

# FOR THE PROSPERITY OF THE NORTH



**T**HE Northern Corridor Economic Region (Koridor Utara) Development Programme is a government initiative to accelerate economic growth and elevate income levels in the north of Peninsular Malaysia.

The region encompasses Perlis, Kedah, Penang and the north of Perak (the districts of Hulu Perak, Kerian, Kuala Kangsar and Larut Matang-Selama).

Having begun in 2007, the Koridor Utara initiative will continue through to 2025 (the end of the 12th Malaysia Plan period), with an emphasis on four key thrust areas: agriculture, manufacturing, tourism and logistics.

**THE NORTHERN CORRIDOR IMPLEMENTATION AUTHORITY**  
The Northern Corridor Implementation Authority (NCIA) was established in 2008 as the authority responsible for providing direction and to devise policies and strategies in relation to socio-economic development in Koridor Utara.

"We want Koridor Utara to be a sought-after place for business growth, investment and entrepreneurship. This will be reflected in the economic corridor emerging as the preferred place for investment, work and living as it continues to be driven by an industry-relevant workforce," says Datuk Redza Rafiq, chief executive of NCIA.

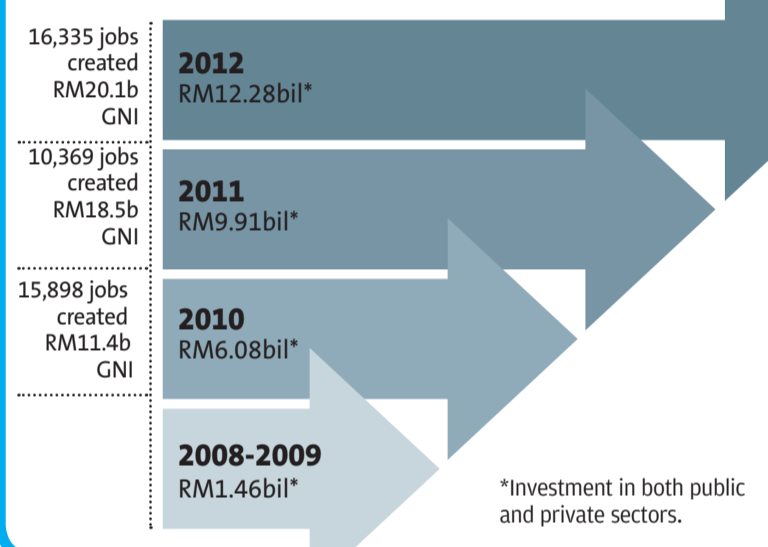
**MILESTONES**  
In the first phase of Koridor Utara's development (June 2008 – Dec 2012), the NCIA worked with a five-fold mission:

- 1 To accelerate economic growth by developing core economic sectors
- 2 To address socio-economic imbalances
- 3 To raise the capacity for knowledge and innovation
- 4 To improve the quality of life
- 5 To strengthen institutional and implementation capacity

The region has managed to attract RM12.3bil in private sector participation. In 2012 alone, it created 16,335



## STEADY GROWTH IN KORIDOR UTARA



**job and business opportunities.**  
In 2013, Koridor Utara is targeting RM10bil in terms of private sector participation, with local participation expected to make up 25% of this.  
The region also foresees RMs500mil in terms of spill-overs to the local private sector. A total of 8,000 job and business opportunities are expected to be generated this year.

**LOOKING AHEAD**  
The second phase (2013-2025) of Koridor Utara's mission is tailored towards broadening the role of the private sector in the economic development of Koridor Utara.

**In phase two of Koridor Utara's development, the NCIA will be guided by six overarching goals:**

- 1 To foster a strong innovation environment
- 2 To diversify the economy by leveraging on core industry clusters
- 3 To catalyse economic growth by encouraging private sector participation and enhancing the support ecosystem
- 4 To grow and maintain an industry-relevant talent base
- 5 To capitalise on regional trade networks
- 6 To ensure socio-economic spill-overs to the rakyat



Datuk Redza Rafiq, chief executive of NCIA.



NCIA has established a full-service incubator to support biotech-related companies commercialise their innovations and technologies.

## AGRICULTURE

The NCIA is positioning Koridor Utara to be a modern food zone. It aims to achieve this by modernising current farming techniques and encouraging youth with new technology that can take agriculture to the next level.  
Under the agriculture umbrella, there are:  

- ▶ Aquaculture
- ▶ Horticulture
- ▶ Paddy
- ▶ Downstream
- ▶ Biotechnology
- ▶ Livestock

### TRAINING PROGRAMMES PROVIDED BY AGRICULTURAL COMPANIES:

- 1. GREENHOUSE FARMING**  
The Greenhouse Farming programme is a collaboration between NCIA and JPB Asia Pacific Sdn Bhd. This programme focuses on how to operate greenhouses, fertigation systems, latest techniques/technologies for planting high-value crops for export market, right from the first step of preparing the land until the post-harvest process.
- 2. USAHA1AYAM KU**  
The Usaha1AYam KU programme is a collaboration between NCIA and



Pengurusan Maskita Sdn Bhd, which aims to support human capital development and entrepreneurship. This free programme was implemented to develop entrepreneurs in the fields of animal husbandry, especially in poultry meat using the enclosed chicken coop. Participants involved in the programme undergo six months of training.  
The first two months focus on theory, and the remaining four months are used for practical exposure to indoor farming processes.

**Thamilarasu a/ Rajindium, 33, participant of Program Usaha1 Ayamku Koridor Utara, is now a chicken farmer.**

"Aside from doubling my income, this programme has allowed me to be closer to my family. When I was a lorry driver, I would be on the road two to three weeks at a time. Now I get to go home and be with my family every day, so I think this is definitely a very good programme."

## MANUFACTURING

Koridor Utara's leading edge capabilities in the delivery of high technology and precision products and services were brought about by the entry of large electronics companies 40 years ago. This 40-year endeavour in the electrical and electronics sector has caused the creation of industries that use similar skills, providing baseline skills to key industries like:  

- ▶ Light emitting diodes
- ▶ Solar
- ▶ Semiconductor

### TRAINING PROGRAMMES IN MANUFACTURING:

- 1. NORTHERN CORRIDOR INDUSTRIAL TECHNICAL ENHANCEMENT SCHEME (NCITES)**  
NCITES was implemented with the aim to create a pool of highly skilled manpower within the semiconductor industry in Koridor Utara. NCITES focuses on providing better employment

opportunities and improving marketability for unemployed graduates via smart attachments with small and medium enterprises (SMEs) and multinational companies (MNCs) for 12 months.

### 2. NORTHERN CORRIDOR ANALOG AND DIGITAL DESIGN (NCADD)

The Northern Corridor Analog and Digital Design (NCADD) is an 18-month collaborative initiative with NCIA, Intel Penang and Universiti Sains Malaysia, targeted at training 75 high-achieving Malaysian graduates to compete in the microprocessor and semiconductor industry.

**Kan Mei War, 29, design automation engineer, Intel**

"I was a graduate trainee with Intel before I was selected to take part in The NCADD programme in 2010. After completing the programme in mid-2011, Intel invited me to join them full-time as a design automation engineer."

## TOURISM

Koridor Utara's objective has been to add new vigour to the tourism sector by leveraging on its two international gateways (Langkawi and Penang), while creating new attractions and re-invigorating existing ones. Koridor Utara will continue to target an increase in the tourists' average length of stay as well as their average spending through strategic initiatives.

### Companies which are investing and expanding in Koridor Utara include:

- ▶ **Senja Aman Developments Sdn Bhd:** a wellness resort in Penang that integrates a hotel development and a lifestyle medical centre.
- ▶ **Tradewinds Hotels and Resorts Sdn Bhd:** an integrated mixed development of Pantai Kok – Teluk Burau comprising resorts, villas, residences, dining and entertainment.
- ▶ **Rahsia Estates Sdn Bhd:** An integrated mixed development situated in Temoyong, Langkawi comprising villas, suites and an aesthetic clinic.
- ▶ **Penang Adventist Hospital:** A hospital with a 90-year history in Penang which is part of the Adventist Health Network that comprises some 600 not-for-profit hospitals worldwide.

The Koridor Utara hinterland is also brimming with tourism potential such as the Belum Temenggor Tropical Rainforest, Taiping the Heritage Town and Lenggong Valley UNESCO World Heritage Site.

"Taiping has great potential to be developed as a tourist destination

in the Northern region," says Tuan Shahrom Abd Malik, Taiping Municipal Council president.

"It is home to Malaysia's '33 firsts' with rich heritage offerings, award winning gardens, delicious local food offerings and numerous tourist attractions such as Zoo Taiping and Night Safari, the Kuala Sepetang Mangrove, Charcoal Factory and others.

"Taiping has a varied history as the former administrative centre of Malaysia during the British occupation of Malaysia, the venue for the Larut Matang war and the heartland of Ghee Hin and Hai San triad activities.

"However, Taiping's legacies are slowly disappearing with time without preservation efforts. If these legacies are not preserved and shared, Taiping's rich heritage will slowly disappear and be forgotten.

"A heritage trail will help to preserve Taiping's heritage and legacies while stimulating the local tourism industry by attracting domestic and international tourists."

## LOGISTICS

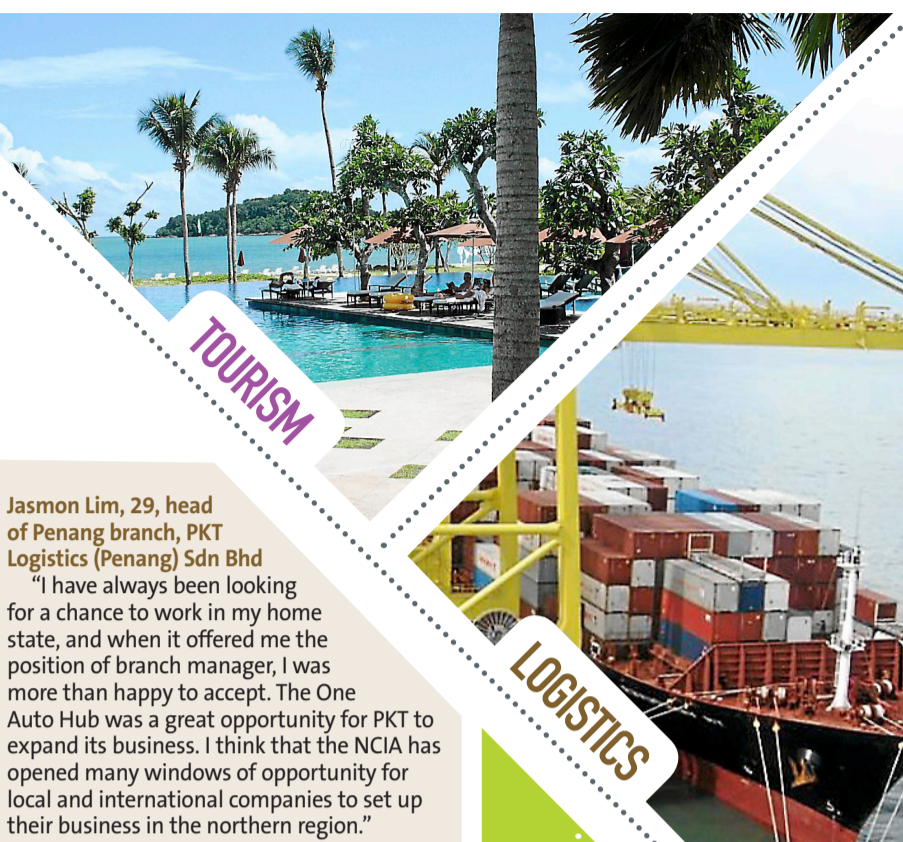
Koridor Utara is strategically located within the IMT-GT and is adjacent to the Eastern Corridor. Leveraging on this advantage, the vision is for Koridor Utara to be a major processing centre and entrepot port.

### DID YOU KNOW?

- ▶ Koridor Utara carries more than 45% of Malaysia's manufacturing exports.
- ▶ Penang Airport carries almost twice the value of goods as compared to KLIA.
- ▶ Bukit Kayu Hitam and Padang Besar are gateways to 67% of south Thailand exports.

### Companies which are investing Koridor Utara include:

- ▶ **PKT Logistics Sdn Bhd:** A homegrown logistics company which provides integrated logistics services to renowned brands, is in the process of setting up a logistics hub in Koridor Utara.
- ▶ **Penang Sentral Sdn Bhd (JV company of Pelaburan Hartanah Bhd and Malaysian Resources Corp Bhd):** The proud developer of KL Sentral will be undertaking the development of Penang Sentral in Butterworth.
- ▶ **Tradewinds Plantations Sdn Bhd:** Development of Rubber City in Kota Putra, to create the world's first integrated, research-driven rubber manufacturing centre, in the middle of the largest rubber producing region in the world straddling northern Peninsular Malaysia and southern Thailand.



**Jasmon Lim, 29, head of Penang branch, PKT Logistics (Penang) Sdn Bhd**

"I have always been looking for a chance to work in my home state, and when it offered me the position of branch manager, I was more than happy to accept. The One Auto Hub was a great opportunity for PKT to expand its business. I think that the NCIA has opened many windows of opportunity for local and international companies to set up their business in the northern region."

## SUPPORTING SECTORS: EDUCATION AND HUMAN CAPITAL

The Education and Human Capital Development Plan for Koridor Utara is very much in line with the aspirations of the 10th Malaysia Plan to put additional emphasis on the development of soft infrastructure such as skills development to strengthen the nation's talent base.

### Initiatives:

- ▶ **Nurturing interest in construction industry-related careers:** NCIA has forged a strategic partnership with Akademi Binaan Malaysia, the training arm of Construction Industry Development Board Malaysia, which caters to the development and upgrading of skills for school leavers who are about to enter the construction industry.
- ▶ **Transformation of Technical and Vocational Schools:** NCIA, with Noble School of Engineering, jointly conducted an Industrial Apprenticeship Training Programme for Technical and Vocational Schools in Penang. This programme aims to create skilled workers within six months after completion of their Form Five education.

### DID YOU KNOW

Koridor Utara covers **7%** of Malaysia's land area, but contributes over **20%** of Malaysian GDP, over **45%** of manufacturing exports, more than **30%** of tourist expenditure, and more than **60%** of agriculture regions for paddy growing.



### Koridor Utara's strengths include:

- Solid agriculture hinterland
- Very strong engineering, science and technology base due to substantial manufacturing presence
- Numerous tourism spots and activities
- Excellent infrastructure and an excellent logistics network
- Mature business culture

## INDUSTRY FEEDBACK



**ZUNITA NORDIN;** managing director, Seleraku Trading Sdn Bhd

"I am glad I made a choice to continue my investments in Koridor Utara. SeleraKu Trading has now been able to double the production of burgers to 15 tonnes per day instead of 500 pieces a day, when we first started."



**SHASHIDHARAN CHANDRAN;** owner and managing director, Pengurusan Maskita Sdn Bhd

"My business is booming in the chicken farming industry and opportunities abound here in Koridor Utara allowing my business to move to the next level."



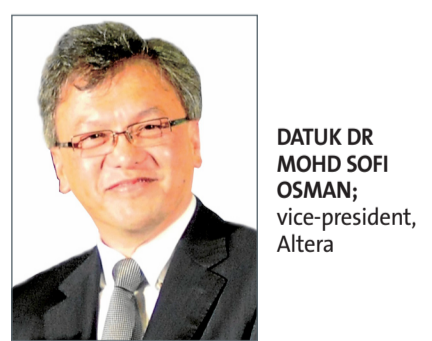
**OUI BOON CHYE;** senior vice president, Global Operations, Avago Technologies (M) Sdn Bhd

"Koridor Utara have been staunch pioneers driving the Collaborative Research in Engineering, Science and Technology (CREST) project. They have taken extraordinary leadership to clear the path towards creation of the very first industry-led collaboration in R&D for the E&E industry in Penang... A great beginning."



**DAUD AHMAD;** group chief executive officer, Cypark Resources Bhd

"With the Malaysian government's commitment to green technology as a key driver for sustainable economic growth, we see great opportunities in Koridor Utara for renewable energy generation especially for waste-to-energy and solar projects. Koridor Utara is our preferred investment destination for our solar project."



**DATUK DR MOHD SOFI OSMAN;** vice-president, Altera

"Koridor Utara is instrumental in bringing industry players, academia and government agencies together for collaborations like the electronics and engineering research and development centre CREST, of which Altera is proud to be a founding member."