

ATTRACTING INVESTORS

ECER should tap ECRL's development, say experts

KUALA LUMPUR: There is a need for an extensive plan to spur development at the East Coast Economic Region (ECER) by utilising the East Coast Rail Link (ECRL), said industry experts.

The development of the ECRL would inject some life into the corridor, they said, when commenting on the Auditor General's Report 2024.

According to the report, 37 of 43 industrial plots under the ECER remain unoccupied.

These unoccupied plots are in the Tok Bali Integrated Fisheries Park project, Malaysia-China Kuantan Industrial Park project and Kertih Biopolymer Park project phases one to three.

The report also noted that infrastructure worth RM4.03 million at the Ulu Tersat goat farm project in Terengganu, including the animal production unit, storage areas and worker housing, had been unused since 2011.

The ECER Development Council did not respond to queries from 'Business Times' at press time.

Singapore Institute of International Affairs senior fellow Dr Oh Ei Sun said the concept of the development corridor was favoured by the government of nearly two decades ago.

He said as time passed and a different administration came to power, these corridors failed to achieve any appreciable degree of socioeconomic success.

Oh said the economic region needed a bold strategy that could ride on the development of ECRL and benefit from it.

"Perhaps the central and northern stretches of ECER

should have more bold strategies to take advantage of the ECRL passing through them."

National Council of Professors fellow Professor Dr Azmi Hassan opined that the plots as highlighted in the AG report had remained unoccupied mainly due to the lack of basic infrastructure.

"The ECER needs to focus on logistics issues and develop basic infrastructure to attract investors to set up businesses there."

Universiti Putra Malaysia Social and Development Sciences Department head Assoc Prof Nik Ahmad Sufian Burhan said the ECER sites might deter investors.

Poor connection, a lack of infrastructure and distance from important markets and suppliers, most of which are located on the west coast, could make these plots less appealing to investors.

"Investors will always interpret poor public infrastructure as a weak local economy or insufficient demand for industrial output."

He said the ECER should assess its promotional strategies to attract a larger pool of investors.

This could include making adjustments to incentives, enhancing marketing strategies and reaching out to investors.

"Another strategy is to encourage the development of sector-specific clusters in the ECER industrial parks, in line with market demand and global trends.

"This specialisation has the potential to attract investors who are seeking specific environments or synergies.

"In addition, it is crucial to carry out market research, and identify the specific industries that are most suitable for investment," he said.

The construction site of the Kota Baru East Coast Railway Link station in Bandar Baru Tunjong.

