

Iskandar could be model: ex-M'sia MP

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Business Times Singapore, 14 November 2013

While the success of the Iskandar project is not yet apparent, it could serve as a model for future Singapore-Malaysia collaborations in other economic corridors across the Causeway.

So said former Malaysian Member of Parliament Nungsari Ahmad Radhi on Tuesday, at the 20th Singapore Economic Roundtable jointly organised by the Institute of Policy Studies and The Business Times.

"I wouldn't classify Iskandar as a success story yet because it's still early days. It's still largely a property play right now, and it has to move towards a better kind of economic integration to benefit both sides better," said Dr Nungsari, who is now managing director of Prokhas, a special purpose vehicle wholly owned by the Minister of Finance Inc in Malaysia.

"But the cooperation and familiarity that has been created in Iskandar actually augurs well for opportunities everywhere else - certainly in the northern areas, in Penang, in Kuantan. Of course it also depends on the sort of industries that Singapore firms are looking for," he added.

Apart from Iskandar in Johor, Malaysia has carved out four other economic corridors with investment and business incentives. These are the Northern Corridor Economic Region, the East Coast Economic Region, the Sabah Development Corridor, and the Sarawak Corridor of Renewable Energy.

As power and economic heft continues to shift towards North Asia, Dr Nungsari believes deeper collaboration between Singapore, Malaysia and Indonesia needs to be seen as a political and economic imperative, and not merely a nice-to-have prospect.

"The future of this immediate region will have to be developed along the Malacca straits ... Then we will have a decent chance to be the location for production to feed demand that's going to come from up north," said Dr Nungsari, who was previously an executive director at sovereign wealth fund Khazanah Nasional.

He noted that the Greater Mekong Subregion - comprising Cambodia, Laos, Myanmar, Thailand, Vietnam, and China - could become a potential competitor in this respect.

Although Dr Nungsari acknowledged that a surplus economy like Singapore should funnel resources towards the ascending region of North Asia, he said that Singapore must think of its immediate neighbours as well.

"With such growth and size come responsibilities, because your behaviour and non-behaviour actually affects other things. I think given Singapore's advanced standing in development, it should integrate better (with its neighbours) on the non-economic side of things first, which would then lead to better economic integration later.

"As opposed to always being characterised as the place where the brain drain goes to, things should be the other way around. Singapore can share the brains and be an exporter of talent to the region - it's a possible way of building some bridges," said Dr Nungsari.