

JOHOR-SINGAPORE SPECIAL ECONOMIC ZONE: MAY 2025 UPDATE

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JS-SEZ: An Update

Singapore has taken a major step forward in realising the Johor–Singapore Special Economic Zone (“**JS-SEZ**”) with the launch of a Joint Project Office (“**JPO**”) between Enterprise Singapore and the Economic Development Board on 21 April 2025. Announced by Singapore Deputy Prime Minister Gan Kim Yong, the JPO will serve as a one-stop centre for Singapore-based companies looking to expand across the border. Minister Gan described the initiative as both “*important and timely*,” highlighting the deepening collaboration between the two countries amidst a global climate of protectionism and shifting supply chains driven by renewed US tariff risks.

The JPO will complement Malaysia’s Invest Malaysia Facilitation Centre in Johor (“**IMFC-J**”) to streamline regulatory processes, manage permits and licences, and provide a direct channel for investor engagement. The JPO will give businesses greater clarity and predictability when planning projects.

Infrastructure improvements are also moving in parallel. Both governments are scaling up the QR-code immigration clearance system that Singapore piloted in March 2024, with Johor officials anticipating it will be available to Singaporeans and other foreign passport holders by mid-2025. The goal is to reduce daily clearance times for the more than 400,000 commuters to 20 minutes. Progress on the hard infrastructure front is also notable. Civil works for the 4-km Johor Bahru to Singapore Rapid Transit System (“**RTS**”) Link are over 80 per cent. complete on Singapore’s side and 93 per cent. on Malaysia’s. Installation of rail systems will begin later this year, with operations expected to commence in December 2026. Once running, the RTS will carry up to 10,000 passengers per hour, significantly relieving pressure on existing road links.

New tax incentives have also been locked in. Businesses undertaking high-value activities such as AI and quantum technology supply chains, aerospace, medical devices and global service hubs can benefit from a corporate tax rate as low as 5 per cent. for up to 15 years. Qualified knowledge workers will be eligible for a 15 per cent. personal income tax rate for a decade.

To ensure a strong pipeline of talent, both countries are rolling out technical and vocational training (“**TVET**”) partnerships. Agreements have been signed between Singapore Polytechnic and the Federation of Malaysian Manufacturers, ITE Education Services and the Johor Skills Development Centre, and Republic Polytechnic and the Johor Talent Development Council. These tie-ups aim to align training curricula with industry needs and offer place-and-train programmes to match labour supply with planned investments. This helps reduce execution risk in manufacturing and other skilled labour-intensive projects by ensuring a steady stream of skilled workers especially with Johor’s skilled labour shortage.

Early signs of success are already visible. Johor recorded approximately RM 27.4 billion (S\$8 billion) in new investments during the first quarter of 2025, with an additional RM 23 billion expected in April alone. About 80 per cent. of these investments are foreign, led by Singapore, China and Japan, and are concentrated in JS-SEZ-aligned sectors such as petrochemicals, advanced manufacturing and data centres. A bilateral target, set earlier this year, aims for 50 projects and 20,000 skilled jobs within the first five

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years. Both governments are backing this with matched funding for critical infrastructure and strategic ventures.

Beyond the numbers, the JS-SEZ is being positioned as a strategic hedge for multinationals looking to mitigate risks from global trade tensions. Minister Gan pointed out that combining R&D and headquarters functions in Singapore with efficient production bases in Johor allows firms to build more resilient supply chains and harness the strengths of both locations. Companies like South Korea's SPC Group are already adopting this model by operating manufacturing plants in Johor while anchoring innovation or command centres in Singapore.

The next phase will focus on execution. If progress on key deliverables such as full-scale QR clearance, RTS completion and major project launches stays on track, the JS-SEZ could emerge as the most deeply integrated cross-border production platform in Southeast Asia. For businesses evaluating their regional footprint, the message is clear: land, workforce incentives and top-tier tax deals in the JS-SEZ are being offered.

[New joint project office to support Singapore firms in expanding to Johor-Singapore SEZ: DPM Gan](#)

[New joint project office to boost Singapore business presence in JS-SEZ](#)

[Foreigners may get to use passport-free immigration clearance at Johor land checkpoints by mid-2025: State official](#)

[Johor-Singapore SEZ's faces toughest test – slashing immigration clearance delays, says Malaysian minister](#)

[Johor Baru - Singapore RTS Link nears major milestone as rail systems installation to start soon](#)

[The Edge Malaysia | Johor Bahru housing Property Monitor \(4Q2024\): Market on a positive growth trajectory](#)

[Malaysia and Singapore strengthens economic connectivity with Johor-Singapore Special Economic Zone](#)

[Johor-Singapore SEZ snares lion's share of approved investments: Mida](#)

[Johor gets RM23b in April investments, 80pc from foreign sources including Singapore, China](#)

[Malaysia, Singapore announce deal on Johor economic zone](#)

[Johor-Singapore SEZ a showcase of like-minded states working together amid Trump tariffs, protectionism: DPM Gan](#)

[Keynote address by Deputy Prime Minister and Minister for Trade and Industry Gan Kim Yong at the Johor-Singapore Special Economic Zone Joint Business and Investment Forum](#)

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