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FROM THE SOUTHERN CORRIDOR TO STATEWIDE PROSPERITY: JUXTAPOSING THE EKONOMI MADANI FRAMEWORK TO MAJU JOHOR 2030

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Executive Summary

Johor's rapid economic development should be welcomed. The JS-SEZ, RTS Link, Iskandar Malaysia, data-centre investments, ports and industrial expansion have strengthened Johor's position as Malaysia's emerging southern growth engine. However, Johor's growth story cannot be centred only on the south. Northern and central districts such as Muar, Tangkak, Segamat, Batu Pahat and Kluang have their own strengths in manufacturing, agriculture, furniture, SMEs, logistics, tourism and food production. These districts are not inactive, but they require stronger links to high-value investment, infrastructure, supply chains and public services. This Note therefore encourages political parties competing in the Johor election to offer more substantive policies for northern and central Johor. Johor does not need to slow the south in order to develop the north. It needs a deliberate statewide strategy that converts southern growth into broader economic opportunity through better jobs, fair wages, stronger local industries, improved transport, flood resilience and greater SME participation.

Importantly, the principle of balanced statewide growth did not originate with Maju Johor 2030. PPMJ 2030, which was developed under former Menteri Besar Hasni Mohammad, had already established region-based development, balanced growth across Johor, rural economic upgrading and reduced outward migration as state priorities. Maju Johor 2030 should therefore be understood less as an entirely new development philosophy than as a later consolidation of several ideas already articulated more systematically under PPMJ 2030.

The objective should be equitable development: not identical projects in every district, but sufficient jobs, infrastructure, public services and economic opportunities to allow Johoreans to build secure and fulfilling lives within their own communities.

Context

As Johor enters the election season, political parties must not lose sight of northern and central Johor. Development cannot continue to be concentrated solely around Johor Bahru and the southern corridor. While the JS-SEZ is an important growth engine, Johor's development strategy must not be investor-led or investment-led alone. It must be growth-led, meaning growth that delivers equitable development across the state's many districts and produces sustained, tangible improvements in the lives of ordinary Johoreans. Districts such as Muar, Kluang, Segamat, Batu Pahat and Tangkak each have distinct economic strengths, including manufacturing, agriculture, furniture, logistics, tourism and food production. The challenge for the next state government is therefore not simply to attract more investment but to ensure that investment translates into broader economic growth that is shared across Johor and felt by as many Johoreans as possible. The critical question in this election is therefore which political party has the clearest and most credible plan or ability to propel development beyond the southern corridor, especially into northern and central Johor, so that every district and every Johorean has a genuine opportunity to participate in and benefit from the state's economic transformation. At the federal level, this reflects the principle of total development: every state and major region should contribute to, and benefit from, Malaysia's national progress. Within Johor, the corresponding objective must be equitable development, under which growth is spread across districts and reaches as many Johoreans as possible.

A comparison between the state-level Maju Johor 2030 and Federal Ekonomi MADANI

In this election, many political parties and coalitions are competing for the mandate to govern Johor. However, the most meaningful comparison is between Pakatan Harapan and Barisan Nasional, because both coalitions can be assessed not only by their campaign promises, but also by their respective development frameworks and their ability to deliver them. For Pakatan Harapan, the relevant framework is Ekonomi MADANI, Prime Minister Anwar Ibrahim's federal economic philosophy. For Barisan Nasional, the relevant framework is Maju Johor 2030, the development agenda advanced by the BN-led Johor state administration under Menteri Besar Datuk Onn Hafiz Ghazi.

The comparison between these two frameworks is therefore useful because it allows voters to ask a more substantive question: which coalition has the clearer plan, stronger philosophy and greater ability to ensure that Johor's growth is not concentrated only in the south, but is also propelled into northern and central Johor?

Maju Johor 2030 recognises that state development must be holistic. Its official vision states that Johor should progress not only economically and physically, but also through knowledge, values, human capital, identity and social development. Its six pillars cover government governance, economic development, social safety nets, basic needs, environmental sustainability and young people.

The principle of balanced and holistic development was already embedded in PPMJ 2030 (Pelan Pembangunan Mampan Johor). Developed under former Menteri Besar Hasni Mohammad, PPMJ described itself as Johor's master reference document for economic and social development during his tenure. It organised the state's development agenda around eight pillars covering economic empowerment, investment and the digital economy, transport and major infrastructure, environmental sustainability, governance, social wellbeing, human capital and culture, and the development of women and young people.

More importantly, PPMJ 2030 contained a considerably more detailed regional-development architecture. It defined a sustainable economy as one that was comprehensive across every region and district, including both urban and rural areas. It called for balanced and comprehensive growth throughout Johor, development according to the strengths of each region, stronger district administrations and measures to reduce migration from rural areas to major cities. It also identified specific economic anchors outside Iskandar Malaysia, including the Muar Furniture Park, Pagoh Education Hub, Segamat Agriculture and Agro-Based Industry Hub and Kluang Creative Economy Hub.

Maju Johor 2030, introduced in June 2022, reorganised the state agenda into six broader pillars: governance, economic development, social safety nets, basic facilities and necessities, safety and environmental sustainability, and young people. These pillars are valid, but they substantially overlap with subjects already covered by PPMJ 2030. The Maju Johor: Edisi Ketiga publication is also principally a record of government programmes and achievements rather than a detailed replacement master plan. It foregrounds aggregate achievements, flagship projects and programme delivery under the six pillars.

Maju Johor should therefore not be presented as having invented Johor's holistic or regionally balanced development agenda. The evidence instead suggests substantial continuity: PPMJ supplied much of the planning substance, while Maju Johor consolidated that agenda under a new political and administrative banner under the Barisan Nasional led state government. Its fundamental weakness is not that its six pillars (or "teras") are inappropriate, but that their breadth makes it harder to determine whether development is being distributed fairly between districts, workers, households and local businesses.

Ekonomi MADANI provides a stronger contemporary framework because it links economic growth and investment to measurable distributive outcomes. Its investment posture prioritises high-income employment, local sourcing, domestic investment, industrial upgrading and the development of MSMEs. It also sets measurable (and quantifiable) objectives concerning labour income, participation, governance, human development and regional inequality. Ekonomi MADANI therefore asks not only whether capital enters the economy, but whether investment raises wages, strengthens local firms, improves public services and enlarges opportunity.

The next Johor government should accordingly draw inspiration from Ekonomi MADANI and use it to refresh Maju Johor 2030 or reinvent Johor's development model with the Ekonomi MADANI economic philosophy at its core. At the conclusion of the election at which its polling date is scheduled on 11 July 2026, Johor could bode well with a state government holding a fresh mandate to plan Johor's future. Maju Johor can remain the state-level implementation platform, but Ekonomi MADANI should provide the stronger evaluative standard: whether growth raises both the ceiling of Johor's economic ambition and the floor beneath ordinary Johoreans.

This difference is also visible in their recent investment postures. Maju Johor's record demonstrates considerable success in attracting investors, accelerating approvals and promoting the JS-SEZ, Special Financial Zone, amongst others. However, its principal indicators remain the aggregate value of investment, the number of projects facilitated and projected employment. Nearly 90 per cent of Johor's approved investment in the first quarter of 2025 was situated within the JS-SEZ footprint, illustrating how an effective investment-attraction strategy can nevertheless remain spatially concentrated. This is precisely the core message of the note where the north remains overlooked (for now) yet investment and development are heavily concentrated on Southern Johor due to its proximity with Singapore.

Ekonomi MADANI applies a broader standard. Through recent government blueprints such as the National Investment Aspirations, NIMP 2030 and the Thirteenth Malaysia Plan, federal investment policy evaluates capital according to economic complexity, high-value employment, domestic industrial linkages, SME participation, inclusivity and wages. This approach does not reject large investment projects; it asks whether those projects deepen the domestic economy and improve people's lives.

The quality of life must be reflective of the investment figures lauded. Recent federal-backed developments, including Maharani Freeport in Muar, the Gemas–Johor Bahru Electrified Double Tracking project, the launch and proposed northern expansion of Shuttle Selatan, and major flood-resilience works in Segamat, Batu Pahat and Tangkak, illustrate how investment and infrastructure can be directed beyond a single growth corridor.

These developments are instructive because they show Ekonomi MADANI at work in Johor despite a different state-level political setup there. They reflect a development vision concerned less with retaining power and more with changing lives. In doing so, Ekonomi MADANI breaks from the old habit of using development as either political reward or political punishment.

Ekonomi MADANI is therefore arguably superior as a development framework not simply because it attracts investment, but because it provides clearer criteria for determining whether investment contributes to equitable and total development. Prime Minister Anwar Ibrahim has also demonstrated the policy courage to execute this vision, even though its benefits may not be felt immediately. In government policy, metrics and measurable progress are pertinent as well in tandem with the high-level policy documents announced. Maju Johor should adopt these criteria by measuring realised investment, wages, skilled employment, local procurement, SME participation and access to infrastructure across every district.

The Southern Corridor Remains the Centre of Economic Gravity

As mentioned, the concentration of investment in southern Johor is not accidental. Johor Bahru, Iskandar Puteri, Kulai, Senai, Sedenak, Pasir Gudang, Tanjung Pelepas, Forest City, Desaru and Pengerang benefit from proximity to Singapore, ports, industrial infrastructure, land availability and established investor networks. These advantages have been reinforced by the JS-SEZ. Its flagship areas are located overwhelmingly within southern Johor and cover sectors such as global services, smart logistics, advanced manufacturing, digital services, artificial intelligence, aerospace, specialty chemicals, tourism and financial services. MIDA reported that nearly 90 per cent of Johor's approved investments during the first quarter of 2025 were located within the JS-SEZ footprint. This is strong evidence of investor confidence in the zone, but it also reveals the scale of spatial concentration within Johor's growth model, which clashes with the theme of equitable distribution as too much concentration on the Southern section of Johor will lead to an underutilisation of Northern Johor which holds vast amounts of potential.

Nevertheless, the JS-SEZ is a major national opportunity and should be supported. The issue is that economic spillovers cannot simply be assumed. Without deliberate policies, strong federal-state cooperation and policy coordination, as well as an alignment of ambition and economic philosophy between the Federal and State Governments, investment may remain geographically and institutionally concentrated around the southern corridor. For instance, northern firms may supply workers, raw materials or basic services without moving into higher-value activities. Young people may migrate to Johor Bahru or Kuala Lumpur or even Singapore rather than obtain skilled employment in their home districts. Towns outside the southern corridor may experience higher consumption and land pressures without acquiring equivalent industrial capacity, public transport or public services. The task is therefore to convert a southern growth corridor into a statewide development system.

Northern Johor is growing but it needs to be integrated to the Johor vision

The argument for greater regional balance must be made carefully. Northern and central Johor are not economically stagnant. Recent household-income data indicate that Muar, Segamat, Batu Pahat, Kluang and Tangkak have recorded income growth. The Johor Economic Transformation Plan also identifies proposed roles for all ten districts: Muar as a tourism, high-value food-processing and industrial-energy hub; Tangkak as a transit and agro-tourism centre; Segamat as a high-value crop and biomass-processing zone; Batu Pahat as a processing and manufacturing hub; and Kluang as a high-value agro-processing, agricultural and logistics centre. These are positive developments and should be acknowledged. They show that the state government recognises the need for district-level specialisation.

However, assigning a district an economic label is only the beginning. The key question is whether these aspirations are supported by capital, infrastructure, workforce development, transport, institutional capacity and market access comparable to what is being mobilised for the southern corridor. The problem is therefore better described as under-integration rather than total neglect. Northern districts have productive assets, but they are not yet fully connected to Johor's highest-value investment and supply-chain networks.

These district roles should nevertheless be viewed as a continuation rather than an entirely new policy direction. PPMJ 2030 had already proposed region-based development and identified economic anchors in Muar, Pagoh, Segamat and Kluang. The policy question is therefore not whether Johor has previously recognised the strengths of its northern and central districts, but whether successive state frameworks have translated those strengths into sustained investment, infrastructure, industrial upgrading and measurable local outcomes.

The Case of Muar

Muar provides the clearest example. Its furniture industry is not a marginal local activity. The district contains approximately 800 factories and accounts for an estimated 55 to 60 per cent of Malaysia's furniture exports. Its manufacturers ship thousands of containers each month and are supported by industrial clusters in Pagoh, Bukit Pasir, Bukit Bakri, Parit Jamil, Tanjong Agas and surrounding areas. Yet the industry remains exposed to rising labour and electricity costs, volatile international demand, dependence on foreign workers, thin margins and competition from China and Vietnam. National furniture exports fell from RM13.86 billion in 2022 to RM12.53 billion in 2025.

This is precisely the kind of established industrial ecosystem that should benefit from Ekonomi MADANI's emphasis on moving up the value chain. Muar's furniture sector should be supported to shift from a predominantly original-equipment-manufacturing and low-cost model towards Malaysian design, branding, automation where viable, sustainable timber certification, specialised furniture, e-commerce and diversified export markets. The objective should not merely be to preserve existing factories. It should be to raise productivity, wages and domestic intellectual property so that more value remains within Muar.

Muar also has a new potential growth anchor in Maharani Freeport. The project has been presented as Malaysia's first duty-exempt deep-water freeport, with projected investment of RM144 billion and more than 45,000 direct and indirect jobs. It includes an energy hub, deep seaport, industrial park and financial hub. The federal government's support for the project, including its launch in the presence of Prime Minister Anwar Ibrahim, illustrates how national leadership can help unlock strategic development beyond southern Johor.

However, the project should not become an isolated enclave. Its success should be measured through the proportion of local workers trained and employed, contracts awarded to Muar and northern Johor firms, links to local technical institutions, improvements to surrounding infrastructure and the extent to which it stimulates related maritime, logistics and manufacturing industries. Maharani Freeport should become a practical example of Ekonomi MADANI: raising the economic ceiling while ensuring that local communities and businesses rise with it.

The Case of Kluang

Kluang is another district with substantial but underutilised potential. The district has a strong agricultural base and was among Malaysia's leading administrative districts for agricultural value added in earlier DOSM district-level estimates. It is also located along the Gemas-Johor Bahru electrified rail corridor and has been identified by the state government as a future logistics hub and satellite city supporting the JS-SEZ. The federal government's launch of Shuttle Selatan provides an early practical example of how rail infrastructure can be converted into wider socioeconomic development. The service currently operates between Kulai and JB Sentral, as well as between Kempas Baru and Pasir Gudang, connecting residential areas, town centres and industrial zones. Supporting measures include feeder buses, coordination with Bas.My and Bas Muafakat Johor, a dedicated Kempas Baru shuttle and park-and-ride facilities.

The federal government has also announced plans to extend the service northwards through Layang-Layang, Renggam and Kluang to Paloh. This would allow the commuter network to develop beyond southern Johor and strengthen the connection between inland towns, employment centres and the wider state economy. In line with total development, infrastructure should not merely connect major cities, but should progressively integrate states, regions, towns and communities into the country's economic advancement. Within Johor, that federal commitment must be complemented by equitable development such as station-area planning, feeder transport, affordable housing, logistics facilities and local economic activity that allow districts such as Kluang to retain more of the benefits generated by improved connectivity.

The Case of Segamat, Batu Pahat and Tangkak

For several northern and central districts, flood resilience remains a fundamental condition for development. Segamat, Batu Pahat, Muar and Tangkak continue to require major flood-mitigation works. Current projects include the RM461 million Sungai Muar flood-mitigation works in Segamat, an additional RM70.95 million package covering Sungai Labis and Sungai Jementah, the RM187.17 million Bandar Batu Pahat project, and the RM24.8 million Sungai Kesang basin project in Tangkak. Further projects remain in planning and pre-implementation stages. Segamat continued to experience flooding and evacuation-centre activities in 2025. These are not merely environmental or humanitarian issues. Repeated floods damage homes, interrupt businesses, reduce investor confidence, disrupt agriculture and impose recurring costs on families and local authorities.

Under Ekonomi MADANI, world-class basic infrastructure and climate resilience are integral to inclusive development. Northern Johor cannot compete for higher-value investment if basic flood security, roads, drainage, broadband and transport connections remain uncertain. Flood mitigation should therefore be treated as productive economic infrastructure rather than remedial spending after disasters occur. Batu Pahat should similarly be strengthened through manufacturing modernisation, food processing, SME digitalisation and stronger connections to logistics networks. Tangkak's agricultural and tourism potential should be linked to Melaka, Muar and the wider rail and road system rather than developed through isolated tourism campaigns.

Reviving PPMJ's Regional Ambition Through an Ekonomi MADANI-Inspired Maju Johor

Johor does not need to begin its regional-development agenda from ground zero. PPMJ 2030 had already articulated balanced regional growth, district-based economic development, rural upgrading and reduced outward migration as state priorities. The task for the next government is to revive that earlier ambition, incorporate it more clearly into Maju Johor 2030, or reinvent a new state development model anchored closely to Ekonomi MADANI. This also shows why a strong federal-state relationship matters: progress depends not only on administrative cooperation, but also on alignment in development thinking and vision. This requires moving beyond broad slogans of holistic development and translating regional balance into concrete policy instruments, district-level targets and public accountability. An Ekonomi MADANI-inspired Maju Johor should therefore be built around the following measures.

First, the state should publish district-level economic and social indicators. These should include median wages, household income, youth employment, investment realised, skilled jobs created, affordable housing, public-transport access, flood resilience and SME participation in government- and investor-linked supply chains.

Second, major investments within the JS-SEZ should include statewide local-supplier commitments. Investor facilitation should help qualified firms from Muar, Batu Pahat, Kluang, Segamat and Tangkak enter procurement networks in construction, furniture, food supply, engineering, logistics, maintenance, professional services and digital support.

Third, Johor should establish district-specific industrial-upgrading programmes. Muar requires furniture design, branding and export diversification. Kluang requires agro-processing and logistics. Segamat requires high-value agriculture, biomass and flood resilience. Batu Pahat requires manufacturing and SME modernisation. Tangkak requires agro-tourism, food production and stronger transit links.

Fourth, the Gemas-Johor Bahru rail corridor should be treated as an economic development spine. Stations should be supported by feeder services, town-centre renewal, logistics facilities, affordable housing and commercial planning.

Fifth, northern mega-projects such as Maharani Freeport should be subjected to transparent local-benefit frameworks. Projected investments and job figures should be followed by reporting on realised investment, wage levels, local hiring, local procurement, environmental impact and infrastructure delivery.

Sixth, the state should establish a regional-equity assessment for major budgets and development plans. Every annual budget should explain how allocations and projects affect the relative development of Johor's districts.

Conclusion

Maju Johor 2030 provides a useful state-level platform for development. Its emphasis on holistic progress, social protection, governance, infrastructure and sustainability should be retained. However, Prime Minister Anwar Ibrahim's Ekonomi MADANI provides the more complete policy standard. It recognises that economic transformation cannot be judged only through investment and growth. Development must raise both the ceiling of economic ambition and the floor beneath ordinary people. For Johor, this means ensuring that the rise of the JS-SEZ and southern corridor creates opportunities throughout the state. The south should remain an engine of growth, but northern and central Johor must be connected to that engine through supply chains, transport, industrial upgrading, skills, infrastructure and public investment.

Ekonomi MADANI has also demonstrated that development can be pursued above narrow political calculations. Its significance lies in the fact that federal development initiatives have continued to reach Johor (the trickle-down effect) even though the state is governed under a different political arrangement from Putrajaya. This reflects a development philosophy centred on people's welfare rather than partisan control: roads, rail, infrastructure, investment and public services should be delivered because they improve lives, not because voters or state governments belong to the same political camp. Political parties should therefore be cautious about hurling accusations at one another over federal and state responsibilities, because development is ultimately better served by a collaborative federal-state approach that places people's welfare above partisan point-scoring and mudslinging. To this end, credit must be given for breaking from the old political thinking that treats development and modernisation as either a reward for political loyalty or a punishment for political difference.

Equitable development is ultimately about enabling Johoreans to build strong communities from within their own districts. Young people should be able to find decent work without being compelled to relocate permanently to Johor Bahru, Kuala Lumpur or Singapore. Families should be able to raise children near grandparents, relatives and longstanding neighbours. Residents should have access to good hospitals, schools, parks, transport and essential public services close to where they live. Local businesses should be able to grow alongside their communities rather than watching investment and talent flow elsewhere.

Development succeeds when people are free to remain rooted in their communities; not because they lack mobility, but because their hometowns provide a genuine basis for a comfortable, secure and fulfilling life. The next Johor government should therefore revive the regional ambition contained in PPMJ 2030, strengthen Maju Johor through the principles of Ekonomi MADANI and convert southern growth into opportunity across the state.

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