

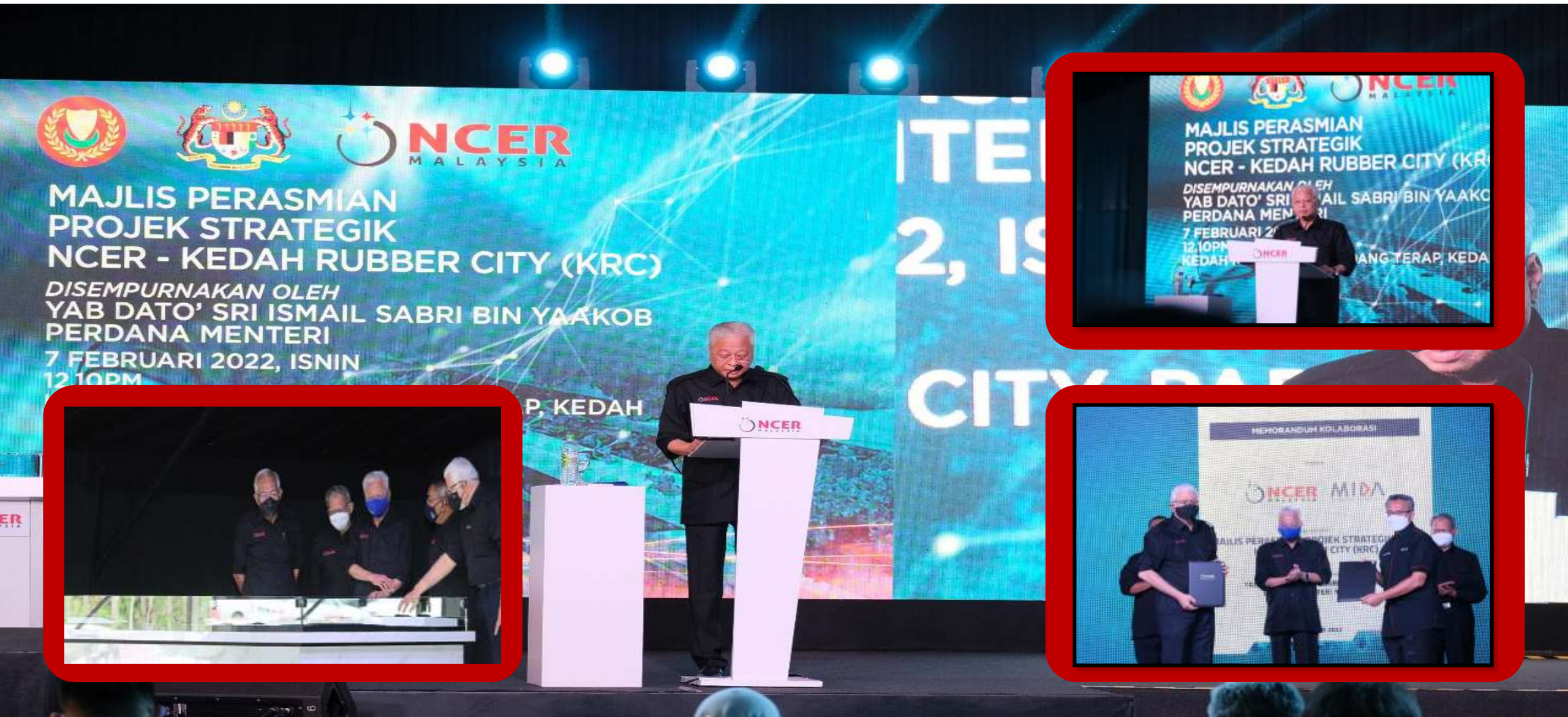


NCER
MALAYSIA

Kedah Rubber City : A High-Impact Strategic National Project in Kedah

22 September 2022

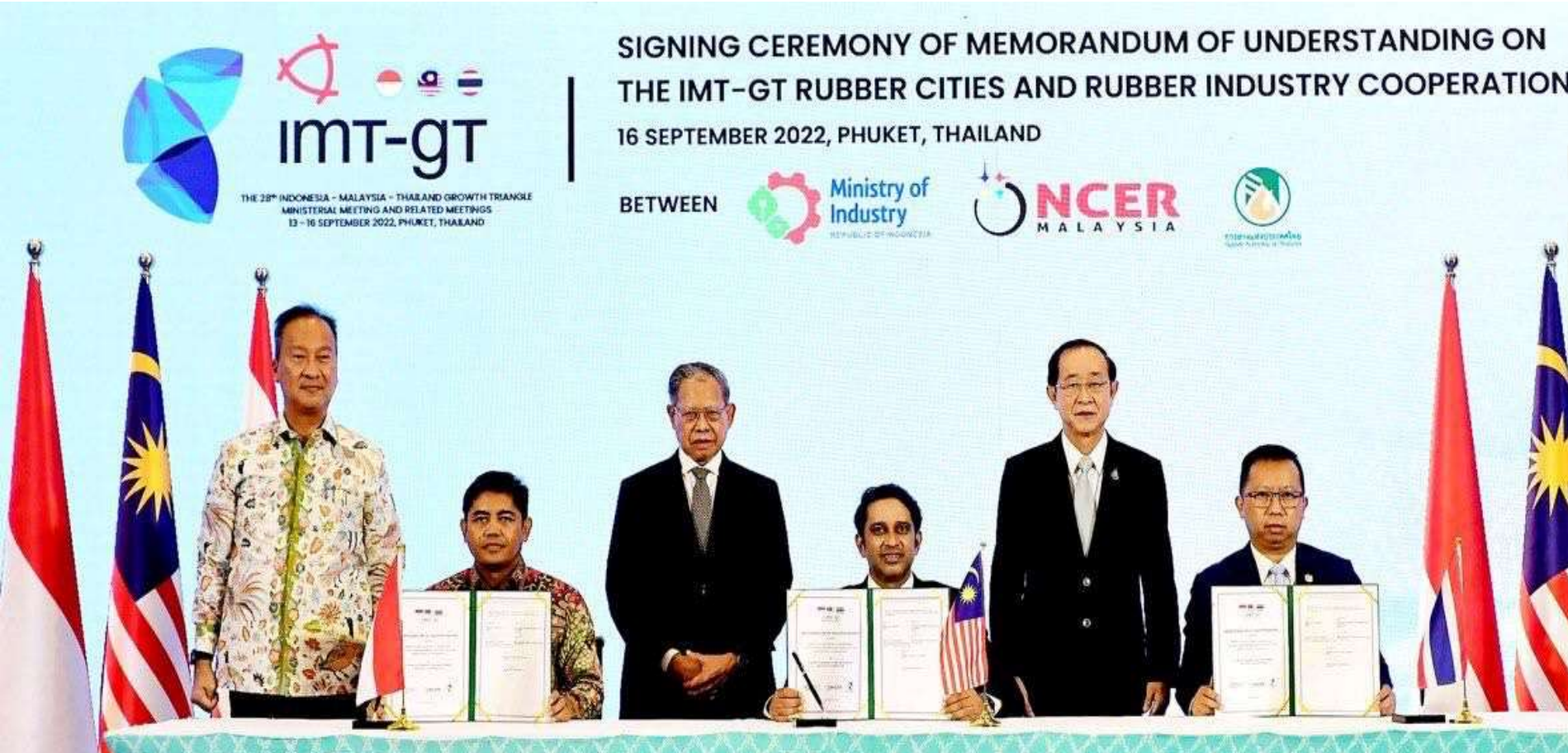
KRC | Official Launching by YAB Prime Minister



KRC – Malaysia's First Dedicated Rubber Eco Industrial Park in Padang Terap, Kedah

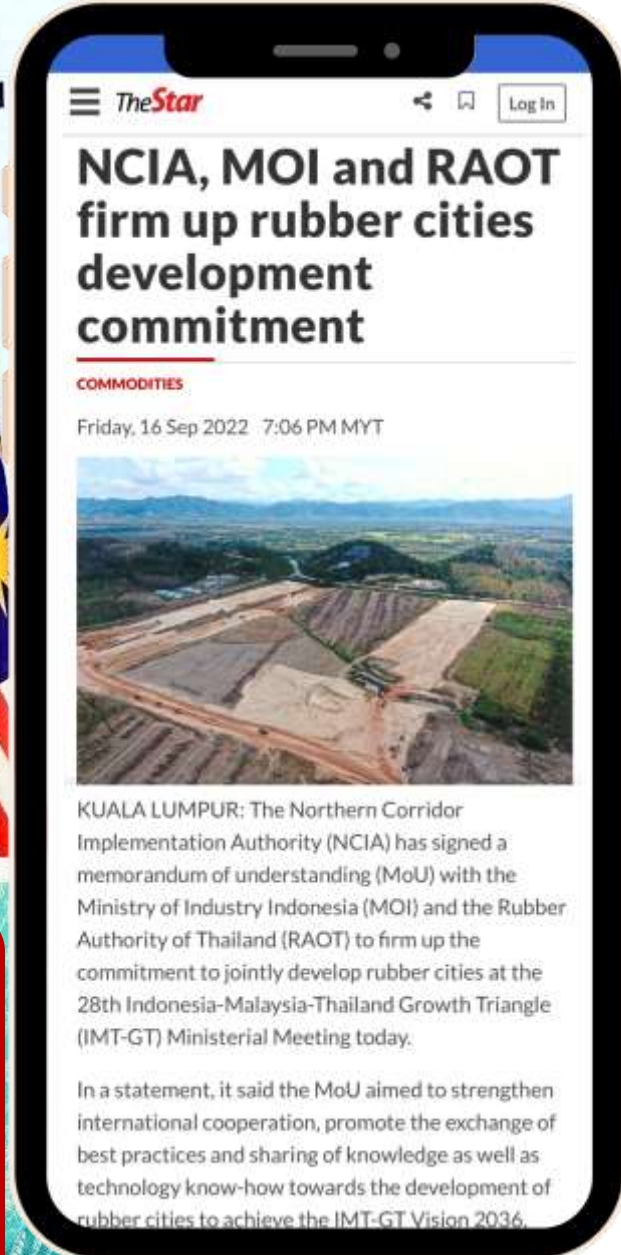


Ground-breaking Ceremony for the Largest Nitrile Butadiene Latex (NBL) Plant in the World at KRC



28th Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) Ministerial Meeting
held in Phuket, Thailand – 16th September 2022

Signing of MOU to Firm-up Commitment to Jointly Develop IMT-GT Rubber Cities
between
Ministry of Industry Indonesia (MOI) - Rubber Authority of Thailand (RAOT)
And Northern Corridor Implementation Authority (NCIA)





TheStar Hong Seng Industries to invest RM3bil in one of world's largest NBL plants in Kedah

Hong Seng Industries to invest RM3bil in one of world's largest NBL plants in Kedah



CORPORATE NEWS
Friday, 01 Nov 2021
1:30 PM MYT



4 STATES

NORTHERN CORRIDOR ECONOMIC REGION

Total Land Area
32,404 km²



Population (2021)
6.74 mil.



GDP as at 2021
(at 2015 constant price)
RM229.1 bil.



Mean Household
Income (2020)

RM5,477



Total Employment
(Q2 2021)
2.79 mil.



Source: DOSM, Analysis by PwC



ABOUT NCIA

Northern Corridor Implementation Authority (NCIA) was established under the Northern Corridor Implementation Authority Act 2008 (Act 687) **to promote and accelerate the development of the NCER (Perlis, Kedah, Pulau Pinang and Perak)** into a world-class economic region, technology hub and a choice destination for investment, work and living.

KEY FUNCTIONS OF NCIA

- To **coordinate the performance** of the activities carried out by Government Entities in NCER
- To **promote, stimulate, facilitate and enhance the international competitiveness of NCER**
- To **promote, stimulate, facilitate, coordinate, undertake economic and social development** in NCER
- To **establish direction, policies and strategies** in relation to development within NCER

OBJECTIVES OF NCER



Accelerate the **socioeconomic recovery** of rakyat and businesses post COVID-19



Boost economic potential through catalytic projects and high-impact programmes



Address **uneven development and regional imbalances**



Promote **equitable economic growth**



NCIA Council Members

CHAIRMAN

Prime Minister

MEMBERS

Deputy Prime Minister

MB Perlis

MB Kedah

CM P. Pinang

MB Perak

Two Federal Ministers

One (1) Representative of the Civil Service

Two (2) Representatives from the Private Sector

SECRETARY TO THE COUNCIL

Chief Executive of NCIA

Source: NCIA Act 687

 Appointment by YAB Prime Minister

NCER | Integrated Operating Model

Key Outcomes



Job Creation



Encourage
Entrepreneurship

Empower Human Capital and Community

NCER's human capital development programmes would bring about **positive spillover effects** for the community which will promote **high household income**, **increase high-skilled workers** and **productivity while reducing unemployment**

Key Outcomes



High Income



Increase Private
Investment

Infrastructure
development
creates jobs
for talent

**Provides talent
pool** to fill
jobs created

Support private sector
investment growth by
providing talent to
service the industry

Creates jobs for
talent and
entrepreneurship
opportunities

Implement Key Strategic Projects

Development of high-impact
projects in the region, e.g.
**industrial parks, strategic
infrastructure and initiatives to
spur R&D in the region** to cater
the private sector needs



Supports strategic
infrastructure
development via **PPPs**

Supports private
investment growth
by providing **strategic
infrastructure** to enhance
connectivity and mobility

Facilitate Private Sector Investment

**Promote and facilitate potential
investors** to establish their
presence in the region, **offering
incentives package** for investors to
further encourage investments in
the region

**Integration of projects and programmes with collaborative Public-Private Partnership
will be essential to the success of achieving the intended outcomes**

NCER | Strategic Development Plan 2021 - 2025

Mission Socioeconomic Recovery

IMMEDIATE PRIORITIES

Safeguard Income & Livelihood

- SME & business assistance
- Job protection & employment
- B40-M40 Income security

Generate Jobs & Employment

- Skilled jobs for locals & youth
- Women participation in workforce
- Access to new job opportunities

Encourage Entrepreneurship

- Entrepreneurship opportunities
- Youth participation in entrepreneurship
- Micro credentials for SMEs

Spur Local Economy

- Accelerated Infrastructure projects
- Fast-tracked private investment
- Community-based development

Resolve the immediate challenges through the expansion of NCER's existing human capital programmes

ECONOMIC CLUSTERS FOCUS (current & new economy)

Manufacturing

- E&E
- M&E
- FMCG
- Aerospace
- Automotive
- Medical Devices
- Rubber

Services

- Tourism
- Logistics & Connectivity
- General & Informal
- Education
- Healthcare

Agribusiness

- Paddy
- Cash crops
- Fisheries
- Livestock

Digital Economy

Green Economy

Sustainable Mining

Petrochemical

Rehabilitate the economy with short to mid-term planning, prioritise delivery of catalytic projects

KEY ENABLERS

Infrastructure

- Enhance transport, logistics & distribution and utility infrastructure
- Strengthen urban-rural linkages
- Strengthen connectivity & mobility

Ecosystem

- Improve efficiency, transparency, accountability and governance
- Increase coordination between Government bodies & agencies

Skills and Talent

- Equip workforce with relevant skills
- Improve graduate employability
- Increase entrepreneurship opportunities & growth

Digital & Technology

- Drive digitalisation & IR 4.0
- Facilitate access to advanced technology & promote automation
- Stimulate innovation & modernisation

Rebuild the development foundation through the enhancement and improvement of key enablers

LONG-TERM VISION (alignment with Shared Prosperity Model)

Sustainable Economic Growth

- Drive development in key priority & strategic sectors
- Reduce regional development disparities & urban-rural imbalance
- Foster entrepreneurship culture

Social Re-Engineering

- Prioritise social capital
- Enhance liveability & quality of life
- Empowering women & youth and childcare
- Support Bumiputera & inclusive agenda

Conservation & Preservation of Environment

- Sustainable development with smart clean tech
- Conservation and preservation of natural resources
- Sustainable management of natural resources
- Focus on renewable / clean energy

Reform socioeconomic status aligned to sustainable economic growth, social re-engineering as well as conservation and preservation of environment

Regional Policy: Concentrated Decentralisation

KRC | An Overview

KRC is to be the first dedicated Rubber Industrial Park in Kedah to accelerate the development of the Malaysian rubber industry and to be the regional high-value rubber industrial hub in ASEAN.



KRC, a national strategic project focusing on downstream rubber activities by capitalizing on the abundance of raw rubber supply between Malaysia & Thailand and developing a complete ecosystem for rubber industry in Northern Corridor Economic Region (NCER)

Implementing Agency



Northern Corridor
Implementation Authority
(NCIA)

Supported by:



Kedah
State Government

District:
Padang Terap

Land size:
1,244 acres
503 hectares
5,033,074.17 m²

Advantages

- Located within the “Rubber Belt” of Malaysia and Thailand
- Accessible from Thailand via ICQS Durian Burung and to North South Expressway via TEKIH Highway

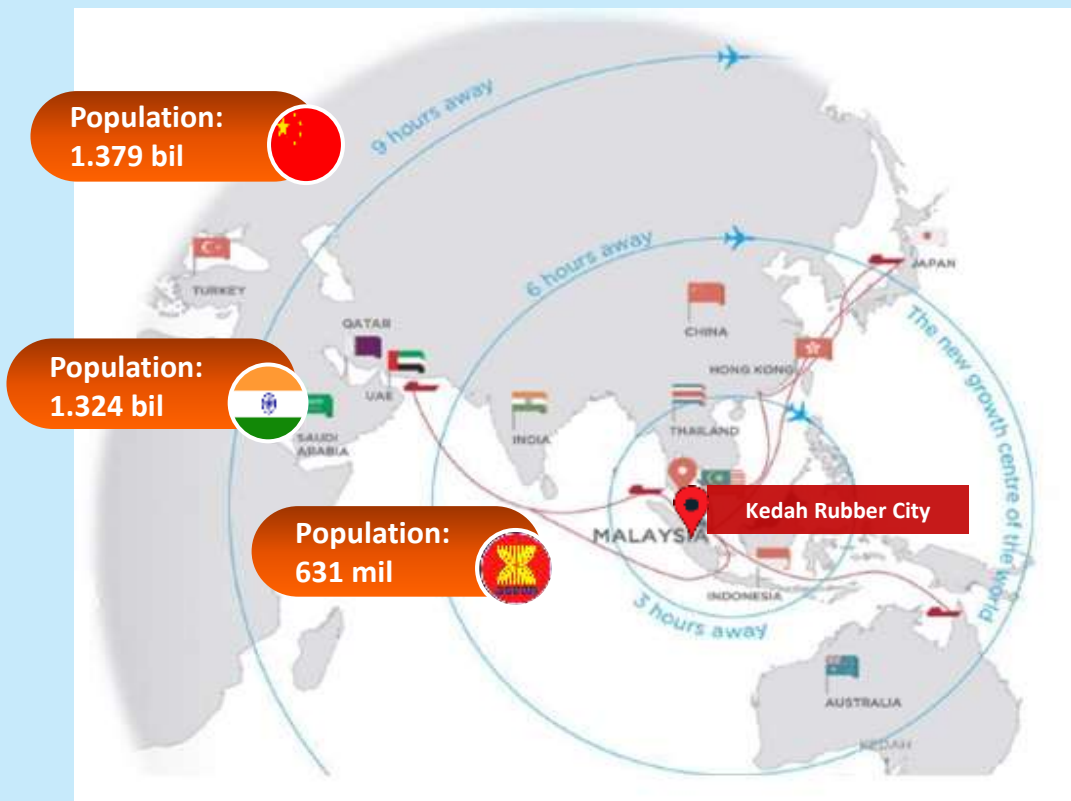
Potential Outcomes
(By 2030)

Private Investment`:
RM10.0 billion

Job Creation:
14,500

KRC is to stimulate socio-economic development as a new growth node in the border region

KRC is one of IMT-GT Rubber Cities - strategically located within the Indonesia Malaysia Thailand – Growth Triangle (IMT-GT) within ASEAN and with close proximity to India and China markets



VALUE PROPOSITION & STRATEGIC POSITIONING OF IMT-GT RCs

1



Strategically located at the crossroads of Asia, right in the heart of international trade route.

2



Access to a total of **3.3 billion** population within ASEAN, India & China markets, reachable within 6 hrs flight radius from the sub-region

3



Access to one of the fastest emerging markets in the world

4.9%	➤	Southeast Asia
7.1%	➤	India
6.7%	➤	China

4



Extended Sub-Region Hinterland – Population

South Thailand	➤	9.3 mil
NCER/ Melacca/ Kelantan	➤	9.55 mil
Sumatera	➤	50.3 mil

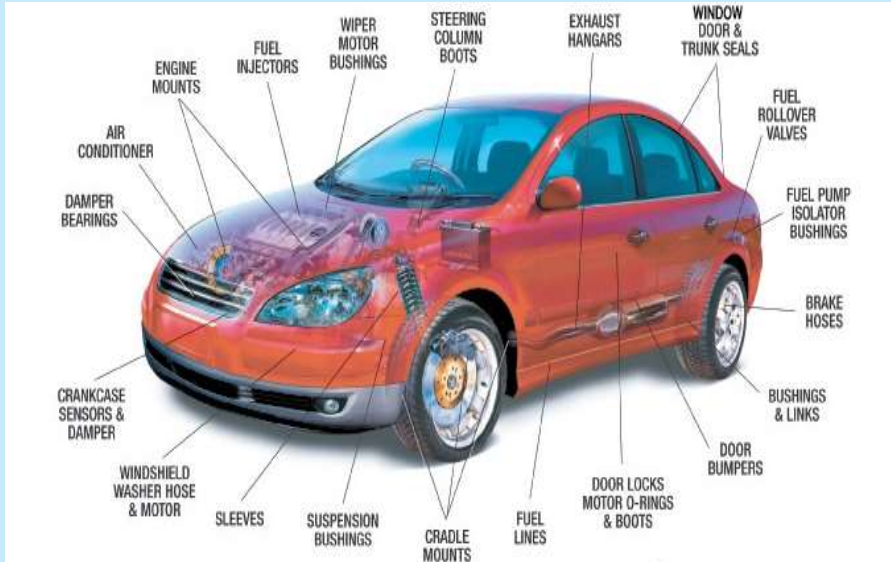
The sub-region has the potential to develop strong economic relations with other ASEAN countries, India and China; given their many complementarities, geographical proximity as well as close historical and cultural ties.

Tyre and Tyre Related Products



**Passenger &
Commercial Vehicles**

Automotive Rubber Products



Engineering Rubber Products



Marine Fender



High Damping Rubber Bearing

Advanced Latex Product



Latex Foam



Condom

Advanced Rubber & Rubber Materials



Ekoprena



Pureprena



Food Additive, Animal Feed & Fertilizer



**High Precision Compounding
Rubber Products**



**Mould Design and
Fabrication**



Testing &

Certification

Biotechnology

Service & Support

1 Why Malaysia?



Global leader in rubber industry technology



Global leader in niche rubber product sectors



Availability of trained & knowledge-based workers



Possess strong innovation & R&D capabilities



2 Why KRC?



A new industrial growth node for rubber industry in IMT-GT & ASEAN



A conducive ecosystem for sustainable rubber-based industry development



Technical collaboration with Malaysian Rubber Board (MRB)

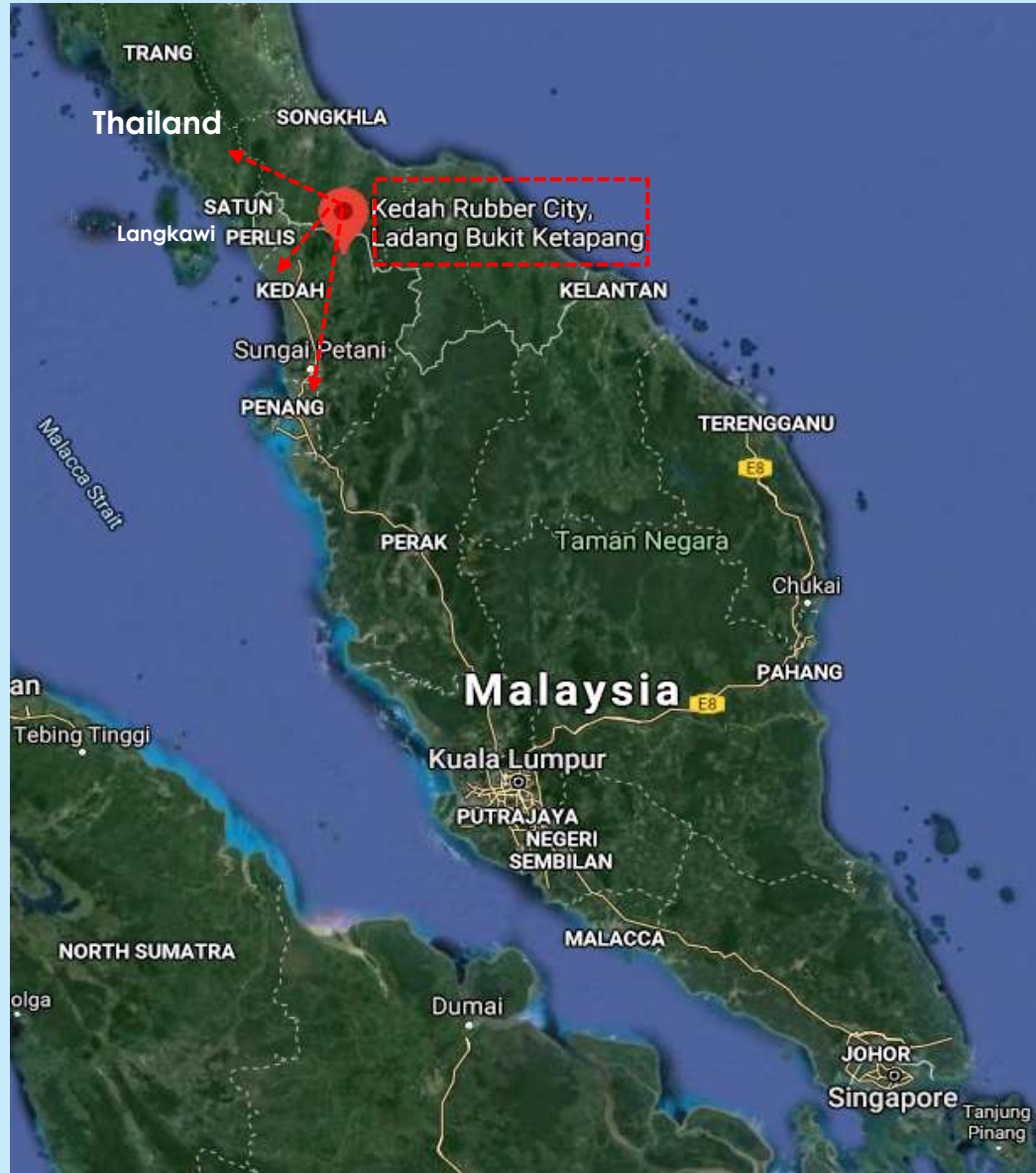


Formation of KRC Task Force Committee, chaired by EXCO of Industry & Investment - YB. Dato' Wira Ku Abd Rahman bin Ku Ismail



Setting up One Stop Centre (OSC) in collaboration with all stakeholders to accommodate ease of doing business @ KRC

KRC | Location and Connectivity



18km to ICQ Durian Burung



46km to ICQ Bukit Kayu Hitam



14km to Padang Terap District Council



13km to Pekan Nat Kuala Nerang (Township)



13km to Kuala Nerang Hospital



44km to Sultanah Bahiyah Hospital



47km to Capital City of the State of Kedah



48km to Sultan Abdul Halim Airport, Alor Setar



141km to Penang Port



160km to Penang International Airport

KRC & NCER | Holistic Investment Ecosystem

Strategic Projects and Industrial Parks

- Development of **strategic projects in key sectors** to catalyse investment and create jobs in NCER

Vendor Localisation & Development Programmes

- Vendor localisation and **matchmaking** MNC/LLC with local SMEs and **entrepreneur** especially in NCER Thematic Parks

Talent and Labour

- **Talent Ecosystem Development** through collaboration with Academia/Industries & Agencies - Supported by NCER's Human Capital Development



Incentives

- **Broad-based incentives** for priority sectors
- Incentives For **Specific Projects/ Industrial Parks**
- Incentives for **Special Promoted Areas** (Geographical)
- Incentives from **State Governments**

Digital Infrastructure

- **Collaboration with MCMC** to prioritise areas that needs connectivity improvement
- **Digital Investment Office (DIO)** as catalyst to spur the next level digital investments in NCER

NCER Technology Innovation Center (NTIC)

- NTIC as a platform to create innovation activities and encourage **R&D&T&I&C** culture to **move up the value chain** and strengthen the industry ecosystem in NCER.
- **Development of CoE** to support and enable technology advancement activities based on industry needs and requirement.



Strategic Intervention Programme (SIP)

- Provide the retrenched or laid off workers by **assisting & securing new job & entrepreneurship opportunities** through the incentives offered by NCER.
 - ☐ Job Matching with Hiring Companies
 - ☐ Offer opportunities for reskilling
 - ☐ Offer opportunities for entrepreneurship



Localisation of Supply Chain & Raw Materials










Talent and Value Chain Ecosystem Development and Integration

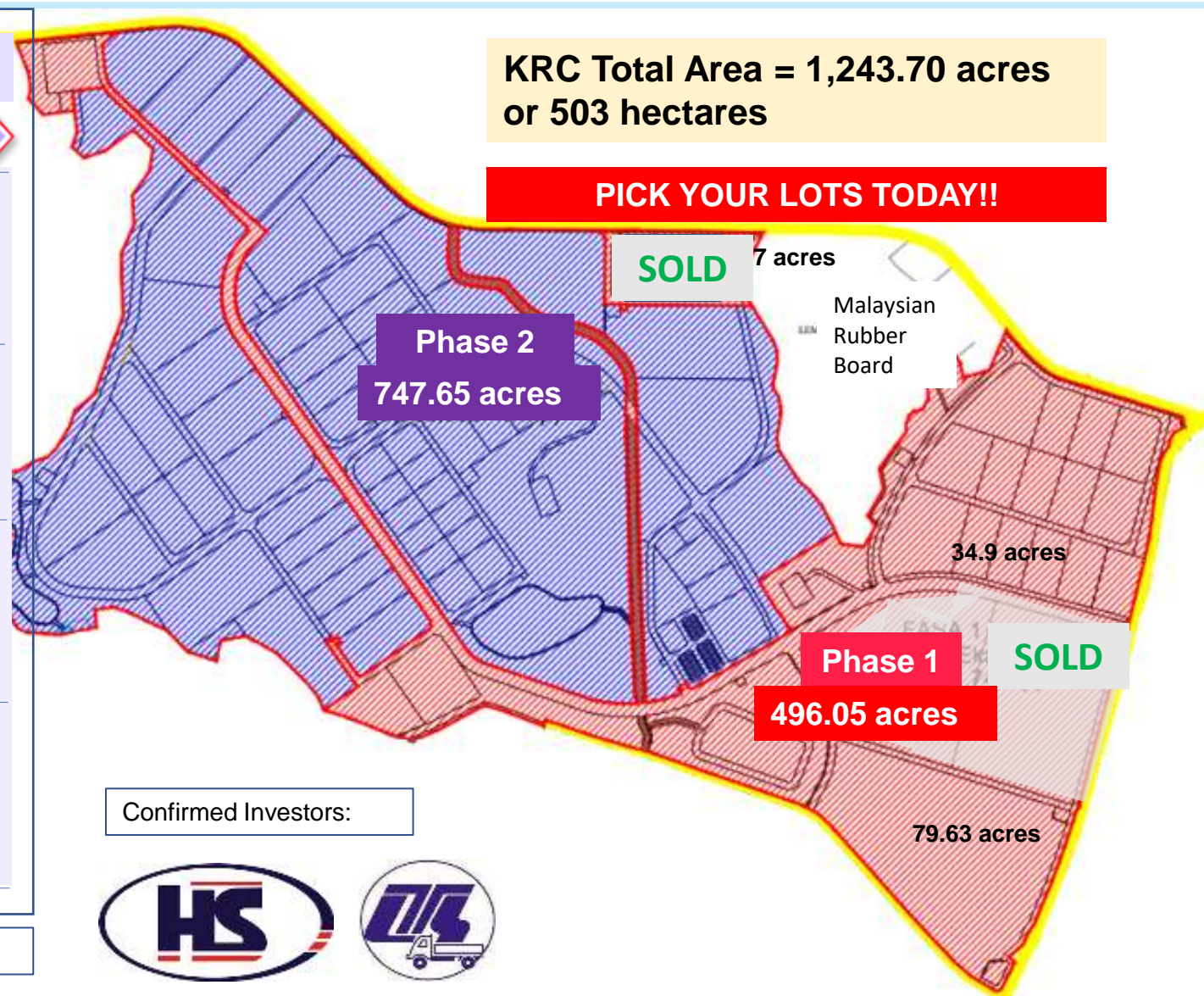


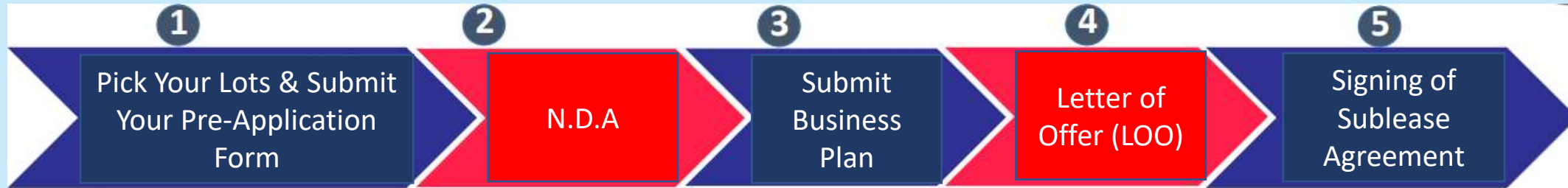
Realisation of Investment and Jobs Creation

KRC | Utilities Readiness

READINESS	PHASE-1	PHASE-2
ON-SITE UTILITIES	Q2' 2021	Q4' 2025
 Electricity 	41 MVA per hour Total : 79 MVA per hour (3MVA for infra)	35 MVA per hour
 Water 	20 MLD per day Total : 40 MLD per day	20 MLD per day
 Gas 	500,000 mmBTU per year Total : 500,000 mmBTU per year	
Telecommunication 	Supply: 700 ports	

Note: Utility supply will be accommodated according to the industry demand





FOR MORE INFORMATION AND CLARIFICATION, PLEASE CONTACT



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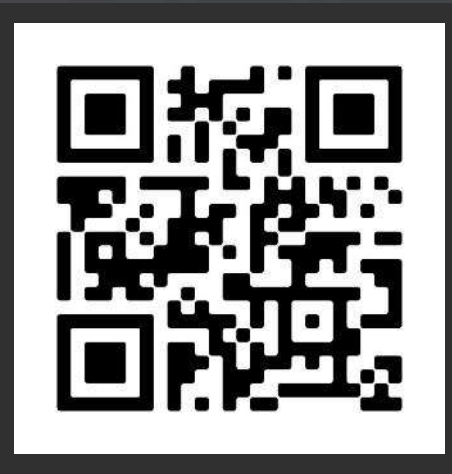
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THANK YOU

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