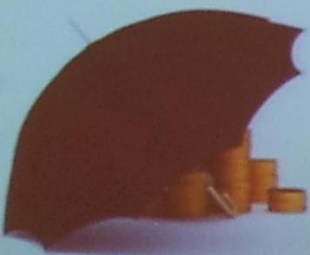
Trainable and
Educated
Human Resource



Quality of Life



Look East
Policy:
Korean
Speaking
Engineers



Sound Banking
System



Stable Exchange
Rate

Low Inflation
Rate

Regional FTAs Concluded:



China

Japan (Goods)

Korea

Australia

New Zealand

India (Goods)

Other regional

OIC

D8



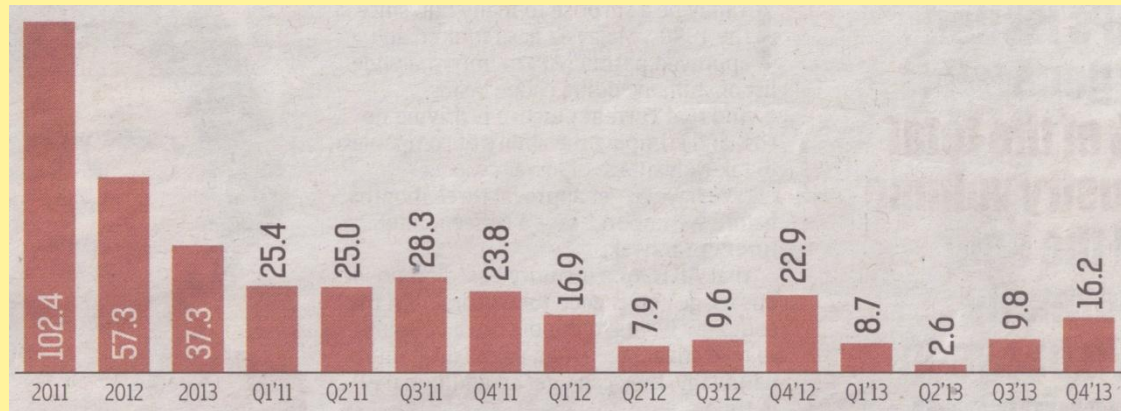
MALAYSIA ALSO GATEWAY TO OTHER MARKETS

Strategic location: Malaysia is a gateway to other markets with preferential access through Free Trade Agreements (FTAs).



- Potential market of 2.7 billion people.
- Tariff reduction and elimination mostly by 2016.

CURRENT ACCOUNT (RM BILLION)

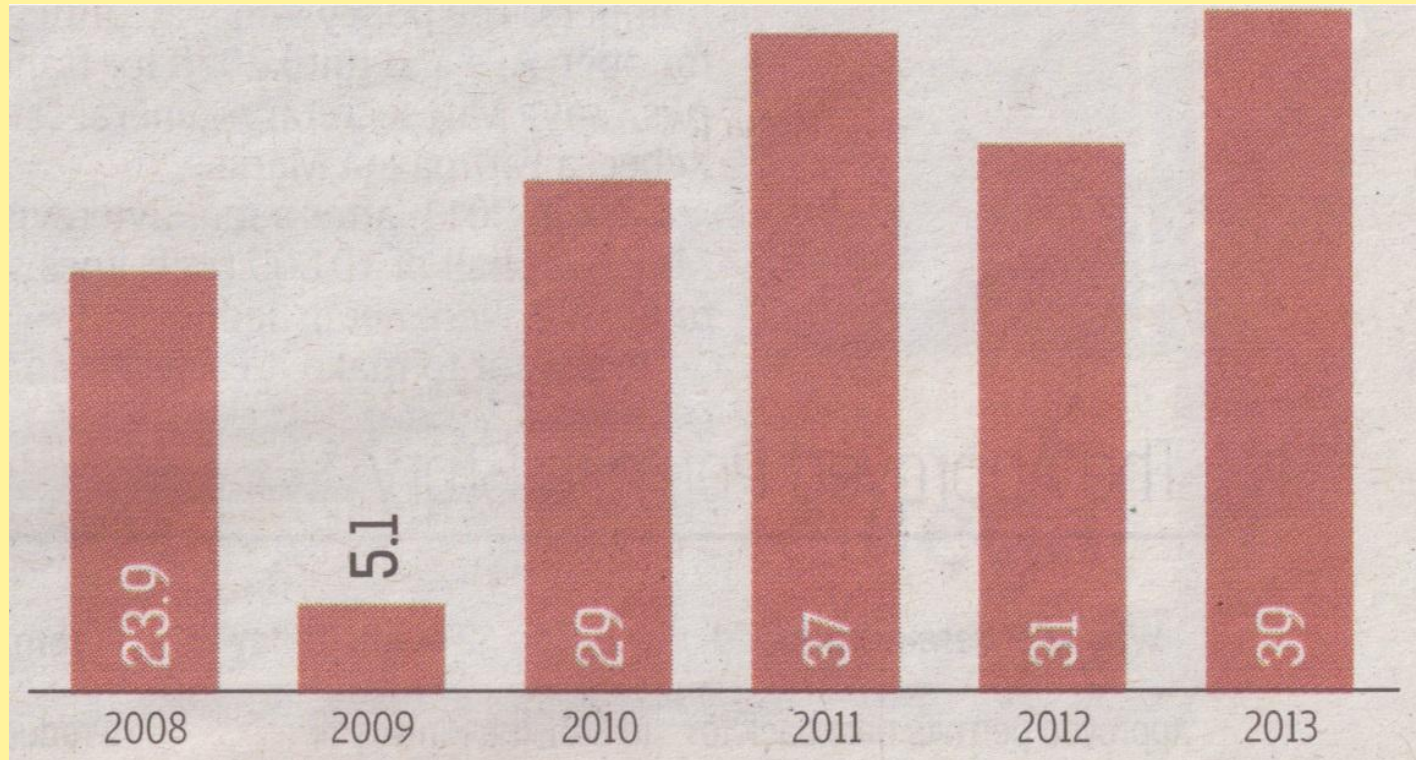


FDI TO ASEAN-5 SURPASSING FDI TO CHINA IN 2013

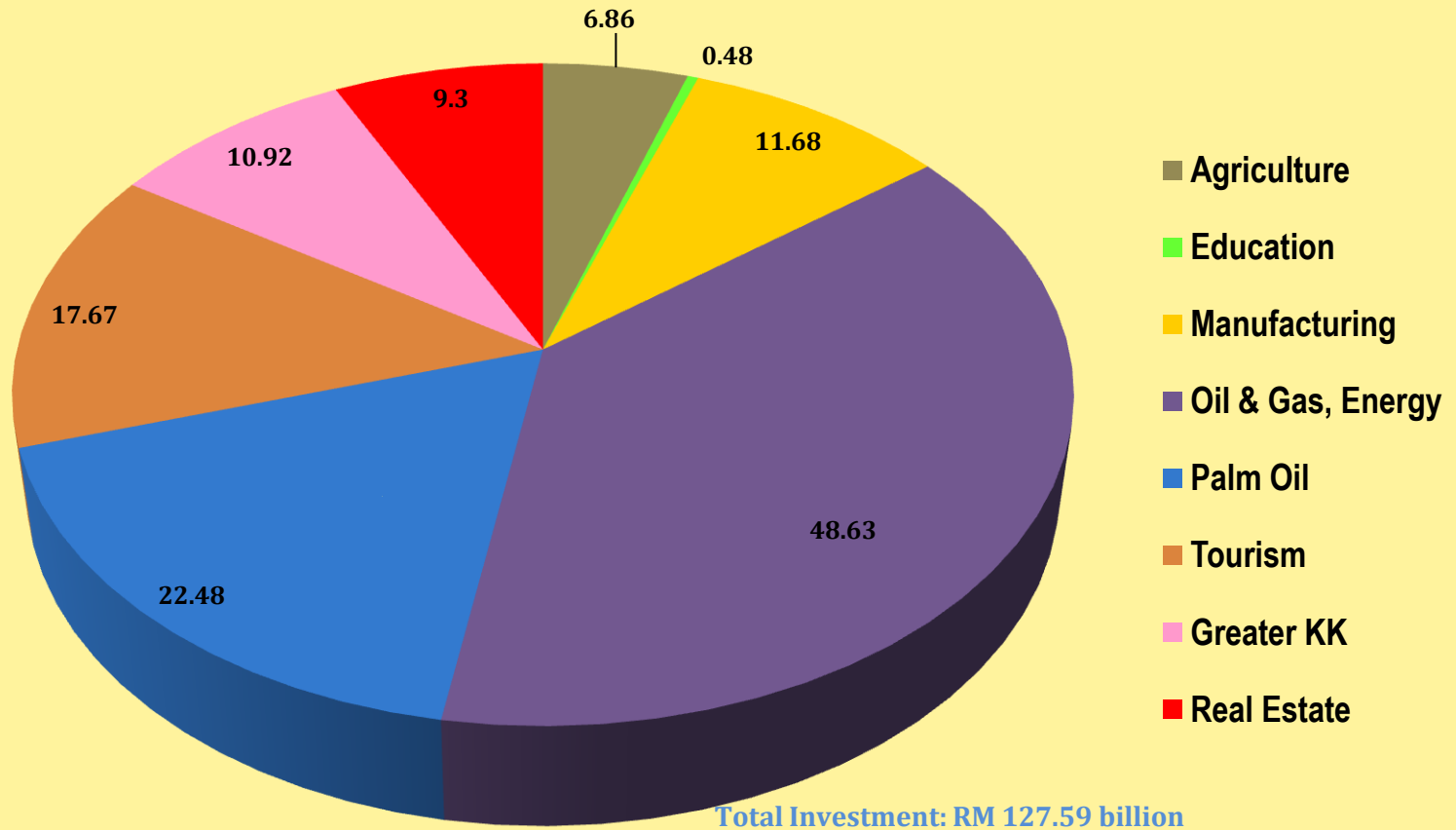
- **FDI into ASEAN-5 climbed to USD128.4 billion, up 7% from USD120 billion In 2012.**
- **FDI into China fell to USD117.6 billion in 2013, down 2.9% from USD121.1 billion In 2012”**

(Bank of America Merrill Lynch

ANNUAL FDI (RM BILLION)



**CUMULATIVE COMMITTED INVESTMENT IN SDC
FROM 2008-2013 (NOVEMBER)**



STRATEGIC GEOGRAPHICAL LOCATION: LINKING BIMP-EAGA AND NORTH EAST ASIA



Direct Non-Stop International
Flights To KK

> 140 Flights per day



THE PEOPLE: RICH MULTI-CULTURAL HERITAGE

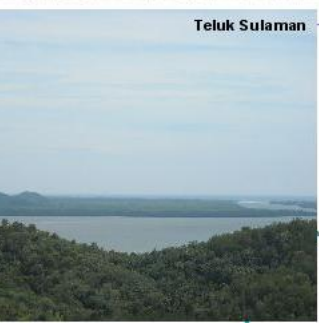
Rich cultural heritage and valuable ethnobotanical knowledge from the indigenous communities.

- ***Handicraft Village and Production Centre***
- ***Sabah Agricultural Park and Rafflesia Info Centre***
- ***Murut Cultural Centre***
- ***Agropolis, Dusun and Murut longhouse***
- ***Specialty Natural Products (ginger, herbal plants etc)***
- ***Inland fisheries, fruits and vegetable farms***



**KENINGAU
Handicraft Village**





Teluk Usukan

Teluk Ambong

Teluk Sulaman

P. Rampayan Laut/Manamun/Tamau/Emas

Pantai Emas / Tamau / Nanamun / Rampayan Laut



poprina
poprina
poprina

WILDLIFE SANCTUARY

Large expanse of wetlands, rich with wildlife (orang utan, sumatran rhino, pygmy elephant, sun bear, proboscis monkey etc) and fresh water fish

- ▣ *Largest Ramsar site in Malaysia*
- ▣ *Tabin Wildlife Reserve*
- ▣ *Tabin Wildlife Resort*
- ▣ *Kinabatangan Wildlife Park*
- ▣ *Providing Sustainable Development Model for harvesting forest products & carbon sequestration (eg the Deramakot Model)*
- ▣ *Nature Tourism facilities*
- ▣ *Social and Community Forestry*
- ▣ *Centre for Wildlife Studies*



New slow loris species discovered in Borneo

Researchers have discovered a new slow loris species in the jungles of Borneo, according to findings published this week in the *American Journal of Primatology*.

Known for its toxic bite, the slow loris—a nocturnal primate found across Southeast Asia—is closely related to a lemur and is characterized by unique fur coloration on its face and body.

An international team of scientists pinpointed the new species, found in Borneo's central-east highland area, by studying the distinctive colorings of the faces of the animals.

"Differences among these facemasks resulted in recognition of four species of Bornean and Philippine lorises," the statement said. "Of these, *Nycticebus kayan* is a new group unrecognized before as distinct."

The team's analysis also recognized two other species, previously considered as possible sub-species, as unique.

"In the first study to



This handout picture supplied on 17 July, 2011 by the Danau Girang Field Center and taken on June 30, 2011 shows a Slow Loris before being caught at Sabah Girang field center on Borneo Island in Malaysia as Malaysian wildlife researchers have tagged a Bornean Slow Loris for the first time to study the protected species threatened by illegal pet trade. A new study revealed December 12, 2012 that a type of slow loris (*Nycticebus*) found across South East Asia, from Bangladesh and China's Yunnan province to the island of Borneo, is rare among primates for having a toxic bite, and is rated as

Vulnerable or Endangered on the IUCN Red List.

-AFP Photo/ HO/ Danau Girang Field Center

quantify facial mask differences, we have recognized three new species of slow loris, two of which were recognized as subspecies at some point in the past, but are now elevated to

species status, and one previously unrecognized group," said Rachel Munds of the University of Missouri - Columbia.

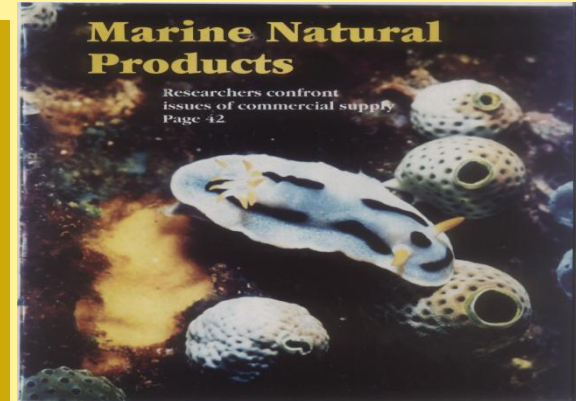
"This finding will assist in conservation efforts for

these enigmatic primates, although survey work in Borneo suggests the new species are either very difficult to locate or their numbers may be very small." -AFP

MARINE-BASED RESOURCES

Located within the Coral Triangle: The Cradle of Coral Evolution

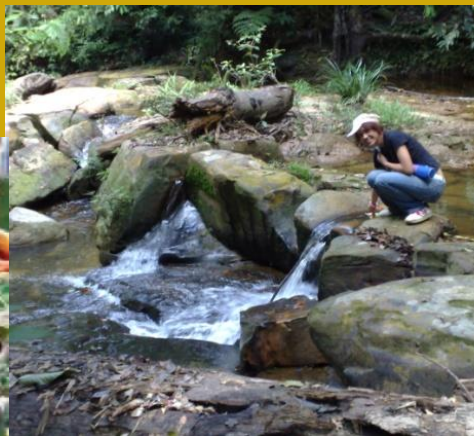
- ▣ *Tun Sakaran Marine Park and the world renowned Sipadan Island*
- ▣ *Diving and Island tour, Lepa-lepa Tourism Regatta*
- ▣ *Marine and fresh-water aquaculture*
- ▣ *Seaweed, tiger prawn, pearl and 'Kupang' cultivation*
- ▣ *Handicraft Production Centre*
- ▣ *National Aquaculture Centre*
- ▣ *Cruise ship, boating and sailing with marina and shipyards*
- ▣ *Passenger and ferry terminal*
- ▣ *Aquabio industrial facilities*
- ▣ *Sea Food Cluster with cold storage & distribution facilities.*
- ▣ *Southern Gateway with Barter Trade Centre*
- ▣ *Centre for Marine Biotechnology R&D*
- ▣ *Transshipment and Import-export services*
- ▣ *Bunkering and logistics support*



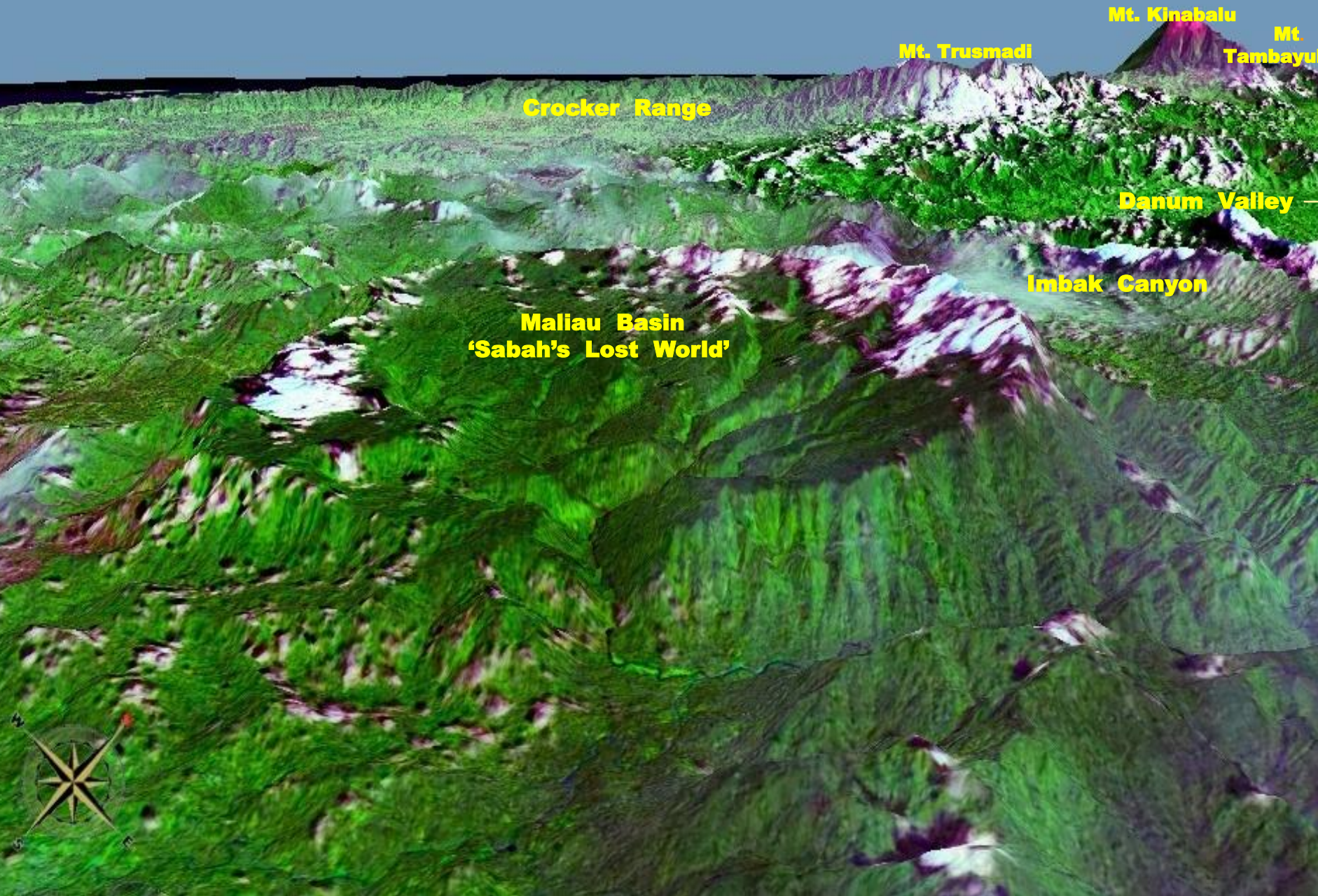
SABAH BIODIVERSITY

Mega biodiversity, relatively unaffected by the Ice Age, and unique geological formation , serving as a major carbon sink

- ▣ ***Heart of Borneo Project, natural history research, education & tourism***
- ▣ ***Danum Valley, Maliau Basin, Imbak Canyon***
- ▣ ***Social and Community Forestry. Providing Sustainable Development Models for harvesting forest products & forest rehabilitation***
- ▣ ***Deramakot & Infrapro: CO2 sequestration by rehabilitating 25,000 ha of degraded forest, one of the largest enrichment planting efforts in the world, undertaken by Innoprise and the Face Foundation***
- ▣ ***Agro-forestry belt for valuable rare plant species***
- ▣ ***Regulated access to genetic resources for bio-prospecting and R&D***
- ▣ ***Taliwas Forestry & Recreation Centre. Madai-Baturong FR Nature Centre***
- ▣ ***Tingkayu Archeological Site***
- ▣ ***Madai Cave & Massif , bird's nests and wildlife***
- ▣ ***Tasik Impian, waterfalls, hot springs***



NATURE AT ITS BEST: HEART OF BORNEO



Mt. Kinabalu

Mt.

Tambayau

Mt. Trusmadi

Crocker Range

Danum Valley

Imbak Canyon

**Maliau Basin
'Sabah's Lost World'**





***SABAH
LAND BELOW THE WIND:
Your Preferred Destination
for Business, Culture and
Nature***



A place of **Business, Culture and Nature**

The Sabah Development Corridor (SDC) was established in 2008 with the aim of promoting sustainable economic growth, distributing wealth in the state and unlocking its vast wealth of diversified resources that can bolster tourism, agriculture and manufacturing reinforced by the introduction of the Government Transformation Programme (GTP), Economic Transformation Programme (ETP) and the Tenth Malaysia Plan. The state of Sabah is a breathtaking, warm and welcoming place for tourists and investors alike.

A region from which to build a better world.
SDC is definitely the corridor to expand
your business in Sabah.

**...discover the secrets of Sabah, how your holiday
can turn into an exciting business opportunity!**



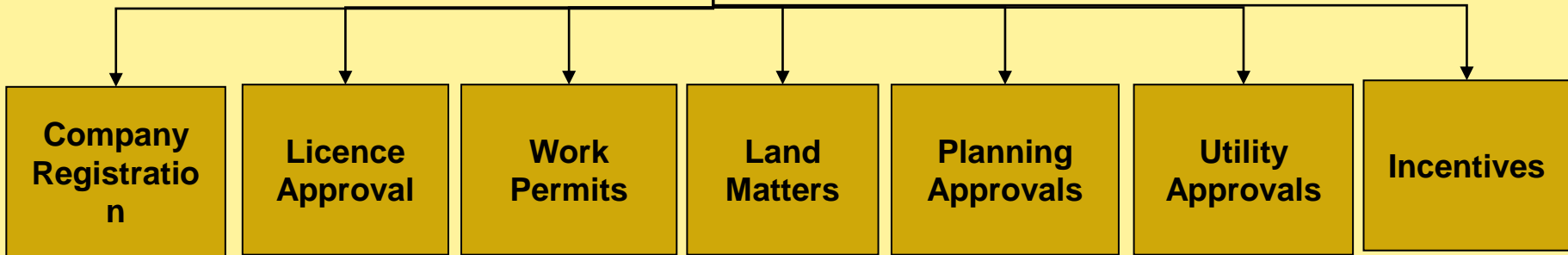
Sabah Economic Development & Investment Authority (SEDIA)
Lot 1, Wisma SEDIA, Off Jalan Pintas-Penampang
P.O.Box 17251, 88873 Kota Kinabalu, Sabah, MALAYSIA
Phone: +6088450650 Fax: +6088450699
info@sedia.com.my www.sedia.com.my



SABAH ECONOMIC DEVELOPMENT AND INVESTMENT AUTHORITY (SEDIA)



SDC INVESTORS



SEDIA serves as a One Stop Centre to facilitate Investments into the SDC

Sabah is blessed with excellent Location, Natural Resources, Cultural Heritage and Bio Diversity which it can build on...

Location

- Gateway for regional trade
- Ideal for transshipment and value add for cargo between Kalimantan–South Philippines and North Asia (China, Japan, Korea)
- Capitalise on market deregulation of AFTA



Resources

- Rich in natural resources (fertile agriculture land, fisheries, minerals, forestry)
- Capture high value add downstream activities such as oleo chemicals, gas processing plant, oil refineries and wood based products
- Position Sabah as centre of excellence for agriculture



Cultural and Bio Diversity

- Rich biodiversity – Unaffected by Ice Age
- Within Coral Triangle- Rich marine life
- Wildlife
- 32 ethnic groups spawning diverse cultural backgrounds and heritage
- Capture knowledge from international researchers- Stimulate biotech activities



...via the Sabah Development Corridor (SDC) to enhance economic growth and eradicate poverty

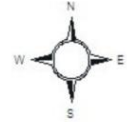
SDC by the year 2025...

- A preferred regional centre for **high value manufacturing and services** leveraging on Sabah's strengths in **agriculture, tourism and natural resources**
- A successful model to address **balanced growth and distribution via poverty alleviation, human capital and social development** based on a systematic approach
- A world renowned destination for **natural beauty and environmental conservation** built on **community development and sustainable growth**

Core Components of SDC



- Road Network**
- Existing Road
 - New Road Project
- Sub-Regions**
- Eastern
 - Western
 - Central



KOTA KINABALU

URBAN POPULATION 323917

NORTHERN AGRO-FORESTRY ZONE



URBAN SANDAKAN POPULATION 268821



SABAH INDUSTRIAL SUB-CORRIDOR

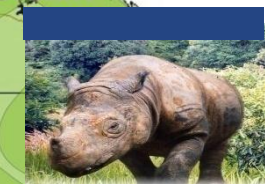
TOURISM AND HIGHLAND AGRICULTURE ZONE

AGROBIO INNOV. ZONE

WILDLIFE SANCTUARY



SABAH BIODIVERSITY CONSERVATION ZONE



PALM OIL INDUSTRIAL CLUSTER

SME AGRO-FOOD ZONE

INTERIOR AGROPOLITAN ZONE



INTEGRATED AGRO-FOOD COMMERCIAL ZONE

TAWAU URBAN POPULATION 155099

MARINE INDUSTRY & TOURISM ZONE



STRATEGIC DEVELOPMENT AREAS (SDA) UNDER 10MP



Kinabalu Gold Coast



SANDAKAN EDUCATION HUB



PROPOSED SABAH AGRO-INDUSTRIAL PRECINCT

Brunei Bay Development

Sipitang

Oil & Gas



Interior Food Valley

Bio Triangle



Agro-Marine Belt

STRATEGIC DEVELOPMENT AREAS (SDA) UNDER 10MP



Kinabalu Gold Coast Enclave:

- ▣ creative industry cluster,
- ▣ wellness and healthcare,
- ▣ floriculture and specialty natural products,
- ▣ marine sports,
- ▣ signature resorts and holiday homes – Karambunai Eco-Resort

Brunei Bay Integrated Development Area.

- ▣ Multi-modal logistics,
- ▣ tourism and waterfront development;
- ▣ livestock, food crops, fisheries and aquaculture, and halal products.

Oil and Gas Clusters:

- ▣ Sabah Oil & Gas Terminal
- ▣ Kimanis Gas-Fired Power Plant (300MW)
- ▣ Kimanis-Bintulu Gas Pipeline
- ▣ Sipitang Oil & Gas Industrial Park
- ▣ Oil and gas support services,

The Interior Food Valley:

- ▣ Keningau Integrated Livestock Centre;
- ▣ Handicraft Village
- ▣ Fruits and herbal products;

Promoting education, training, R&D and commercialisation of agrobio resources

- ▣ *Education Hub*
- ▣ *POIC Sandakan*
- ▣ *Sepilok Orang Utan Sanctuary and Rehabilitation Centre*
- ▣ *Forest Research Centre – Herbarium and Arboretum*
- ▣ *Rainforest Discovery Centre*
- ▣ *Ulu Dusun Agriculture Station*

Agro-Marine Belt - Located within the Coral Triangle: The Cradle of Coral Evolution

- ▣ *POIC Lahad Datu*
- ▣ *Tun Sakaran Marine Park and the world renowned Sipadan Island*
- ▣ *Diving and Island tour, Lepa-lepa Tourism Regatta*
- ▣ *Seaweed, tiger prawn, pearl and 'Kupang' cultivation*
- ▣ *National Aquaculture & Marine Biotech Centre*
- ▣ *Cruise ship, boating and sailing with marina and shipyards*
- ▣ *Passenger, ferry terminal & barter trade*
- ▣ *Sea Food Cluster with cold storage & distribution facilities.*

PEMANDU AND SEDIA: CITIES & CORRIDOR LAB (SABAH)

Timeline achieved:

Syndication with YAB Datuk Seri Panglima Musa Aman, Chief Minister on 7th October 2011;

Syndication with YAB Datuk Seri Najib Tun Razak, Prime Minister on 12th October 2011.

Cabinet Briefing: 17th January 2012:

SDC Open Day: Corridor and Regional Cities Programme: 16th February 2012



Sabah to be a Vibrant, Economically Successful and Liveable State by 2025

Key Focus Areas for SDC

Key Result Areas for Greater Kota Kinabalu

Key Focus Areas for SDC

Tourism



Modernization of KK City as a lifestyle hub

Boosting tourism attractions in Greater KK



Manufacturing & Logistics



Oil, Gas & Energy



Improve mobility and travel experience



Agriculture

Palm Oil



Boosting Private & Public Healthcare

Improving Early Childcare Education



Education

ENABLERS

Human Capital Development

Infrastructure and Utilities

Policies and Regulations

Fiscal and Tax Incentives

FOCUS AREAS TO MAKE GREATER KOTA KINABALU A STRONG, VIBRANT AND LIVEABLE CITY

- 1** Development & Modernization of KK City as a lifestyle hub
- 2** Boosting tourism attractions in Greater KK
- 3** Improve mobility and travel experience
- 4** Boosting Private & Public Healthcare for health tourism
- 5** Improving Early Childcare Education



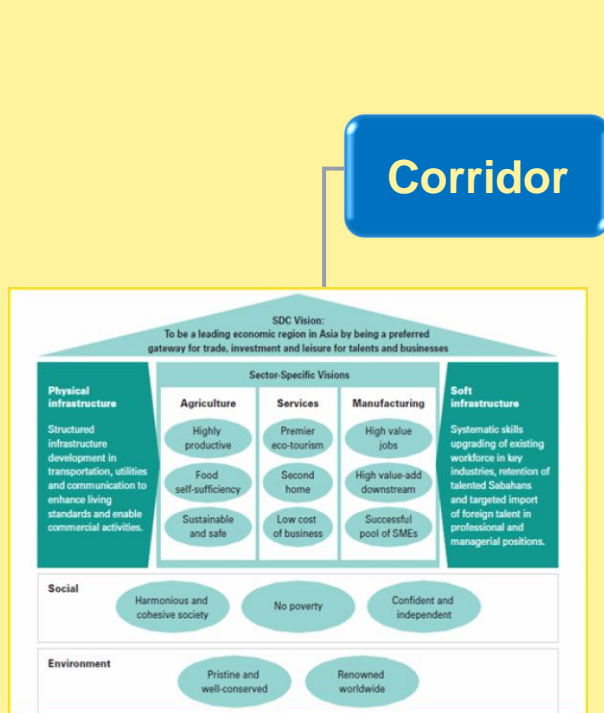
**Main Focus of the C&C Lab
(Making the most)**

- Kota Kinabalu
- Putatan
- Penampang

Future Opportunities:

- Papar
- Tuaran

KEY FOCUS AREAS UNDER SDC



Corridor

Tourism

- Increase high yield, long stay tourists
- High end development (resorts, residences, etc)

Palm Oil

- Promote high value add downstream activities
- Eradicate poverty and create new jobs opportunity

Agriculture

- Focus on high-value food, especially aquaculture sector (shrimp, seaweed, sea cucumber, cage fishing)
- Value add from food packaging & processing

Oil Gas Energy

- Complete the OGE value chain with downstream activities (petrochemical, transmission, etc)

Education

- Eradicate illiteracy through early child care and education
- Build skills to support the emerging industries (hospitality & tourism, OGE, Agri, etc) and attract international students

Manufacturing & Logistics

- Further grow the manufacturing sector

City

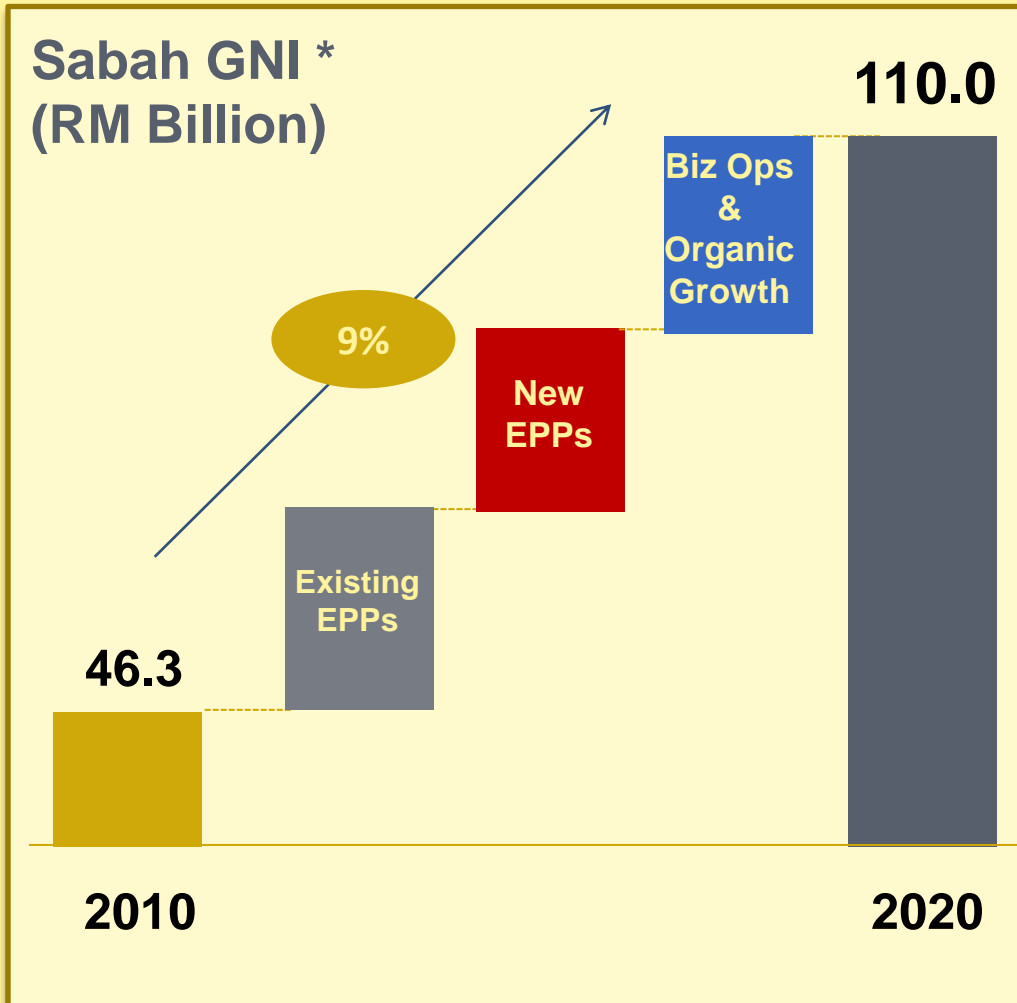
Livability

- Increasing mixed development (commercial and residential) to promote people to live and spend in KK
- To improve accessibility on public transportation services and infrastructure for locals and tourists
- To improve healthcare services to locals and tapping potential health tourism in Sabah

Tourism

- New and expanding existing tourist attractions surrounding KK

The Lab had set a target of 9% growth annually and aspires to achieve RM110.0 billion of GNI for Sabah in 2020



What this means for Sabah economy?

GNI / Capita

RM32,400 or
USD10,125

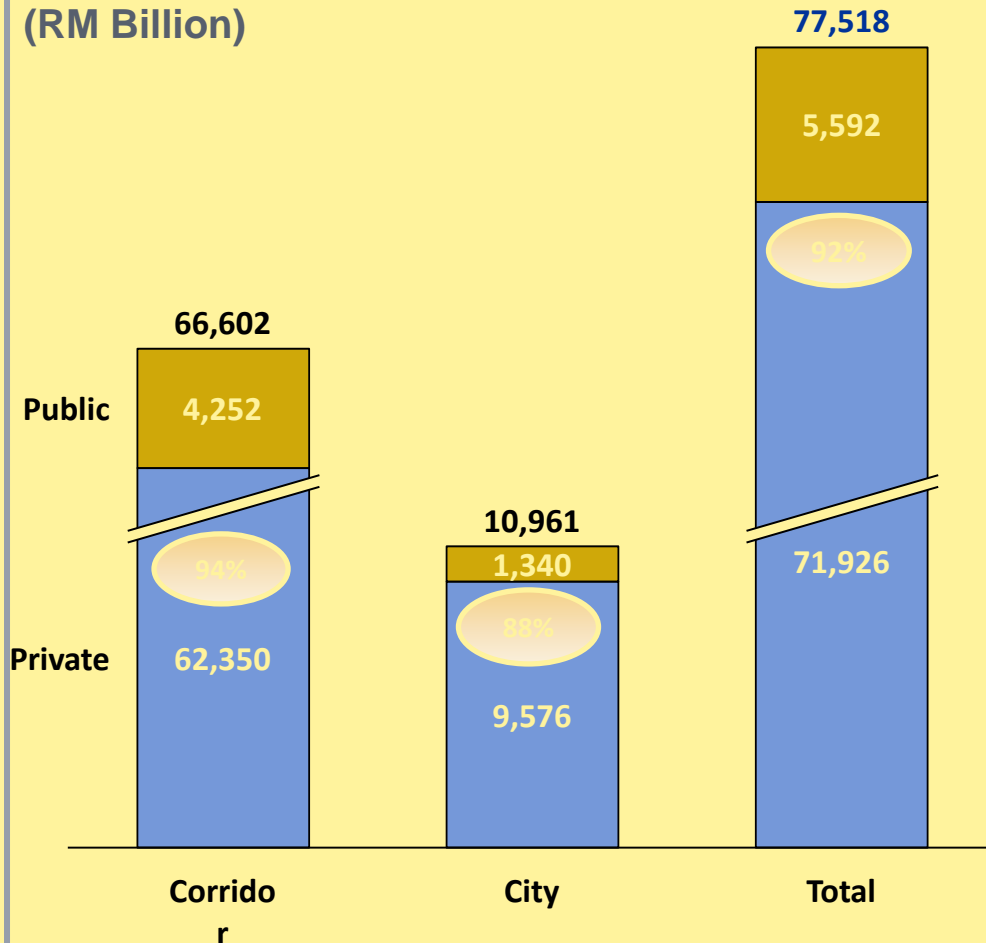
**72% of
National Target**

* Nominal Gross National Income (GNI)

... and will require ~RM77.5Billion in funding with only 8% coming from the public sources

88% of funding request are from the corridor's EPP

Funding Request
(RM Billion)



100% money owed for 9MP projects is approved for 2012



1. Integrated Shrimp Aquaculture in Pintasan & Telaga



2. Sabah Agro-Industrial Precinct (SAIP)



3. POIC Lahad Datu & Sandakan



4. Beautification of Sembulan River (P2&P3)



5. Pedestrian Walkway & Cycleway



6. Relocation & Resettlement of squatters at Pulau Gaya



7. SOGIP - Phase 1 (SAMUR)

Approved Governance Structure to monitor implementation of EPPs

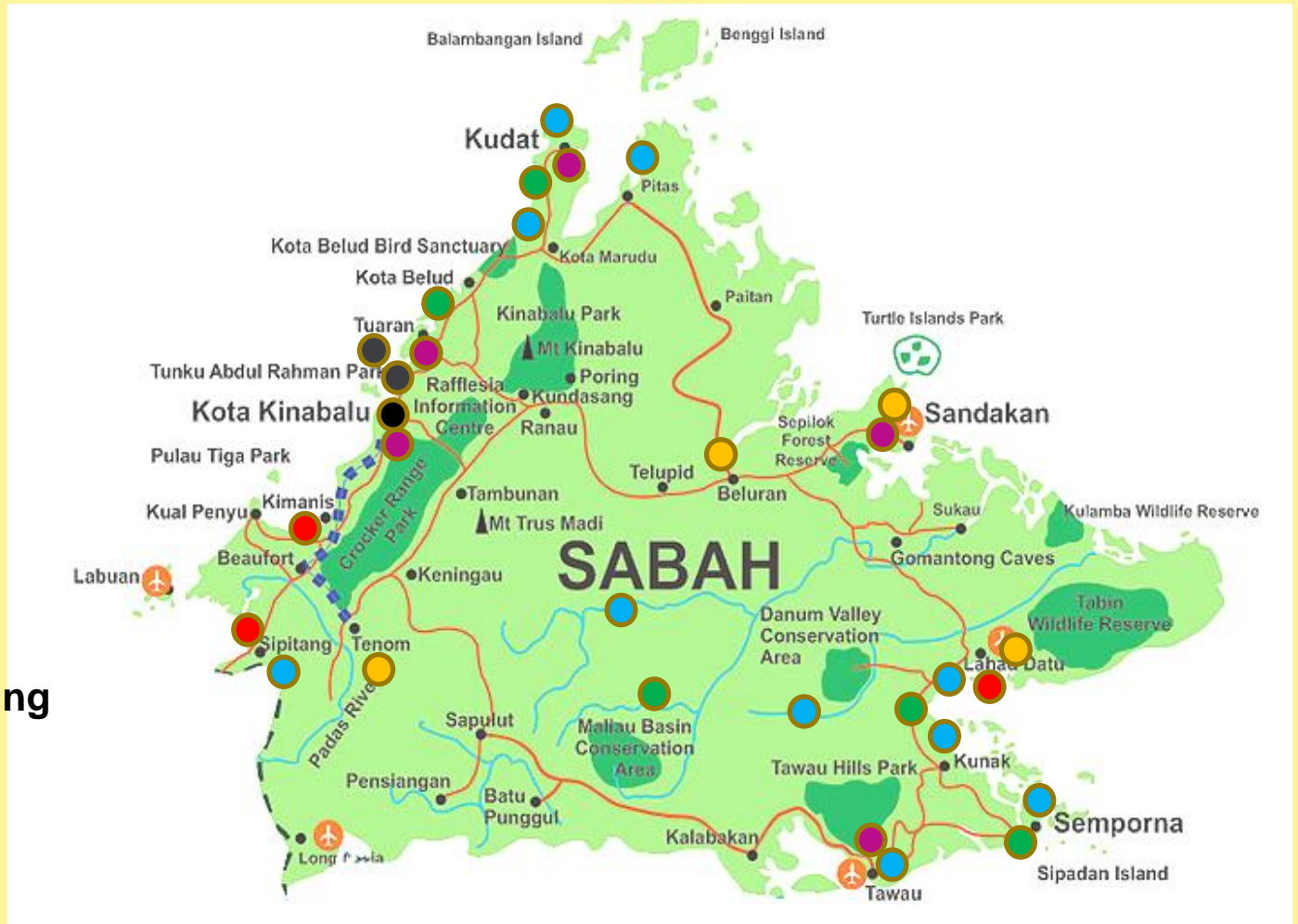


INVESTMENT POTENTIAL IN SABAH DEVELOPMENT CORRIDOR & CITY ACROSS THE STATE OF SABAH...

Location of EPPs

Legend

- Greater KK
- Palm Oil
- Tourism
- Oil & Gas
- Agriculture
- Manufacturing
- Education





COASTAL TOURISM MASTER PLAN FOR TUARAN AND KOTA BELUD

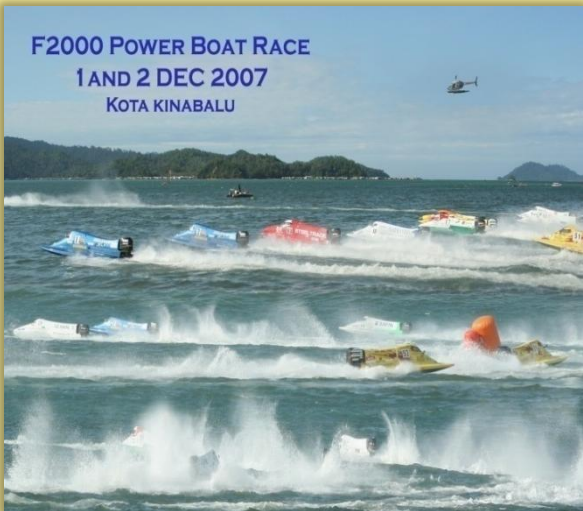
Final Report
2011



INTERNATIONAL WATER SPORTS EVENTS



Water Ski

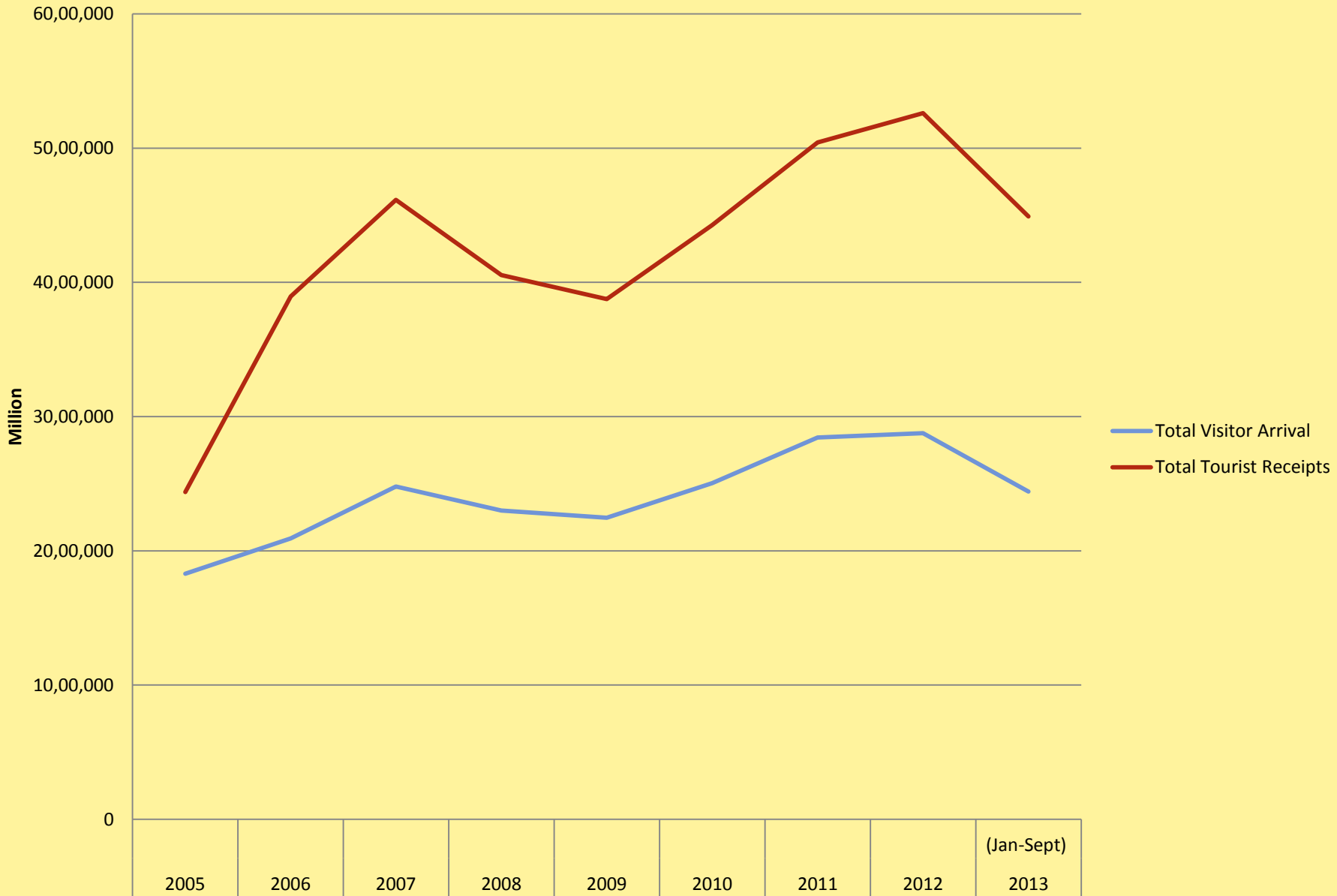


F2000 POWER BOAT RACE
1 AND 2 DEC 2007
KOTA KINABALU



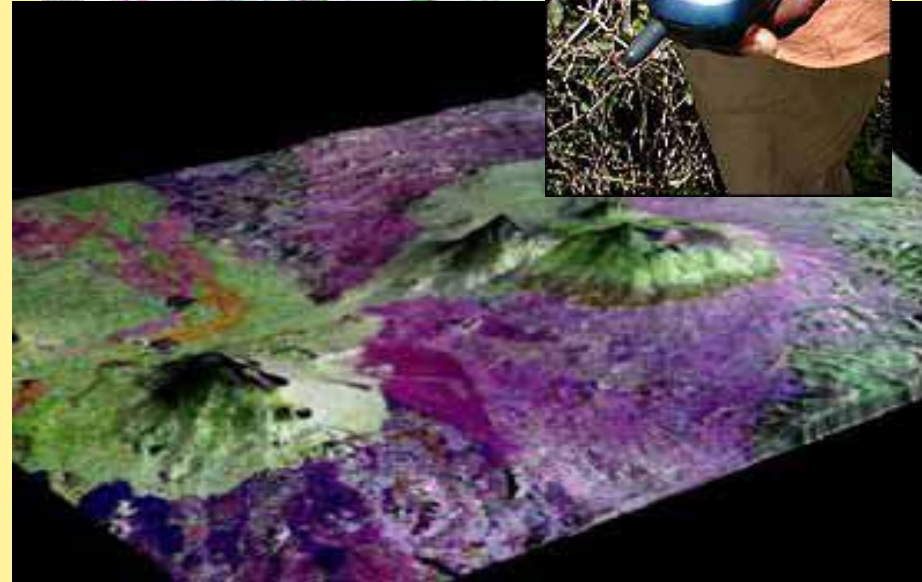
**Annual
Dragon
Boat Race**

VISITOR ARRIVALS AND RECEIPTS IN SABAH FROM 2005-2013 (JANUARY-SEPTEMBER)



GS-TOURISM

- **Selecting & developing tourism site**
(Geospatial Information Technology, GPS)
- **Marketing** *(Market research & Advertising/Promotions)*
- **Customer relationship management**
(Prospects into customer, Book – travel, lodging, tours, Trip management)
- **Travel Management**



AGRICULTURE SECTOR: Focus on High Value Food

Sabah Agro Industrial Precinct (SAIP)

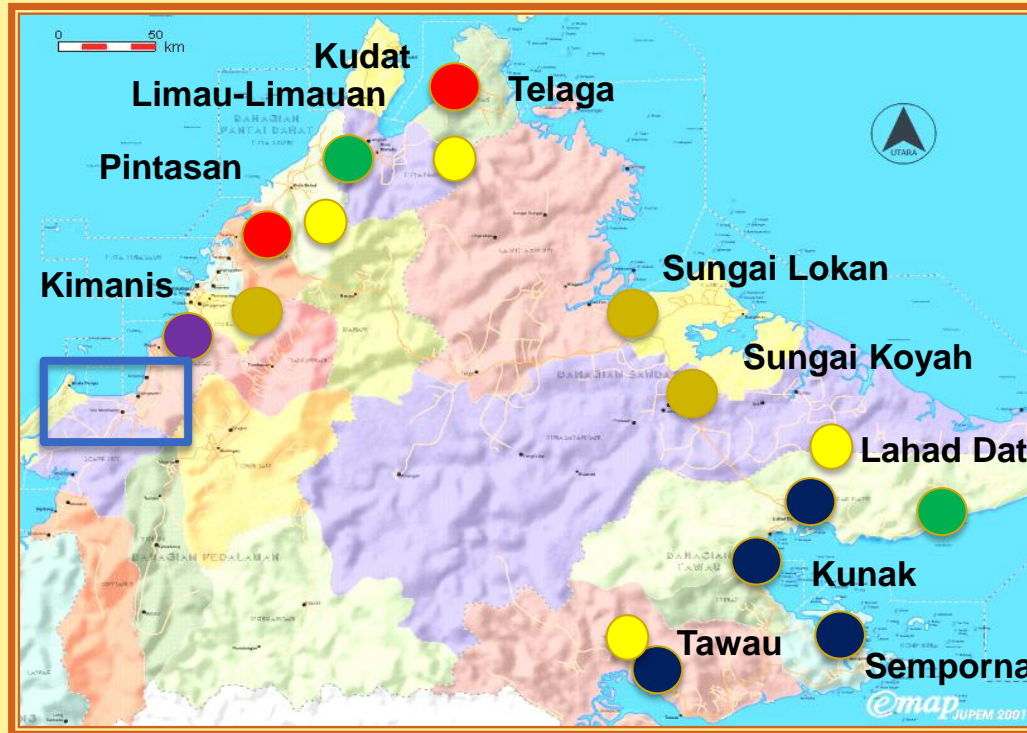
Invest	GNI	Jobs
RM 678m	RM 195m	399

Integrated Tiger Grouper / Sea Cucumber Farming / High Finned Grouper & Barramundi

Invest	GNI	Jobs
RM 84.6m	RM 1.55b	1690

Integrated Shrimp Aquaculture

Invest	GNI	Jobs
RM 764m	RM 266.5m	3626



Swiftlet Commercial Centre (SCC)

Invest	GNI	Jobs
RM180m	RM405mil	7648

National Seaweed Nucleus

Invest	GNI	Jobs
RM 541m	RM420m	13,788

Total Investment
RM 3.338 billion
Total GNI
RM 3.582 billion
Total Jobs
29,611 Jobs

TKPM (Taman Kekal Pengeluaran Makanan)

Invest	GNI	Jobs
RM 59.9m	RM 35.4	479

Integrated Marine Fish Culture

Invest	GNI	Jobs
RM 825m	RM710.4	1981



ARIAL PERSPECTIVE - MASSING MODEL

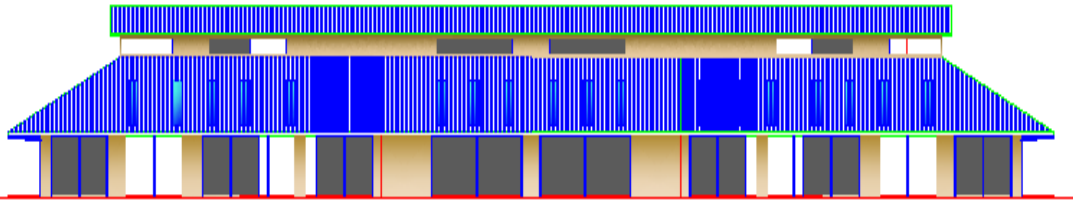
PROPOSED SABAH AGRO-INDUSTRIAL PRECINCT



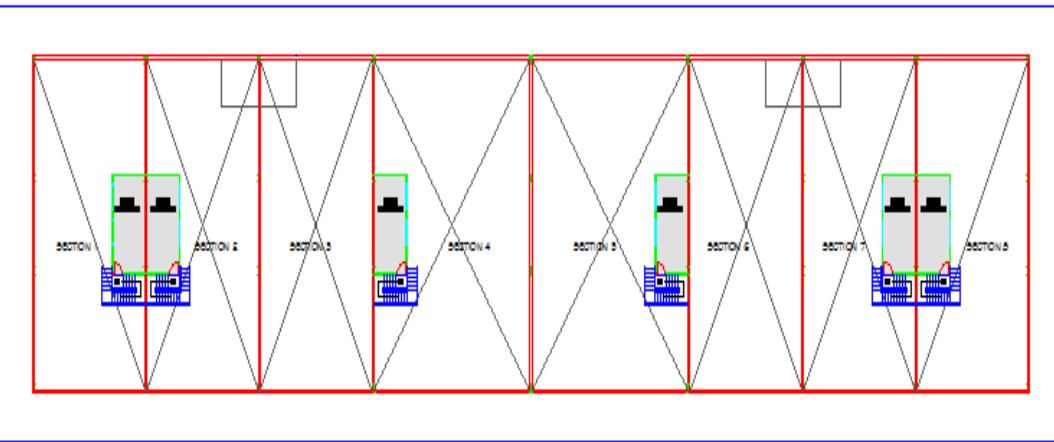
Wawasan Sejahtera Sdn Bhd



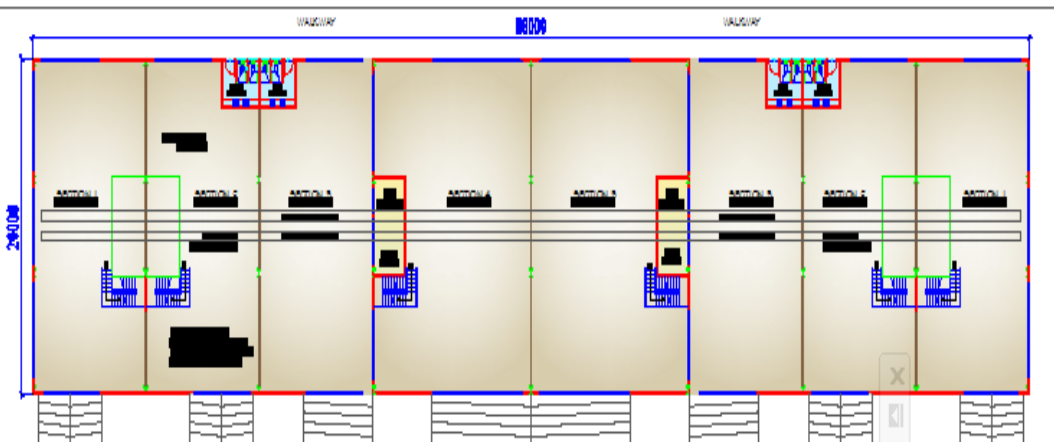
PRODUCTION LINE FACILITIES



FRONT ELEVATION



FIRST FLOOR PLAN



GROUND FLOOR PLAN

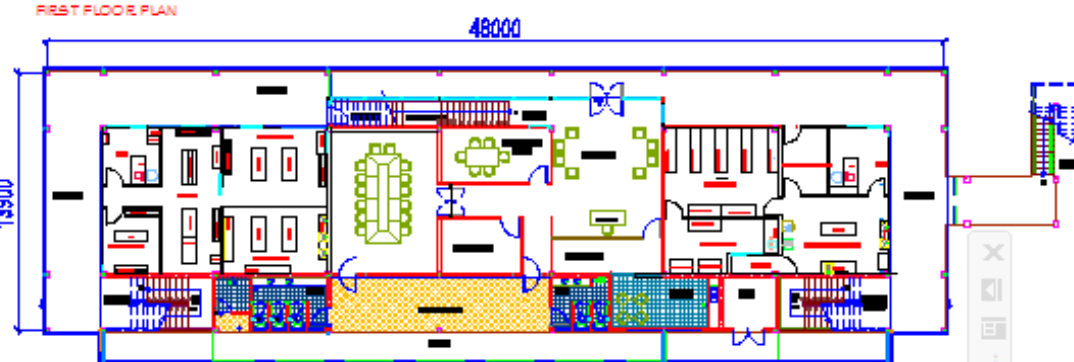
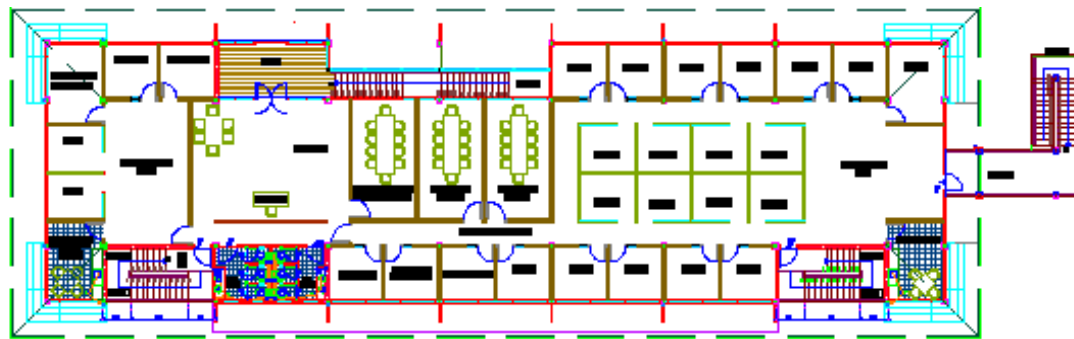
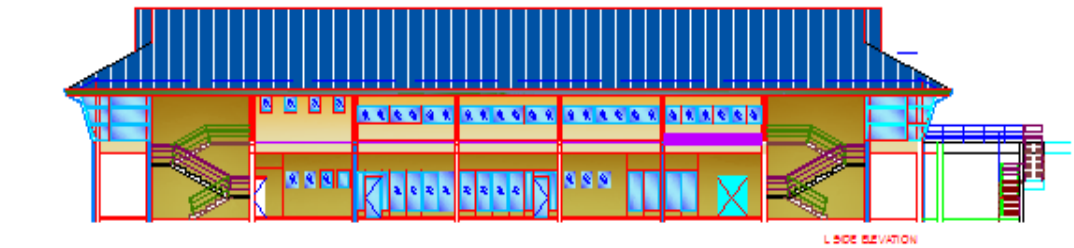
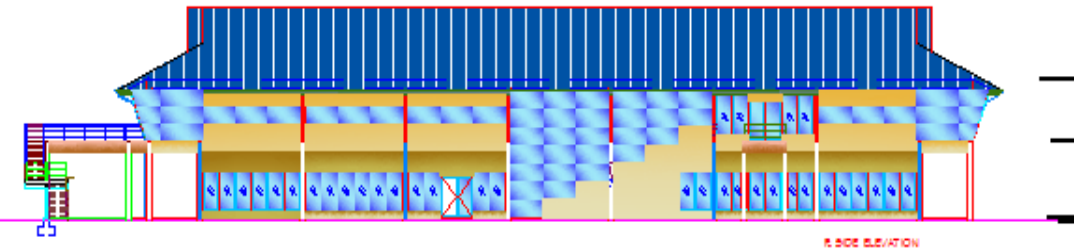
GMP, HACCP & Halal compliant



Processing machinery

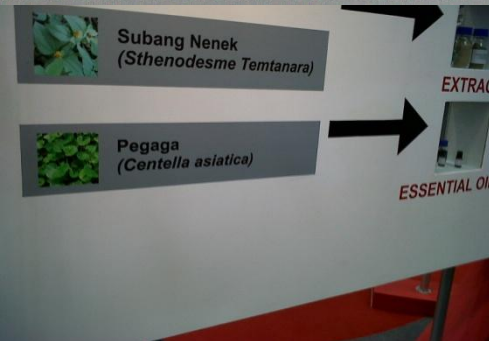


RESEARCH AND ENGINEERING SERVICES BUILDING





Research Materials & Progress in Pictures



The logo for the Johor-Kuching Road (JKR) Sabah, featuring a yellow shield with the text "JKR SABAH" and a stylized road graphic.

SABAH
DEVELOPMENT CORRIDOR

PROJEK :
PEMBINAAN JALAN KE STESEN MEKANISASI PADI
BINAONG, KENINGAU (SDC)

PELANGGAN :
KEMENTERIAN INFRASTRUKTUR DAN KERJA RAYA

PEGAWAI PENGUASA :
PENGARAH KERJA RAYA

KONTRAKTOR :
MAGONG ENTERPRISE

TARIKH MILIK TAPAK : 08 MEI 2009 **TARIKH SIAP : 07 JAN 2010**



Putting Sabah on world lobster map

KOTA KINABALU: The Sabah Government's recent lobster farming venture is seen as an answer to dwindling supply from the wild which partner Darden relies upon for supply.

The groundwork was laid in 2006 when a scientific team was set up, comprising five of the world's leading lobster scientists to examine the feasibility to farming spiny lobsters, following initial research in the Caribbean.

In 2009, Darden Aquasciences – a subsidiary of Fortune 500 company Darden Restaurants Inc, based in Orlando, Florida – began looking for the best place to pursue the lobster farming research, which would later lead to commercialisation.

It was then found that Malaysia, particularly the waters off Sabah, was the most suitable location for

Several thousand tropical spiny lobsters valued at US\$50 (RM154) per kilo, are the subject of intensive research at iLAP's test farm there run by Nanyang Nexus Sdn Bhd and InnoFisheries of Yayasan Sabah.

The project has the full support of the State Government as well as the Sabah Fisheries Department. Nanyang is jointly owned by Ever Nexus Sdn Bhd and Darden Aquasciences Sdn Bhd.

Darden Restaurants has over 2,000 outlets in the United States and Canada employing over 200,000 people and is the world's largest chain of full-service restaurants.

Darden Aquasciences Managing Director Julius Sarria said the idea of sea farming spiny lobsters was pursued after a former president of Red Lobster, one of Darden's



Left: The breed of spiny lobster bred at the pilot farm is native to Sabah.



Right: Sarria holding an adolescent lobster at the hatchery in Sabah.



The Integrated Lobster Aquaculture Park in Semporna is expected to generate RM3 billion in annual sales by 2030.



The pilot farm currently has 5,000 lobsters in stock, from 4cm hatchlings to 1.5m adults.



Lobsters can grow from 15g juveniles to as heavy as more than 8kg.

Why Sabah was the natural choice

ON why Darden Aquasciences Sdn Bhd chose Malaysia and particularly Sabah for iLAP, Sarria said it was because of water quality, suitable weather and climate, the absence of typhoons as well as the availability of wide but naturally protected coast. The company also took into account the country's stable government, safe and peaceful environment and relatively low corruption. Also, Malaysia's infrastructure is better than most other countries in this region, he added.

"Malaysia has stronger intellectual property protection laws and this is part of the reason we decided to set-up the hatchery here in Sabah - the first in the world for lobster farming," he said.

Julius said a pilot hatchery is expected to be built by the second quarter of next year, followed by many other plans relating to this industry in Sabah. Darden Restaurants will also set up its Asian hub in Kuala Lumpur to manage the operation of its brand outlets in Asia and the Middle East, he said.

Although it is still too early to say how iLAP will turn out, the Government is confident



Every 90 days, the lobsters are moved to larger cages to accommodate their growth.

of the potential returns and recently witnesses Nexus Sustainable Seafood Sdn Bhd and Inno Fisheries Sdn Bhd sign an agreement to build a lobster aquaculture park in Semporna under a new company, Lobster Aqua Technologies Sdn Bhd.

Chief Minister Datuk Musa Aman had said during the signing ceremony that Malaysia welcomes foreign

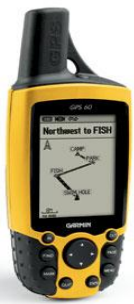
direct investments from strategic partners that are able to stimulate the local economy and generate income for Malaysians in Sabah.

He said the cooperation with Darden Inc was timely as the country moves to unlock the potential of Sabah's natural endowments using sustainable methods.

Musa added that it marked

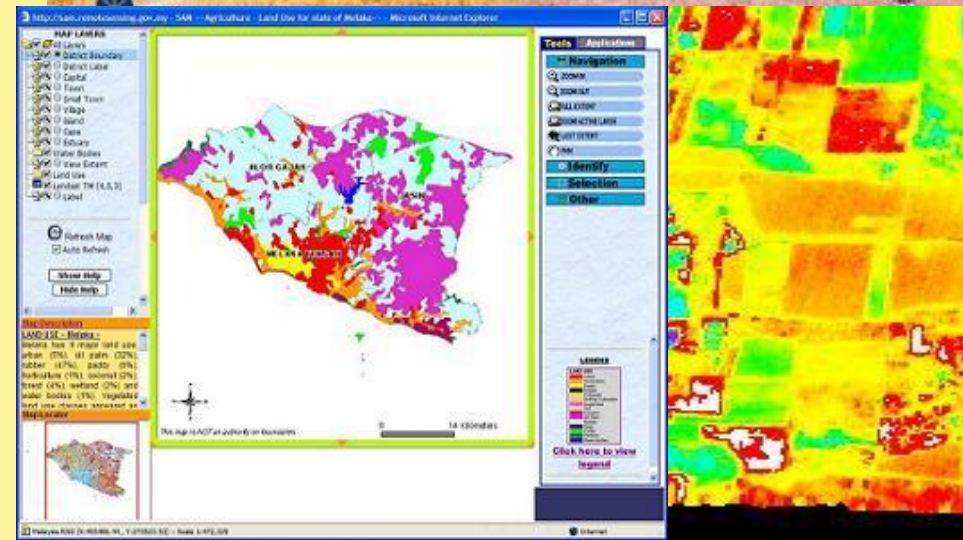
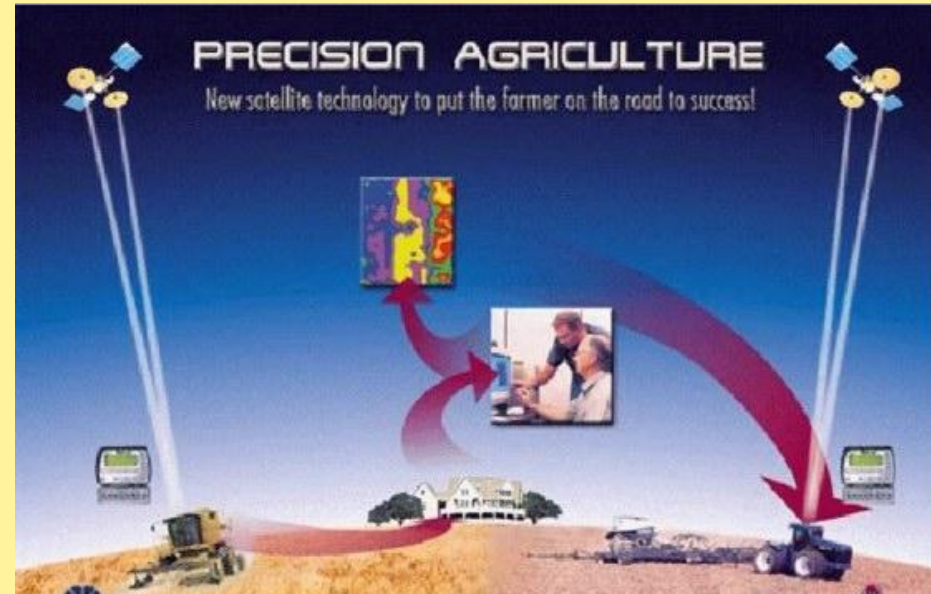
a significant milestone for Malaysia's aquaculture industry and estimates the global market for lobsters at over US\$4bil a year with the Asia Pacific region, particularly China, making up about 75pc.

The pioneering sustainable lobster aquaculture initiative will place Malaysia and Sabah on the global aquaculture map, he stated.



GS-AGRICULTURE

- Precision agriculture technology
 - knowing and caring where you are in a field.
 - integrated agricultural management system incorporating global positioning system (GPS), geographical information system (GIS), yield monitor, variable rate technology, and remote sensing technologies.



GS-AGRICULTURE

- **Virtual agro-business portal – online agri-bazaar/agri-mall/agro-logistics**

- **Traceability (RFID application)**

- **Micro Electro Mechanical System (MEMS) – miniaturized devices, sensor technology eg. networked in-situ water and soil monitoring systems & interoperability of analytical sciences lab equipments**



OIL, GAS AND ENERGY SECTOR



Kimanis PP

Invest	GNI	Jobs
RM 1 b	RM 82.1m	2515



SOGT & SSGP

Invest	GNI	Jobs
RM5.4 b	RM 6.3 b	3200

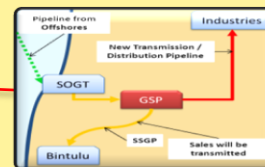


Extension of SSGP to KKIP

Invest	GNI	Jobs
RM 340m	RM 1.99b	3085



Total Investment
RM 18.72 billion
Total GNI
RM 12.8 billion
Total Jobs
23,119 Jobs



Gas Separation Plant

Invest	GNI	Jobs
RM 275m	RM 50.9m	1297



SOGIP Ph1 – SAMUR and Ph2 -

Invest	GNI	Jobs
RM9.5 b	RM 3.4 b	6320



LD Re-Gas

Invest	GNI	Jobs
RM 1.2 b	RM 923 m	3575



Lahad Datu PP

Invest	GNI	Jobs
RM 1 b	RM 82.1m	3127

OPPORTUNITIES IN OIL & GAS AND ENERGY SECTOR



Oil & Gas industry

- Exploration and extraction
- Processing and refining
- Bulking and Trading

Green Technology

- Energy-saving devices (LEDs, heating and cooling equipments)
- Renewable energy (Photovoltaic - 3rd largest solar module manufacturing hub in the world)

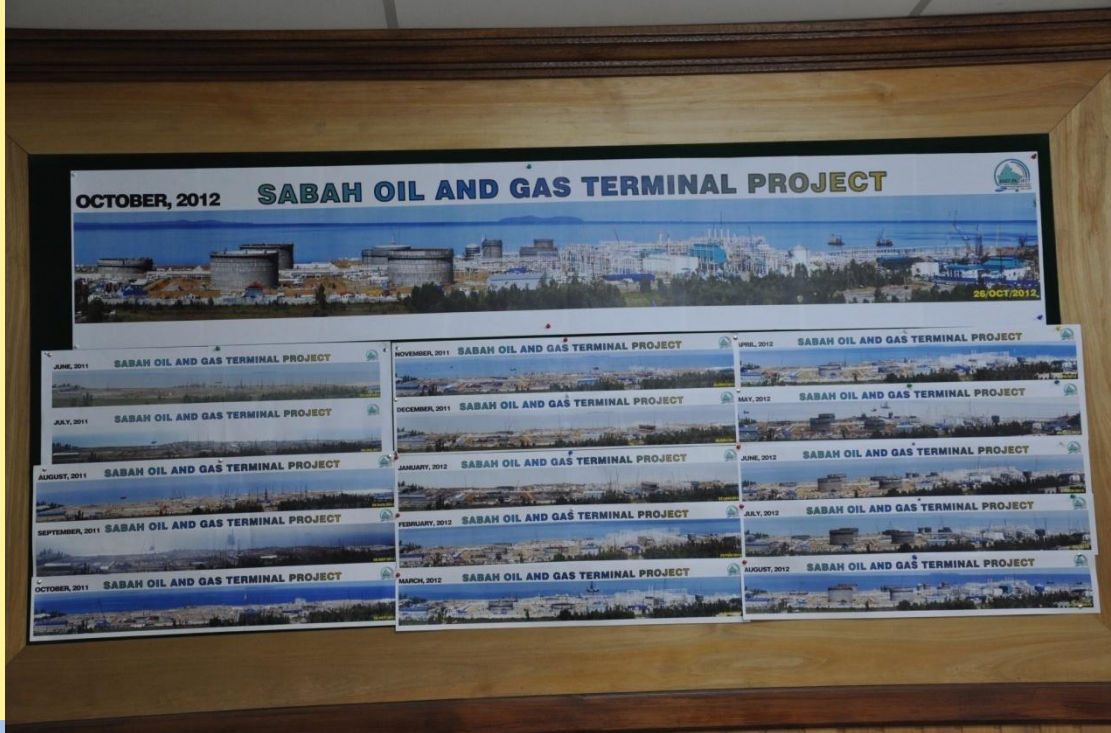


Petrochemical Industry

- Alpha-olefins & fatty alcohols, propylene oxide & caprolactam
- Renewable and biodegradable materials



OIL, GAS AND ENERGY



RENEWABLE ENERGY INITIATIVES IN SDC: GEOTHERMAL

TAWAU GREEN ENERGY SDN BHD

- **WILL BE THE FIRST GRID CONNECTED GEOTHERMAL POWER PLANT IN MALAYSIA**
- **COMMENCING 2016**
- **PHASE 1 CAPACITY : 36 MW WITH 30 MW SUPPLY TO LOCAL GRID**



RENEWABLE ENERGY INITIATIVES IN SDC: BIO-ENERGY

TSH Bio-Energy Sdn Bhd (Kunak, Tawau)

- **14 MW cogeneration plant with a total live steam capacity of 80 tonnes/hour at 66.5 bar(g) and 402^oC**
- **10 MW exported to the local grid**
- **Use of palm oil residues such as EFB/Fibres/Shells as fuels**



RENEWABLE ENERGY INITIATIVES IN SDC: MINI-HYDRO

Esajadi Power Sdn Bhd

- Mini hydro plants: 2 MW in Kadamaian, Kota Belud & 4.5 MW in Pangapuyan, Kota Marudu



River name		Kadamaian River	Pangapuyan River
Catchment area	km2	74	84
Power generation type	-	Run-of-river	Run-of-river
		Conduit type	Conduit type
Total head	m	62.5	142.0
Maximum discharge	m3/s	4.3	4.5
Maximum output (Rated output)	MW	2.0	4.5

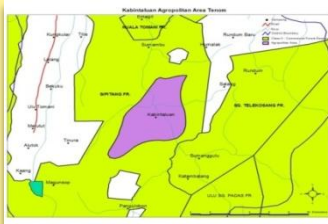
PALM OIL SECTOR

EPP1: Agropolitan



Agropolitan Beluran

Invest	GNI	Jobs
RM 202m	RM 68.3m	622



Agropolitan Kemabong

Invest	GNI	Jobs
RM 73m	RM 23.3m	404



EPP2: POIC



Palm Oil Industrial Cluster (Sandakan)

Invest	GNI	Jobs
RM 1.21b	RM 274m	1708



Palm Oil Industrial Cluster (Lahad Datu)

Invest	GNI	Jobs
RM 21b	RM 8.4b	9467



EXECUTION AND COMPLETION OF THE PROPOSED POIC PHASE 3A AND ASSOCIATED INFRASTRUCTURE WORKS AT LAHAD DATU





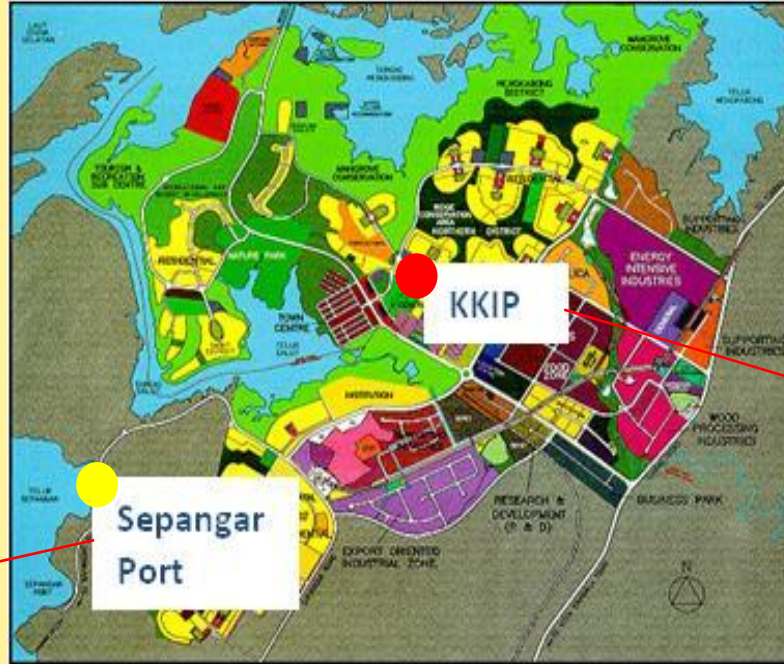
TURNING BIOMASS INTO FERTILISER



MANUFACTURING AND LOGISTIC SECTOR

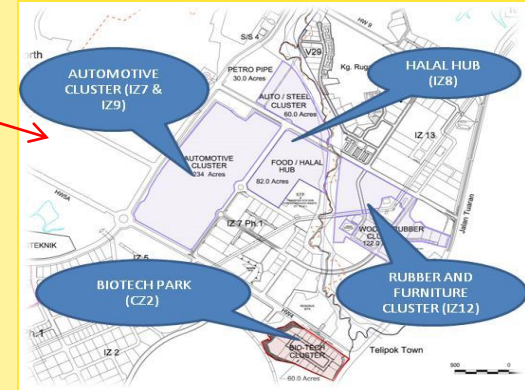
Main Line Operator Set Up at Sapangar Bay Port

Invest	GNI	Jobs
RM 531.2m	RM 279m	439



Kota Kinabalu Industrial Park (KKIP)

Invest	GNI	Jobs
RM 4.69b	RM 1.56b	23032



OPPORTUNITIES IN SERVICES SECTOR



Regional Establishments

- OHQ in Kuala Lumpur
- Regional data center hub
- Regional oil storage and trading hub
- Regional test labs and shared facilities (E&E)

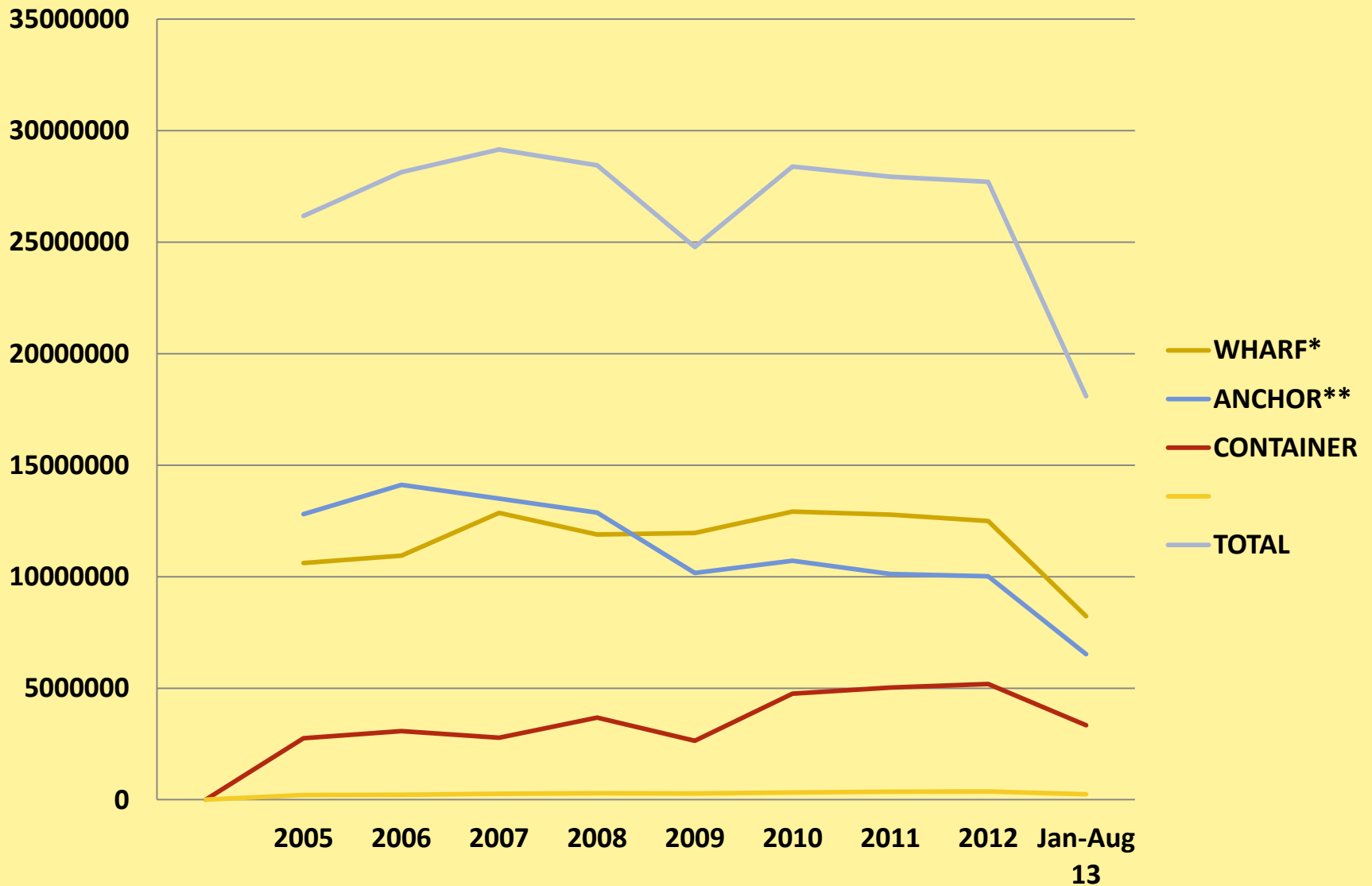


Logistics

- 5 Regional economic corridors playing a role as an integrated logistics hub
- Ship building

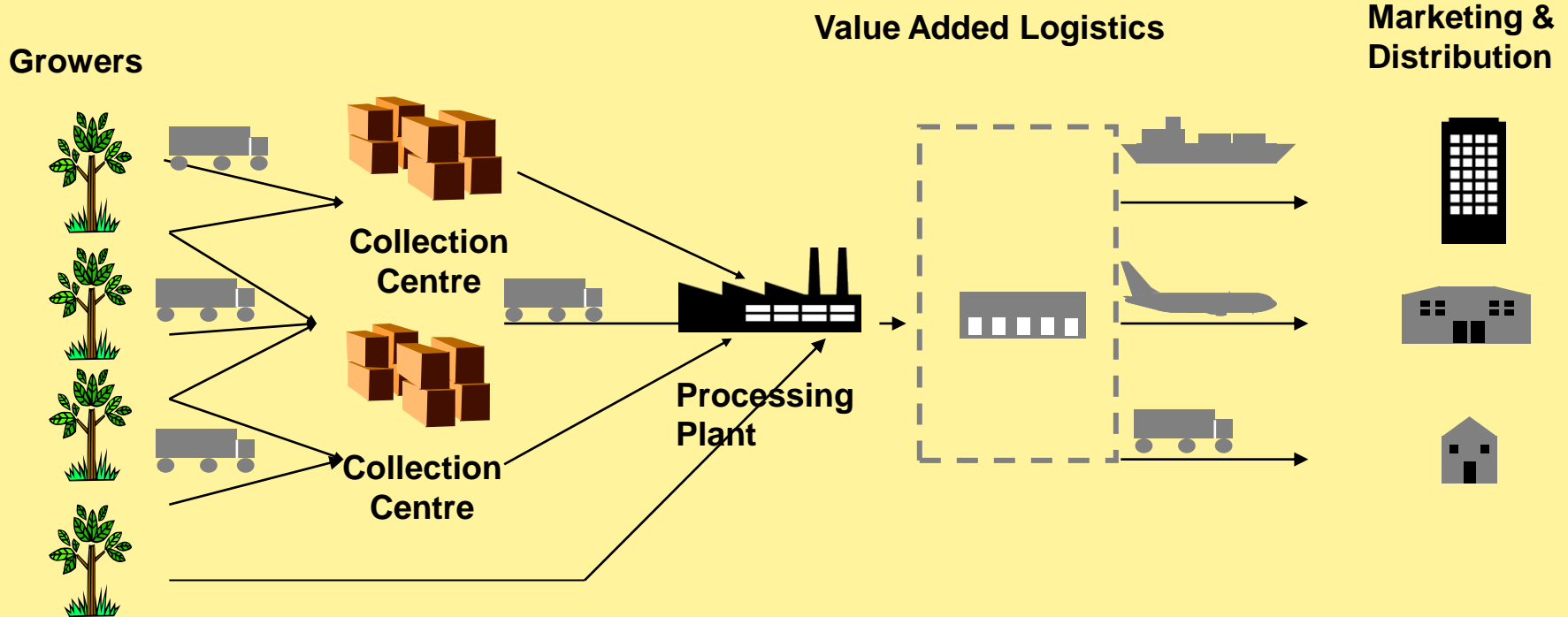


SABAH PORTS' ANNUAL TOTAL TONNAGE THROUGHPUT (2005- AUG 2013)



GS-LOGISTICS

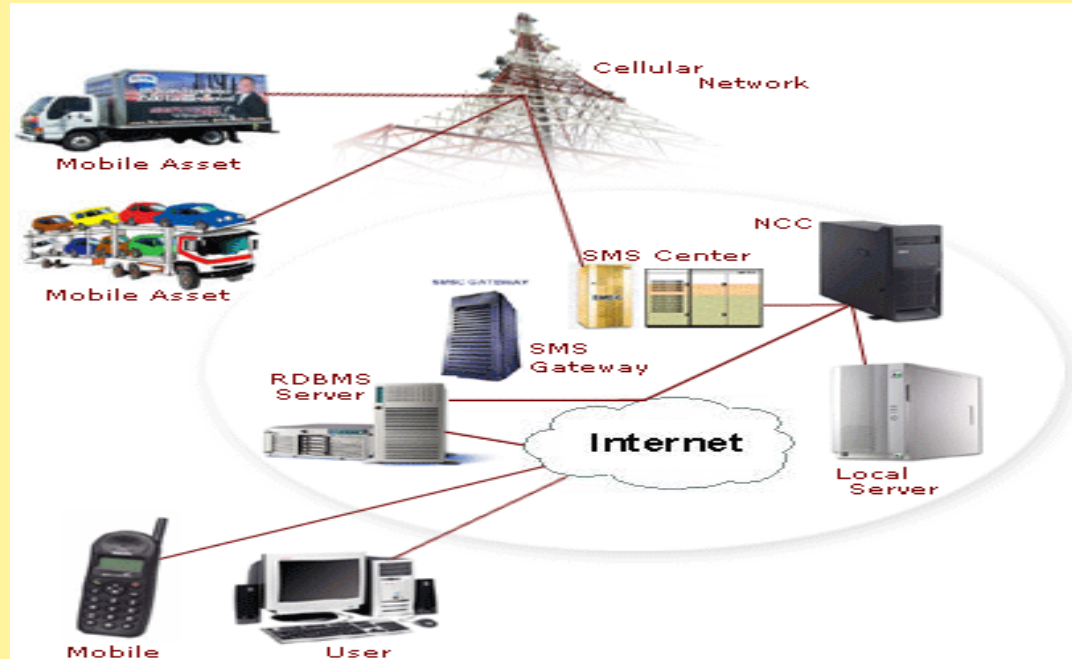
*Enhancing Competitiveness via
Supply Chain Efficiency*



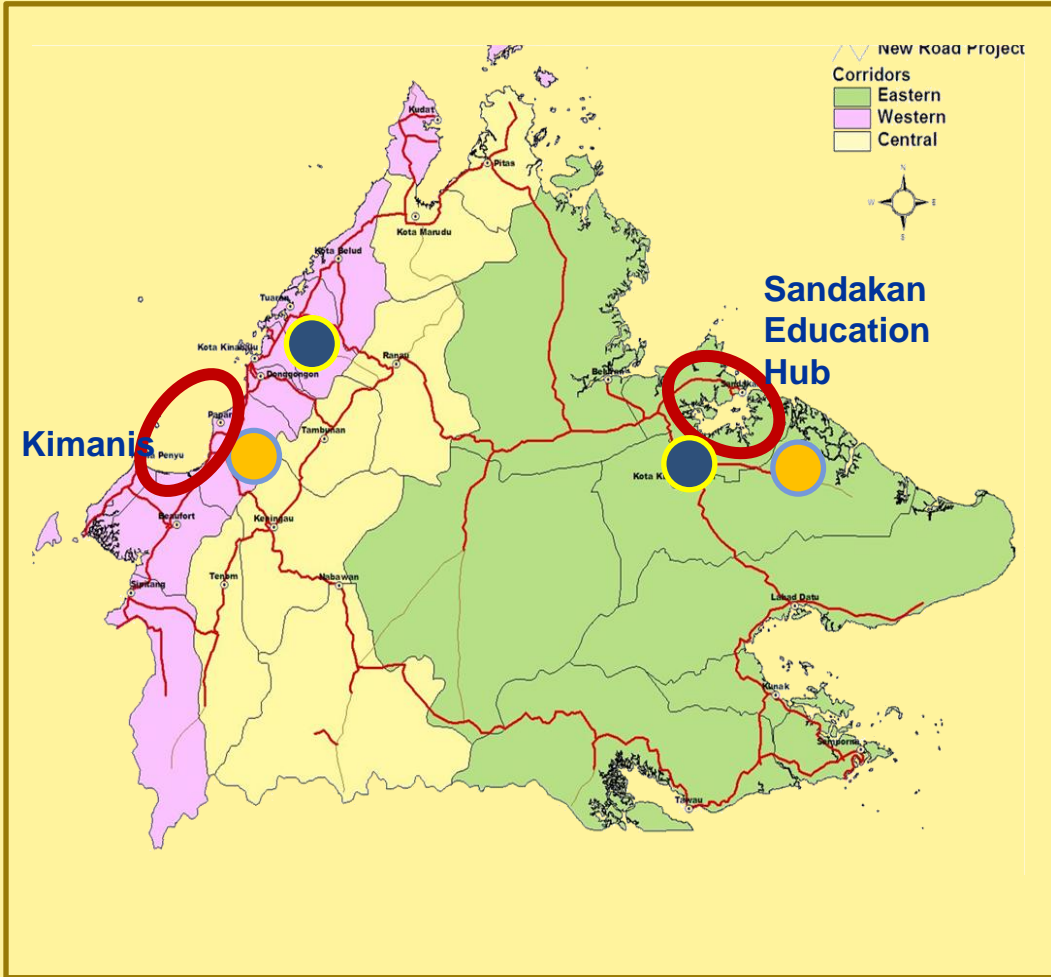
Kenichi Ohmae: Economic Competitiveness will increasingly be determined by efficiency of services in place of economy of scales

GS-LOGISTICS

- Improved productivity – better monitoring reduce idle-time.
- Reduced cost – Reduction in communication costs & in-transit delivery.
- Reduced anxiety level – knowledge of current location, route traveled, safety of driver/vehicle, estimation of arrival time
- Surveillance



EDUCATION SECTOR



Hospitality and Tourism Discipline Cluster

Invest	GNI	Jobs
RM 40.5m	RM80m	460

Private Skills Training Centers

Invest	GNI	Jobs
RM 328m	RM155m	1013

International Marketing

Invest	GNI	Jobs
RM 10m	RM33m	225



UMS Building at SANDAKAN EDUCATION HUB



LABOUR FORCE AND UNEMPLOYMENT FROM 2007-2012

EMPLOYMENT	*2007	*2008	2009	2010	2011	2012
Labour Force ('000)	1,267.7	1,294.20	1,345.3	1,480.7	1,538.8	1,579.8
Employed ('000)	1,198.6	1,230.5	1,270.6	1,398.6	1,452.7	1494.5
Unemployment ('000)	69.2	63.8	74.6	82.1	86.1	85.3
Unemployment Rate (%)	5.5	4.9	5.5	5.5	5.6	5.4
Labour Force Participation Rate (%)	65.3	64.5	65.1	65.9	67.0	67.4

Jesselton Waterfront Development



KK International Cruise Terminal



GNI = RM 851 mil
Private Inv = RM 1.89bil
Public Inv = RM 210 mil
Jobs = 4000

Sabah International Convention Centre (SICC)



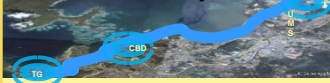
GNI = RM 235 mil
Private Inv = RM 269 mil
Public Inv = RM 219 mil
Jobs = 1000

KK City Waterfront



GNI = RM 105 mil
Private Inv = RM 500 mil
Public Inv = RM 0 mil
Jobs = 3200

Cycle Way & Pedestrian Walkway



GNI = RM 0 mil
Private Inv = 0
Public Inv = RM 34 mil
Jobs = 200

Relocation & Redevelopment of Pulau Gaya



GNI = RM 638 mil
Private Inv = RM 1bil
Public Inv = RM 175 mil
Jobs = 200

Gaya Island Resort (YTL)



GNI = RM 31 mil
Private Inv = RM 75 mil
Public Inv = RM 0mil
Jobs = 1260

Karambunai Integrated Resort City (KIRC)



GNI = RM 1.3 bil
Private Inv = RM 1 bil
Public Inv = RM 100 mil
Jobs = 4000

Sabah Medical Centre (SMC) by KPJ



GNI = RM 393 mil
Private Inv = RM 200 mil
Public Inv = RM 0 mil
Jobs = 506

Gleneagles Medical Centre



GNI = RM 155 mil
Private Inv = RM 471mil
Public Inv = RM 0mil
Jobs = ~1500

Ma'ang Hill Resort



GNI = RM 20mil
Private Inv = RM 100mil
Public Inv = RM 20mil
Jobs = 1150

Distribution of EPPs in Greater KK (1/2)



Sembulan River Beautification



GNI = RM 181 mil
Private Inv = 0
Public Inv = RM 24 mil
Jobs = 4000

Aeropod By SP Setia



GNI = RM 0 mil
Private Inv = RM 1 bil
Public Inv = RM 0 mil
Jobs = 3000

Central Bus Terminal (Wawasan)



GNI = RM 0 mil
Private Inv = RM 0
Public Inv = RM 4mil
Jobs = ~200

Kokol Hill Development



GNI = RM 65 mil
Private Inv = RM 20 mil
Public Inv = RM 1 mil
Jobs = 400

Expansion of Scuba Diving Academy



GNI = RM 30 mil
Private Inv = RM 9 mil
Public Inv = N.A
Jobs = 100

Integrated Culture & Entertainment Area



GNI = RM 72 mil
Private Inv = RM 200 mil
Public Inv = RM 100 mil
Jobs = 800

Water Taxi, Sport & Maritime Centre



GNI = RM 120mil
Private Inv = RM 100 mil
Public Inv = RM 15 mil
Jobs = 200

Extended time in Entertainment Zone



GNI = RM 163 mil
Private Inv = 0
Public Inv = 0
Jobs = 150

Enhancement of Cultural Water Village



GNI = RM 10 mil
Private Inv = 0
Public Inv = RM 50 mil
Jobs = 100

Green City & Landscape Project



GNI = 0
Private Inv = 0
Public Inv = RM 144 mil
Jobs = 1500

Distribution of EPPs in Greater KK (2/2)



Bus Rapid Transit (BRT)



GNI = 0
Private Inv = 288mil
Public Inv = 70.2mil
Jobs = 400

Bus Terminal (North & South)



GNI = RM 0 mil
Private Inv = RM 0
Public Inv = 70mil
Jobs = 1420

Healthcare – Full Paying Patient (1,000 beds)



GNI = RM 410 mil
Private Inv = RM 800 mil
Public Inv = RM 200 mil
Jobs = 5,000

Tanjung Dumpil Resort & Residence at Putatan



GNI = RM 30 mil
Private Inv = RM 600 mil
Public Inv = N.A
Jobs = 1000

Gondola at Inobong Substation, Penampang



GNI = RM 48mil
Private Inv = RM 203 mil
Public Inv = 19.8mil
Jobs = 538

Relocation of Wet Market & Redevelop as High End Entertainment Center



GNI = RM 500 mil
Private Inv = RM 100 mil
Public Inv = RM 30mil
Jobs = 700



MEASURES TO DRIVE INVESTMENTS IN SDC

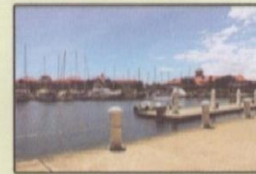
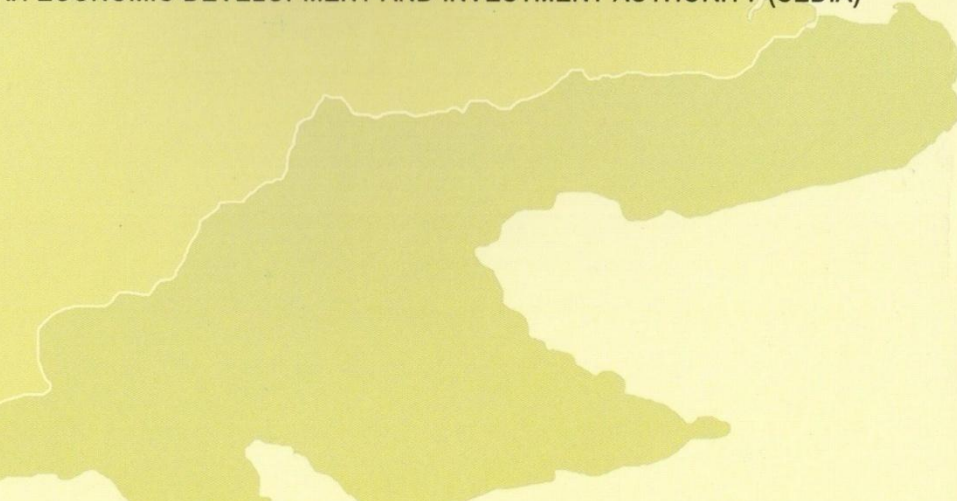
- **General Incentives:** Projects in the key promoted sectors of SDC relating to manufacturing and manufacturing related services fall within the purview of MIDA. (see www.mida.gov.my);
- **Special Incentives Package and Customised incentives** within designated Strategic Development Areas/Clusters are also available to companies undertaking projects in the Sabah Development Corridor (case-by-case basis). Applications should be submitted to SEDIA;
- **Participation in Entry Point Projects** under the Economic Transformation Programme;
- **Participation in Public-Partnership Programme;**
- **Bio-Nexus Status for Biotech-related Industries;**
- **Incentives for eligible SMEs: Income Tax and Facilitation Funds**



SABAH DEVELOPMENT CORRIDOR INCENTIVE PACKAGE



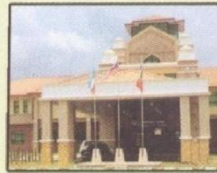
SABAH ECONOMIC DEVELOPMENT AND INVESTMENT AUTHORITY (SEDIA)



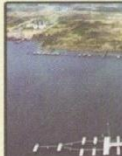
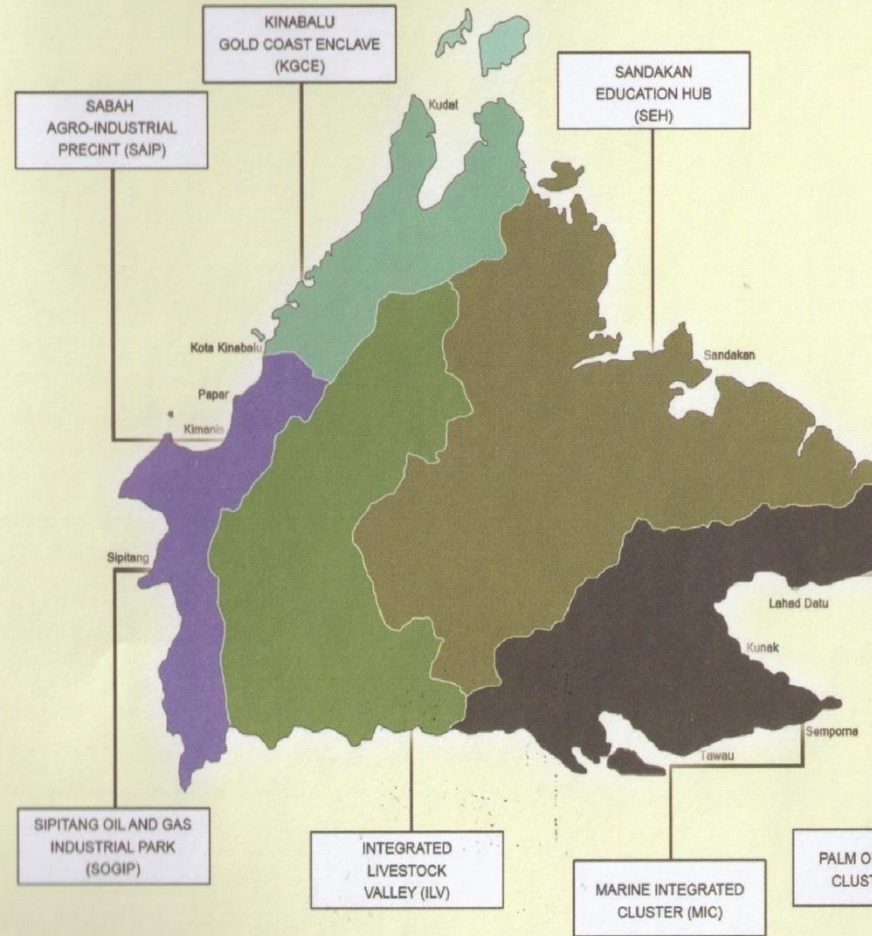
KINABALU GOLD COAST ENCLAVE (KGCE)



SABAH AGRO-INDUSTRIAL PRECINT (SAIP)



SANDAKAN EDUCATION HUB (SEH)



INVESTMENT TAX INCENTIVE PACKAGE FOR SDC

- Applications received by 31 December 2020 are eligible for these incentives.
- Applications should be submitted to SEDIA.

No	Flagship and Qualifying Activities	Tax Incentives
1	Kinabalu Gold Coast Enclave (KGCE) Location: Kota Kinabalu	
	<p>A. Tourism Project</p> <ul style="list-style-type: none"> • Hotel • Resort <p>B. Creative Cluster</p> <ul style="list-style-type: none"> • Design Academy <ul style="list-style-type: none"> - Product design - Fashion/ accessories design • Academy of Art <ul style="list-style-type: none"> - Arts and crafts - Drawing - Sculpture • School of Performing Arts <ul style="list-style-type: none"> - Dance - Drama - Music 	<p>A. Tourism Project</p> <p><u>Hotel and Resort</u></p> <ol style="list-style-type: none"> Full tax exemption on statutory income for 10 years; or Investment Tax Allowance of 100% on qualifying capital expenditure for 5 years - can be offset against 100% of statutory income. Exemption on import duty and sales tax subject to current policy; and Stamp duty exemption on land acquired for development. <p>B. Creative Cluster</p> <ol style="list-style-type: none"> Full tax exemption on statutory income for 5 years; or Investment Tax Allowance of 100% on qualifying capital expenditure for 5 years - can be offset against 100% of statutory income; and Full exemption on import duty and sales tax exemption subject to current policy.

2 Integrated Livestock Valley (ILV)
Location: Keningau

Downstream Activities:

- **Manufacturing of cattle feed**
- **Manufacturing of dairy-based products**
- **Manufacturing of meat-based products**

Full tax exemption on statutory income for 10 years; or Investment Tax Allowance of 100% on qualifying capital expenditure for 5 years - can be offset against 100% of statutory income, subject to qualifying activities/ products under the Investment Promotion Act 1986.

3 Sabah Agro-Industrial Precinct (SAIP)
Location: Kimanis and Papar

Production of Halal Food

- **Downstream Activities**
 - Processing of agricultural produce for:**
 - **Pharmaceuticals or biopharmaceuticals**
 - **Biodiagnostics**
 - **Food or feed supplements**
 - **Horticultural products**
 - **Nutraceuticals**
 - **Microbials & probiotics**
- **Development & production of:**
 - **Cell/ tissue cultures**
 - **Biopolymers**
 - **Biomaterials**
 - **Biotechnology process of waste treatment**

A. Projects located within the Halal Hub:
Investment Tax Allowance of 100% for 10 years; or Tax exemption on export sales income for 5 years.

B. Project located outside the Halal Hub:
Investment Tax Allowance of 100% for 10 years.

- i. Exemption on import duty and sales tax, subject to current policy.**
- ii. Qualifying products/ activities will be determined.**

4 Palm Oil Industry Cluster (POIC)

Location: Lahad Datu

Downstream Activities – Manufacturing

- Oleochemical
- Biofuel
- Transfree Food Products

Full tax exemption on statutory income for 10 years; or Investment Tax Allowance of 100% on qualifying capital expenditure for 5 years - can be offset against 100% of statutory income, subject to qualifying activities/ products under the Investment Promotion Act 1986.

5 Sabah Oil & Gas Industrial Park (SOGIP)

Location: Sipitang

- Downstream Activities – Manufacturing
- Medium & Heavy Industries
 - Urea and ammonia production
 - Solar glass
 - Ship building and repairs
 - Marine supply base and fabrication yard
 - Iron ore palletising
 - Hot briquette iron
 - Combined cycle power plant

Full tax exemption on statutory income for 10 years; or Investment Tax Allowance of 100% on qualifying capital expenditure for 5 years - can be offset against 100% of statutory income, subject to qualifying activities/ products under the Investment Promotion Act 1986.

For ship building and repairs industry, incentives are offered under Income Tax Act 1967 as follows:

- i. Full tax exemption on statutory income for 5 years; or
- ii. Investment Tax Allowance of 100% on qualifying capital expenditure for 5 years - can be offset against 100% of statutory income.

6	<p>Sandakan Education Hub (SEH) Location: Sandakan</p>
	<ul style="list-style-type: none"> • Private Universities • Private Colleges • Training Centres • Skill Training Centres <p>i. Full tax exemption on statutory income for 10 years; or Investment Tax Allowance of 100% on qualifying capital expenditure for 5 years - can be offset against 100% of statutory income.</p> <p>ii. Exemption on import duty and sales tax exemption on equipments and machineries used, subject to current policy.</p>
7	<p>Marine Integratd Cluster (MIC) Location: Semporna</p>
	<p>Downstream Activities:</p> <ul style="list-style-type: none"> • Production of aquaculture products • Seafood • Fresh and dried export • Cosmetics material • Pharmaceutical products <p>i. Full tax exemption on statutory income for 10 years; or Investment Tax Allowance of 100% on qualifying capital expenditure for 5 years - can be offset against 100% of statutory income.</p> <p>ii. Exemption on import duty and sales tax exemption on equipments and machineries used, subject to current policy.</p>

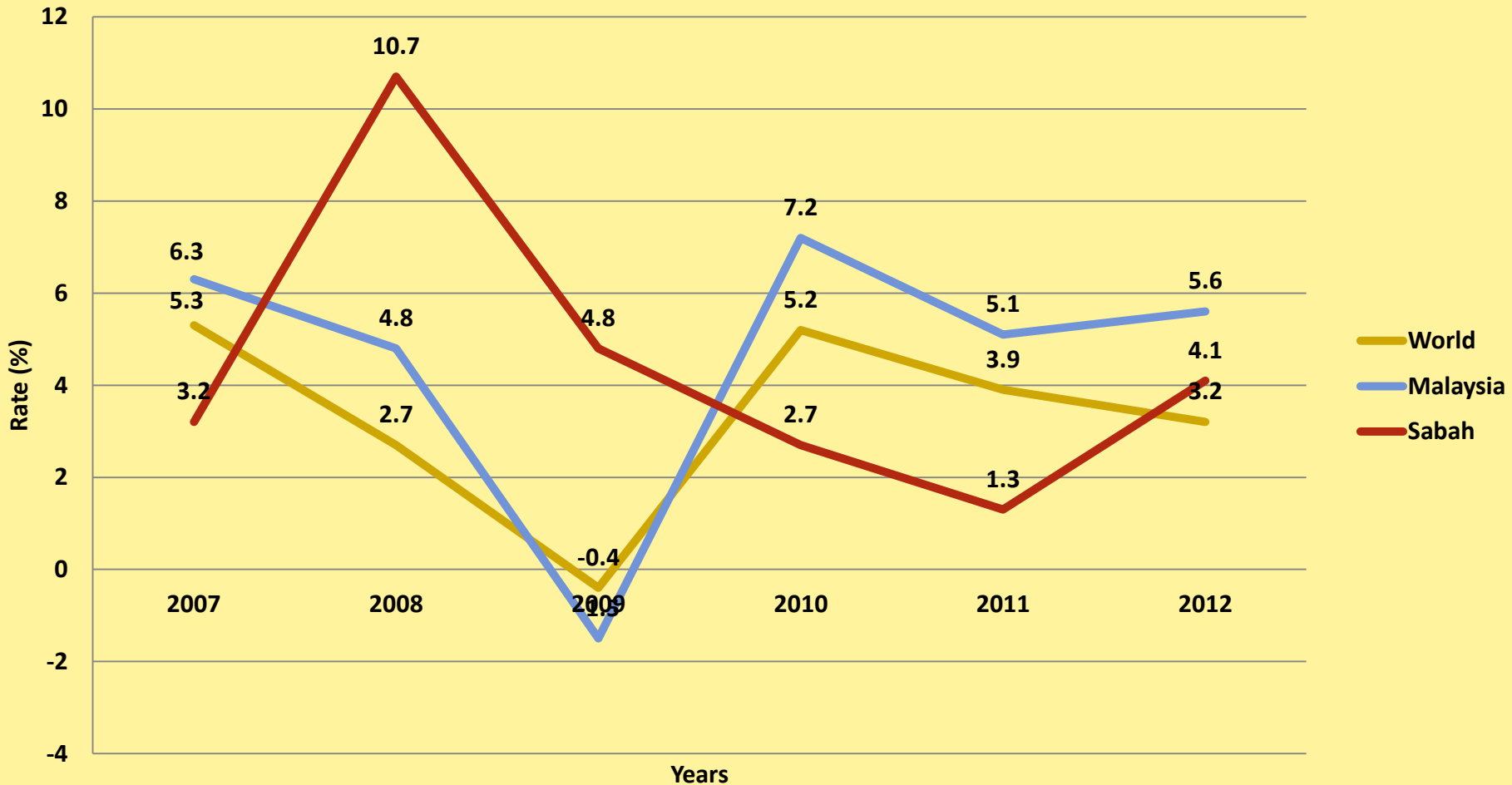
SABAH

JADUAL
TABLE **50**

KDNK Sabah mengikut Jenis Aktiviti Ekonomi, 2005-2012 pada Harga Malar 2005 - RM Juta
GDP for Sabah by Kind of Economic Activity, 2005-2012 at Constant 2005 Prices - RM Million

Jenis Aktiviti Ekonomi <i>Kind of Economic Activity</i>	2005	2006	2007	2008	2009	2010	2011 ^e	2012 ^p
1. Pertanian <i>Agriculture</i>	9,647	9,908	10,474	10,095	9,713	9,333	9,764	9,237
2. Perlombongan dan Pengkuarian <i>Mining and Quarrying</i>	5,133	5,305	4,338	8,037	9,635	9,981	8,336	9,191
3. Pembuatan <i>Manufacturing</i>	3,149	3,308	3,333	3,412	3,149	3,296	3,486	3,496
4. Pembinaan <i>Construction</i>	950	1,050	840	823	880	1,048	1,127	1,275
5. Perkhidmatan <i>Services</i>	13,421	14,537	16,185	16,548	17,371	18,249	19,763	21,050
5.1 Utiliti, Pengangkutan, Penyimpanan dan Komunikasi <i>Utilities, Transport, Storage and Communication</i>	2,601	2,740	2,960	3,155	3,176	3,461	3,682	3,856
5.2 Perdagangan Borong dan Runcit, Penginapan dan Restoran <i>Wholesale and Retail Trade, Accommodation and Restaurants</i>	3,787	4,323	4,960	5,387	5,770	6,027	6,531	6,774
5.3 Kewangan dan Insurans, Hartanah dan Perkhidmatan Perniagaan <i>Finance and Insurance, Real Estate and Business Services</i>	2,792	2,986	3,615	3,170	3,399	3,662	3,986	4,369
5.4 Perkhidmatan-perkhidmatan Lain <i>Other Services</i>	1,439	1,459	1,513	1,600	1,661	1,706	1,778	1,826
5.5 Perkhidmatan Kerajaan <i>Government Services</i>	2,802	3,028	3,136	3,236	3,364	3,393	3,785	4,225
6. campur: Duti Import plus: <i>Import Duties</i>	127	114	147	198	237	193	189	186
KDNK pada Harga Pembeli <i>GDP at Purchasers' Prices</i>	32,427	34,221	35,318	39,114	40,986	42,101	42,664	44,434












WORLD, MALAYSIA AND SABAH: GDP - REAL GROWTH RATE (%) FROM 2007-2012



***POVERTY INCIDENCE, MEAN HOUSEHOLD INCOME PER MONTH
AND GINI COEFFICIENT***

Year	Income (RM)	Poverty Rate (%)	Gini Coefficient*
2007	2,866	19.5	0.450
2009	3,102	19.7	0.453
2012	4,013	8.1	0.428

Name	Urban Population
	323817
	268821
	155089
	81867
	71176
	42598
	41624
	35499
	32754
	31001
	27443
	22425

-  Sub-Regional Growth Centre
-  Urban Growth Centre
-  Rural Growth Centre
-  Road Network
-  Existing Road
-  New Road Project
-  Corridor
-  Sub-Region
-  Western
-  Eastern
-  Central

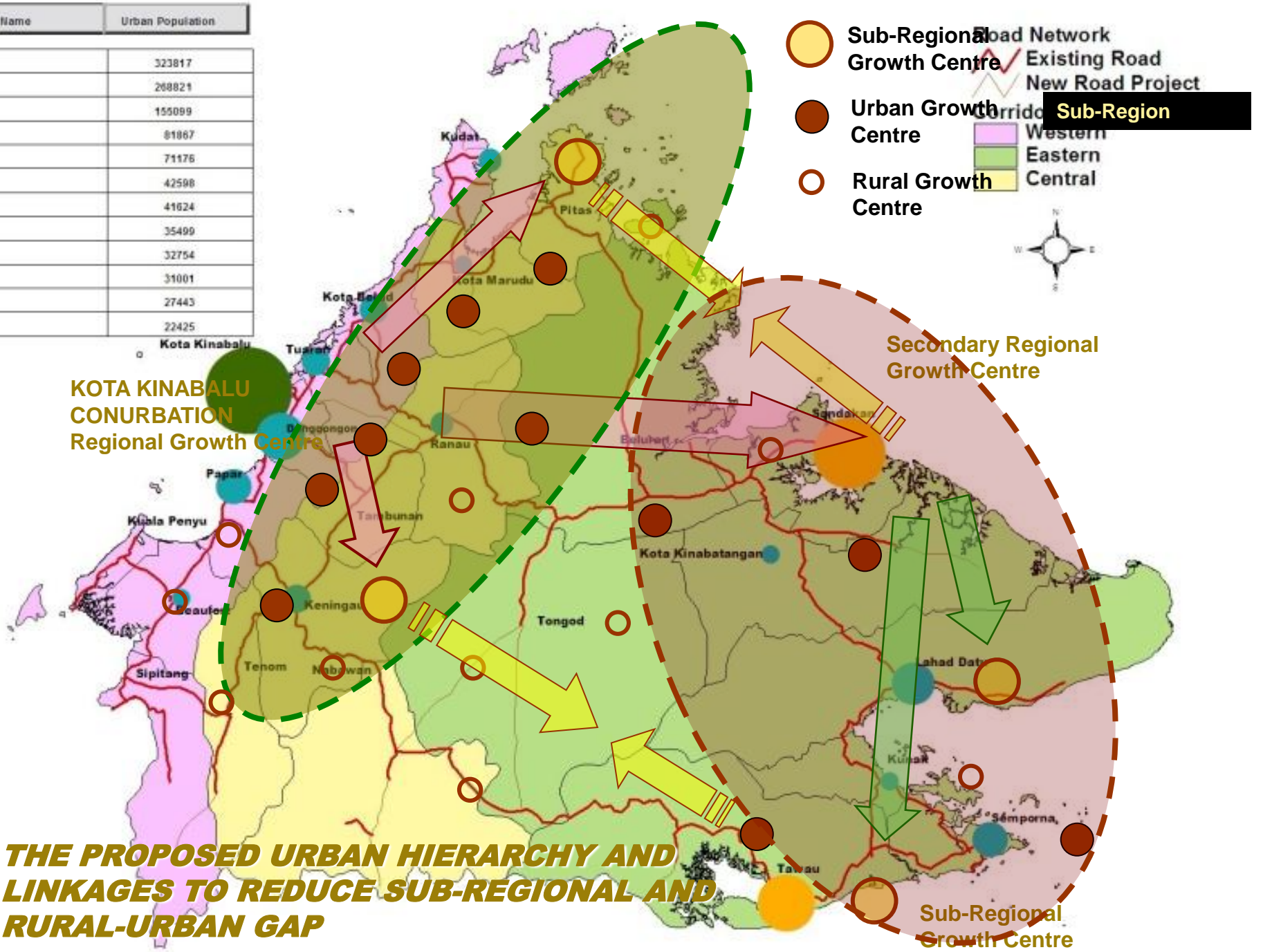


KOTA KINABALU CONURBATION
Regional Growth Centre

Secondary Regional Growth Centre

Sub-Regional Growth Centre

THE PROPOSED URBAN HIERARCHY AND LINKAGES TO REDUCE SUB-REGIONAL AND RURAL-URBAN GAP



GOING FORWARD: POLICY INITIATIVES AND STRATEGIC OPTIONS FOR SABAH

- 1. Transforming the Agriculture Sector and the National Food Security Agenda**
- 2. Promoting New Sources of Growth for the Manufacturing and Tourism Sectors**
- 3. Promote Sabah as the Eastern Aviation Hub for Malaysia**
- 4. Promote Sabah as a Regional Logistics and Maritime Hub**
- 5. Accelerate the Development of SME and Start-ups**
- 6. Enhance greater participation in the Bio-Economy via Science-Industry Linkages**
- 7. Enhancing Human Capital Development**
- 8. Leveraging the Internet to develop Entrepreneurs**



THANK YOU



***...Your Solution Provider
and Partner in SDC...***