

BRIGHT OUTLOOK FOR NEGRI SEMBILAN

NEGRI SEMBILAN, which netted a record RM6.18bil in investments in the manufacturing sector alone in 2020 despite the Covid-19 pandemic, wants to do even better this year and cement its position as one of the nation's most-favoured destinations.

When the crippling pandemic struck early last year, the state government quickly thought of ways to cushion its impact. All the hard work put in resulted in RM7.93bil in new investments flowing into the state.

The business-friendly initiatives introduced were commendable as the state managed to surpass its initial target of securing some RM5bil in new investments in 2020.

The 2020 economic performance was also better than that of 2019, when the state received investments totalling RM6.96bil, or 14% less. Last year, Negri Sembilan netted RM3.83bil in foreign direct investments (FDI) with the largest coming from the Netherlands with RM1.74bil, providing almost 2,600 jobs.

This was more than double the amount of FDI netted in 2019. Domestic direct investments amounted to RM4.1bil, about 20% lower than 2019.

The outlook for this year is promising as the state has already secured investments totalling RM1.63bil in the first quarter alone, covering major sectors including manufacturing, real estate, finance, distribution trade services, utilities, telecommunications, services and transportation.

Based on the 2020 statistics, the services and manufacturing sectors have continued to be the top revenue earners with a total contribution of almost 88%.

The services sector alone contributed 51.4% while the manufacturing sector accounted for 36.2%.

The agriculture sector contributed 7.2% while construction and mining and quarrying accounted for 3% and 0.5% respectively.

A record total of 90 projects were also approved in the manufacturing and services sectors in 2020, providing 5,773 jobs compared to 3,300 jobs in 2019.

According to the Malaysian Investment Development Authority, Selangor secured the highest investments approved last year at RM38.7bil followed by Sabah (RM21bil), Sarawak (RM19.6bil), Kuala Lumpur (RM17.1bil), Penang (RM16bil) and Johor (RM11.9bil).

Despite the uncertainties due to Covid-19 and the shaky investment climate, Negri Sembilan has set an ambitious target of securing RM10bil in new investments this year.

It is counting on its reputation as an investor-friendly administration, as well as its good infrastructure and connectivity, reliable work force and proximity to the Klang Valley and the country's airports and seaports.

To ensure that it remains resilient, the state government has outlined four main features promoting a knowledge-based economy along with the Industrial Revolution 4.0, high-value economic empowerment, an economy based on strategic resources and limited exploration of natural resources so as not to affect the needs of future generations.

It has also come up with the Negri Sembilan Structure Plan 2045 (RSNS 2045), which aims to:

- > make Negri Sembilan more "prosperous, inclusive and sustainable"

- > achieve the target for a modern and developed city while efforts continue under the Rural Roadmap Plan to bring areas in the outskirts into the mainstream economy.

The master plan is divided into three key components: Malaysia Vision Valley 2.0 (MVV 2.0), Agropolis and Biodiversity.

The plan is to attract more economic activities targeting the high-tech industrial sector, especially in the Seremban and Port Dickson districts which make up the Malaysian Vision Valley 2.0 area, transform the Kuala Pilah, Jempol, Rembau and Tampin districts as Agropolis regions and Jelevu as a centre of biodiversity attractions.

The overall MVV2.0 development spans 153,411ha of land and is envisioned as a world-class metropolis that is competitive, inclusive and clean.

The carefully thought out Agropolis region incorporates urban elements into a rural settlement to enable an agricultural town.

The state's agricultural sector needs to



Aminuddin (second from left) at the recent state-level Fly the Jalur Gemilang campaign held in conjunction with National Day.

have the economies of scale and be able to produce high-income agricultural entrepreneurs who use technology to improve crop yields and can further develop areas with limited size.

Promoting biodiversity as the third sector will also benefit the state, which is rich in tropical forests with unique flora and fauna. In this context, Jelevu is among the districts with great potential.

The state government will launch an extensive tourism and ecotourism campaign and prepare facilities to promote natural attractions such as the state Wildlife Park, Lembah Jemaloi and the Kenaboi recreational area.

These measures show that despite the volatile environment brought about by the pandemic, business-friendly Negri Sembilan continues to be an interesting option for domestic and foreign investors.

The state government has also drawn up special incentives under the Invest Negri Sembilan 2021 programme to lure more investors.

For a start, the state government, through its various departments and agencies, has agreed to help promote products marketed by relevant parties and create a landscape that is business-friendly and supports expansion.

This will help businesses expand and the state economy grow faster. The state government will not only help facilitate this, but will also provide end-to-end handholding.

Apart from instilling confidence in prospective investors, such a move will help cut red tape, do away with the involvement of middlemen and speed up development.

Special green lanes have also been set up, where potential investors are given special approvals to expedite and promote development. These One Stop Centres will quicken approval processes. Those making decisions will also sit in these committees to ensure that approvals, including technical ones, are done quickly and systematically.

This is necessary as delayed decision making can halt growth, which would not be good for those keen to do business in the state.

To further promote growth, the state government has also agreed to offer a 25% discount on land premiums to developers who pay the entire sum within 21 days of getting the approval for development.

A 15% discount is given if the premium is made within 60 days as an incentive for development. Prior to that, it took developers months to get a discount.

All these additional initiatives are proactive measures by the state government to attract more investors and allow existing ones to expand operations in the state.

Last November, Menteri Besar Datuk Seri Aminuddin Harun tabled the state's biggest budget ever to revitalise its economy and ensure the people's continued prosperity.

A sum of RM560mil was set aside for 2021 compared to RM507mil for 2020. The state expects to earn RM448mil for the year.

The higher budget was made possible due to prudent policies and good management, which has also helped Negri Sembilan increase its reserves from some RM688mil in 2018 to just over RM1bil last year.

Of the RM560mil sum, RM153mil has been set aside as development expenditure to, among others, help revitalise several sub-sectors in the construction industry including cement, sand, stone, iron, paint, machinery, equipment, and machinery.

Negri Sembilan has also introduced a "double investment" policy to increase the people's household income, improve their purchasing power parity and upgrade their living standards.

Through this initiative, the state hopes that by securing more year-on-year investments, it will also provide quality employment and business opportunities for locals. The state wants to attract hi-tech industries which require skilled and knowledge workers.

These workers will be offered better perks

and remuneration, and this will indirectly attract more such employees to the state.

To counter the impact of Covid-19 on its tourism sector, the state administration has taken steps to boost tourist arrivals through the Negri Sembilan Tourism Board and various agencies. This includes promoting local products such as beach tourism, eco-tourism and cultural and heritage tourism.

This is a necessary move as the closure of national and state borders as well as other travel restrictions has adversely affected other tourism-related industries such as food, beverage and accommodation service industries, travel agency services, transportation, conference organisation, recreation and sports.

The state government also conducted the "Jom Teghojah Nismilan" promotional campaign in June last year following travelling restrictions due to the enforcement of the movement control order.

It came up with initiatives to create more awareness and promotion of 43 tourism-related activities were carried out with a cost of RM3.84mil.

Of these, eight tourism activities and events were carried out in the state's top tourism destination of Port Dickson involving a total allocation of RM385,000.00.

Field trips were conducted to some of these tourism areas to find out if they were ready to receive tourists following the pandemic.

Digital promotions and campaigns were also carried out through social media platforms such as Facebook, Instagram and Twitter to reach a wider audience and to create more awareness of the places of interest in Negri Sembilan.

The promotional campaigns were well received by industry players, who also gave their support by offering discounts for hotel stays as well as visits to water theme parks, tourist attractions and the like.

