

**JOHOR STATE ELECTION:  
IT'S ALL ABOUT BETTER JOBS,  
BETTER WAGES AND HOMES  
PEOPLE CAN AFFORD**

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## Executive Summary

Recent claims that Johor is “stepping ahead” should be treated with caution. Johor’s growth, investment momentum and employment expansion are real and should be welcomed. But a fuller comparison with Selangor and Penang shows that headline growth is not enough. Johor still falls behind on key measures that matter to households: wage levels, job quality, investment depth, industrial ecosystem strength and housing affordability. The real question is not whether Johor is developing. It clearly is. The real question is whether this development is broad-based, high-value and felt by ordinary Johoreans. Growth must be judged not only by GDP or approved investment figures, but by whether workers earn more, local firms benefit, young people can access skilled jobs, and families can afford homes near where they work. In short, Johor must pursue job-led growth, not merely investment-led growth.

This is especially urgent because Johor sits next to Singapore. Its proximity is a major advantage, but it can also become a trap if Johor does not raise wages, create better jobs and protect housing affordability. Johor must benefit from Singapore’s growth without being sucked into a model where its labour, land and development are shaped mainly by Singapore-linked demand. This note therefore argues that Johor should be understood as part of Malaysia’s total development: Penang anchors the north, Selangor powers the centre, and Johor must unlock the south. Johor has the ingredients to become Malaysia’s southern engine, but those advantages have not been fully activated. To do so, Johor needs better policies, better candidates and better governance. This is particularly important for Gen Z Johoreans, who will inherit the consequences of today’s policy choices. The Johor State Election should therefore cut through the rhetoric and focus on the real issues: better jobs, better wages and homes people can afford. Johor is not yet ahead. It is in transition. That is why Johoreans must get ready to vote, demand more and build back better.

## Context

The Johor State Legislative Assembly was officially dissolved on 1 June 2026, paving the way for the Johor state election on 11 July 2026. As Johor enters election season, the clash of political narratives will inevitably intensify. Economic indicators will not merely be discussed as data but presented as evidence of competency in governing a state. This note therefore attempts to examine Johor's economic performance beyond headline figures and political slogans. Its purpose is not to diminish Johor's achievements, but to assess whether growth is translating into better outcomes for ordinary Johoreans. More importantly, it seeks to encourage voters to demand a better Johor – one that delivers not only investment and growth, but also higher wages, better jobs, affordable homes and broader economic opportunities. It also encourages political parties contesting the election to embrace the same aspiration by putting forward policies and manifestos that focus on improving the lived realities of Johoreans. Their policies and manifestos should reflect this standard.

## **Johor's Growth Momentum is Real, But Selangor Retains the Economic Scale**

Johor recorded strong GDP growth of 6.4% in 2024, making it the fastest-growing state that year. This is a legitimate achievement and should be acknowledged. However, growth rate alone does not prove that Johor has overtaken Selangor. GDP growth and GDP size measure two different things. GDP growth tells us how quickly an economy expands from one year to the next, while GDP size tells us the total value of the economy itself. A smaller economy can grow faster in percentage terms without becoming larger than a much bigger economy. Selangor remains Malaysia's largest state economy by a wide margin. In 2024, Selangor's GDP stood at RM432.1 billion, compared with Johor's RM158.0 billion and Penang's RM121.5 billion. Selangor also accounted for 26.2% of national GDP, compared with Johor's much smaller share.

This matters because economic success is not only about one year of growth momentum. It is also about scale, resilience, diversification and the ability to sustain higher wages over time. Selangor's economy is anchored by a deeper mix of services, manufacturing, logistics, retail, finance, professional activity and industrial parks. Johor is rising, but it has not yet matched Selangor's structural economic depth. The more accurate political and economic reading is that Johor is catching up, not stepping ahead.

## Johor Should Focus on Job-Led Growth

On the topic of wages, as of December 2025, Malaysia's national median monthly wage for formal employees was RM3,167. Selangor recorded RM3,400, Penang RM3,500, while Johor stood at RM2,982. This means Johor's median formal-sector wage remained below the national median and below both Selangor and Penang. If Johor is truly stepping ahead, workers should feel it in their wallets and be able to manage the ever-increasing cost of living. Yet the data suggests that Johor's investment boom has not translated into wage leadership.

This is why Johor's growth story must be understood through the lens of job-led growth. Growth can only be broad-based if it is led by good jobs with decent pay. Johor may be creating more jobs, but the quality and wage level of those jobs remain open questions. A state can create employment without creating upward mobility. If many of the new jobs are concentrated in construction, low-wage services, basic operations, security, facilities management, retail, logistics support or gig work, then employment growth may not translate into middle-class security.

This issue is even more urgent for Johor than for any other state in Malaysia because of its proximity to Singapore. If Johor's wage level remains lower than Selangor and Penang, it risks being trapped in a relationship that is subservient to Singapore's economy. More skilled workers will continue to cross the Causeway for better pay, and Johor will struggle to retain the talent needed to build a higher-value economy of its own. Until this wage gap narrows, Johor's growth will remain vulnerable to labour leakage and uneven development.

This is why wage levels matter more than job count alone. Selangor and Penang continue to outperform Johor in median wages, which suggests that their economic ecosystems are still better at supporting higher-value employment. For Johor to truly build back better, it must not only attract investment and create jobs. It must ensure that those jobs are decent, productive and well-paid.

## **Ecosystem-led vs Headline-led Investment Architecture**

Johor's approved investment numbers are large, but investment quality must be assessed carefully. Penang offers the clearest contrast. Penang's economy is smaller than Johor's, but its industrial ecosystem is far more mature in high-value manufacturing. Penang's E&E ecosystem is built around multinational corporations, local suppliers, automation firms, precision engineering, semiconductor assembly and testing, electronics manufacturing services, design support, logistics and global business services.

Penang recorded RM358.1 billion in E&E exports, contributing around 60% of Malaysia's total E&E exports. Its E&E sector contributes significantly to GDP and sustains more than 200,000 jobs through a dense network of companies. InvestPenang also notes that the state hosts more than 350 MNCs and 6,500 SMEs, giving it a much deeper supplier and industrial ecosystem than Johor's newer digital infrastructure-led model.

This is the key difference. Penang's investment model is ecosystem-led. It generates supplier depth, technical jobs, industrial learning and export sophistication. Johor's investment model is increasingly headline-led, with large approved investment figures driven partly by data centres and property-linked development. Johor must therefore prove that its investments create local value, not just large capital expenditure.

## **Data Centres Strengthen Johor's Investment Numbers, But May Not Deliver Broad-Based Jobs**

Johor's data centre boom is one of the main reasons the state looks strong on approved investment figures. Johor reportedly hosts 65 data centre projects, with 20 operational, eight under construction and 37 approved. Data centres can support Malaysia's digital economy, cloud infrastructure and AI ambitions. However, they are capital-intensive rather than labour-intensive. They require substantial land, electricity, water and grid capacity, but do not necessarily create large numbers of direct jobs compared with advanced manufacturing.

This is where Johor must be benchmarked against Penang. A semiconductor or E&E ecosystem tends to create dense employment and supply-chain linkages across engineering, components, testing, logistics, automation, tooling, maintenance and local SMEs. Data centres, by contrast, may generate fewer permanent jobs after construction and may depend heavily on imported technology, external operators and specialised vendors.

The policy question is therefore not how much investment Johor attracts, but how much public value Johor captures from that investment. For data centres to be genuinely high-quality investment, approvals should be tied to local hiring, water and energy efficiency, renewable energy sourcing, local vendor participation, technical training, and measurable skilled job creation.

## **Johor's Housing Problem Shows That Growth Is Not Yet Felt by Households**

Housing is where Johor's growth gap becomes most pronounced. Johor has announced affordable housing initiatives, including the Johor Affordable Housing Scheme and targets to deliver more units by 2029. However, the housing problem is not only the number of units. It is whether homes are affordable relative to local wages and located near jobs, public transport and economic centres. The Edge reported that Johor has 67,950 new housing units under construction and 29,142 unsold homes across all stages of construction. Of the 12,910 completed unsold units, serviced apartments accounted for 72%. Newer projects around the RTS corridor and JS-SEZ-linked areas are increasingly priced beyond the reach of average households, with serviced apartments near Johor Bahru city centre and RTS-linked areas priced from around RM563,000 to above RM600,000.

This is a serious mismatch. Johor has a median formal-sector wage of RM2,982, but many new urban housing units are priced for higher-income buyers, investors or Singapore-linked demand. This risks creating a state where economic growth raises property values faster than local wages. In this context, the term "affordable housing" cannot simply mean building cheaper homes far away from employment centres. If workers must live far from jobs, they pay through longer commutes, higher transport costs and poorer quality of life.

The state government therefore has an important planning role in ensuring that the RTS corridor does not produce another cycle of speculative oversupply. The lesson from Forest City is instructive. Large-scale property development built on optimistic external demand can become socially and economically inefficient when occupancy, local purchasing power and surrounding economic activity fail to materialise at the same pace.

The oversupply and low-occupancy experience in Forest City was unfortunate; it should not be repeated around the RTS area. As the RTS Link reshapes land values and investor interest in Johor Bahru, the government must ensure that new housing supply is phased, income-matched and connected to real local demand, rather than driven mainly by speculative expectations of Singapore-linked buyers, investors or short-term capital gains.

## **Total Development and Johor's National Story**

Johor has a larger place in Malaysia's national development story. Penang anchors economic activity in the north, Selangor remains the central engine of the national economy, and Johor has the potential to become Malaysia's southern growth engine. This matters because when the north, centre and south all perform strongly, the benefits of growth do not remain trapped within those regions alone. They can create wider spillover effects through jobs, supply chains, infrastructure, skills, technology, investment flows and new markets for surrounding states. Johor therefore has a strategic role not only in competing with Selangor and Penang, but in completing Malaysia's development map. A stronger Johor can help create a more balanced national economy, reduce regional inequality, and push growth beyond the traditional centres of development. This is the total development that Malaysia must pursue.

Therefore, Johor is not merely a state with local potential. Johor carries a national agenda and belongs to a larger national story. Malaysia needs Johor to unlock its third and southern engine of growth, alongside Penang in the north and Selangor in the centre. If Johor succeeds, Malaysia becomes more balanced, more competitive and more complete.

To play this role, Johoreans must demand more. They must demand better wages, better jobs, better housing, better governance and a better future. Johor cannot be satisfied with growth that looks impressive on paper but is not sufficiently felt by ordinary workers, families and communities. A better Johor cannot mean growth for growth's sake. It must mean higher wages, decent jobs, affordable homes, stronger local businesses and a clearer long-term vision for societal development.

The MADANI Economy framework offers a useful reference point. Its emphasis on “raising the ceiling” and “raising the floor” reflects the balance Johor must pursue. Raising the ceiling means moving beyond low- and medium-cost economic models towards higher productivity, higher-value industries, innovation-driven growth and stronger participation in global value chains. This includes attracting quality investments in high-growth and high-value areas such as advanced manufacturing, semiconductors, renewable energy, digital technology and AI-driven services.

However, “raising the ceiling” is not enough. It must also be matched by “raising the floor”. Economic transformation cannot be meaningful if it only benefits investors, developers or large businesses. It must also improve the baseline of living standards for ordinary people through better wages, decent jobs, affordable housing, stronger social protection and real pathways for upward mobility. In other words, Johor's economic model should not only reward capital. It must also reward labour, skills, productivity and local participation. A better Johor is one where businesses can grow, but workers, families and communities also rise with the state's progress.

The Johor election should therefore be a battleground of policy ideas, not merely rhetoric, distorted narratives or selective statistics. If Johor wants to achieve the same level of success as Selangor and Penang, or even better, political parties must move beyond treating elections as a competition over who can provide better service or short-term assistance. The deeper question is who can offer better policies, better candidates and a better vision for the future of the state.

For Johor to succeed and become a true economic powerhouse, it must also be led by State Assemblymen who are sophisticated enough to understand the state's challenges and capable enough to offer ideas that can move Johor forward. The standard of political competency can no longer be based only on the old model of service politics, where elected representatives are judged mainly by their ability to provide handouts, attend local events or solve minor day-to-day problems. Those responsibilities still matter, but they are no longer enough.

The times have changed. Johor now sits at the centre of major questions involving wages, investment quality, housing affordability, industrial upgrading, public transport, climate resilience, data centres, the JS-SEZ and its relationship with Singapore. These are not small issues. They require serious representatives with serious ideas.

This is particularly important for Gen Z voters, who will inherit the consequences of today's policy choices. They deserve leaders who can do more than manage complaints. They deserve leaders who can help build a Johor where young people can find good jobs, earn decent wages, afford homes and see a future for themselves in their own state.

It also requires voters to vote for their future, not merely for who can offer the most immediate benefits. A stronger Johor model should move from investment volume to investment quality; from job creation to wage growth; from housing supply to housing affordability; and from headline development to felt prosperity. This would require greater transparency on wage bands and job categories for major investments, especially JS-SEZ and data centre projects; clearer assessment of investment quality through local hiring, SME participation, technology transfer, resource use and skilled-job creation; stronger requirements for data centres to generate local economic spillovers; and more deliberate planning of affordable housing near employment centres, RTS corridors and public transport networks.

Ultimately, this is what building a better Johor should mean. For many years, Johor has had almost everything needed to become one of Malaysia's most successful economic engines: proximity to Singapore, strategic land access, ports, industrial space, a young workforce, natural resources and a strong position within Malaysia's southern growth corridor. Yet these advantages have not been fully activated. Johor has had the ingredients, but not yet the full transformation. Its potential has not been sufficiently translated into higher wages, better jobs, affordable homes and stronger local economic participation.

Johor must move beyond old development thinking, where success is measured mainly by investment announcements, construction activity and headline growth. A better Johor must be built on quality investments, skilled employment, higher wages, affordable housing, stronger local businesses and a clearer long-term vision for societal development. Johor's advantages should not only raise land values, attract external capital or produce impressive investment headlines. They should raise the life chances of Johoreans.

## Conclusion

Johor's headline indicators are positive, and its growth should be welcomed. But Johor is not yet ahead. It is in transition, and this transition must be judged by whether growth is translated into better wages, better jobs, affordable homes and real upward mobility for ordinary Johoreans. Johor has the potential to become Malaysia's third and southern engine of growth, but that potential must now be activated through better policies, better candidates and better governance. That is the standard voters should demand. That is the standard political parties must meet. And that is why Johoreans must get ready to vote, demand more and build back better.

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