

Senai Airport City — the next industrial hub

By 2025, Senai will yet again be transformed with the completion of the Senai Airport City, a 1,100ha full-fledged logistics and industry hub

by AFIQ AZIZ

SENAI used to be just a small town in Johor located between Skudai and Kulai with pre-World War II shop-houses lining the main road.

The old town is divided into an upper street and a lower street by a river in the middle.

During the post-war Malayan Emergency in the late 1940s to early 1950s, resettlement policies propagated newer villages in Senai, and the surrounding areas began to grow in the 1970s when low-cost housing was introduced.

In the 1980s, a major boost was given to Senai and its population, following the construction of the Senai International Airport.

Consequently, more housing estates were developed to cater for various companies that had chosen Senai as a manufacturing hub.

By 2025, Senai will yet again be transformed with the completion of the Senai Airport City, a 1,100ha full-fledged logistics and industry hub that is expected to service various industrial segments.

The city would comprise a free industrial zone, a hi-tech and general manufacturing area, aircraft maintenance, repair and overhaul (MRO) centres, as well as logistics and mixed developments.

Developed by Senai Airport City Sdn Bhd (SAC), a member of the MMC Group, the industrial park is already occupied by EcoWorld Development Group Bhd (EcoWorld) and AME Development Sdn Bhd's i-Park that are developing ready-built factories for small and medium enterprises (SMEs).



Gan says Senai Airport City offers key infrastructure elements that are important for companies to set up their manufacturing facilities

As it is, the Hershey Co, North America's biggest chocolate maker, has also chosen Senai Airport City as its address in Malaysia.

According to SAC GM Gan Seng Keong, the entire area is being developed in five phases.

He said SAC, as the master developer, is also currently in talks with 12 multinational companies (MNCs) and manufacturers that are scouting for a regional distribution hub within the area.

"We also plan to attract existing Johor-based companies that are looking to relocate their businesses or planning for expansion," he told members of the press during a media familiarisation trip to the industrial park last week, organised by MMC Corp Bhd.

Gan said the Senai Airport City master plan is also in line with the state government's aspirations to relocate the industries and have them



An artist impression of the Senai Airport City entrance. The airport city is also connected via 3 major highways — the PLUS, the Malaysia-Singapore 2nd Link and Senai Desaru Expressway

operate in a managed industrial park.

He said the first phase of the city comprises 485.6ha of land, which has so far seen a 50% take-up rate.

Of the total area earmarked for the

first phase, around 161.9ha of land has been allocated to house a free trade zone which offers exemption of import and export duties for manufactured products, with 80% of the finished goods mandated for overseas markets.

Gan said the two catalyst developers, IPark Development Sdn Bhd and EcoWorld, have also been awarded contracts to manage i-Park@ Senai Airport City and the Eco Business Park II.

He said the facilities are expected to cater to SMEs that would provide support to complete the ecosystem for bigger MNCs.

"The catalyst developers, IPark and EcoWorld, will complement each other to create the complete ecosystem for Senai Airport City. We are also looking for other catalyst developers that can also provide certain niche areas," Gan said.

He said Senai Airport City offers

key infrastructure elements that are important for companies to set up their manufacturing facilities — including ready converted land, completed earthworks, and electricity, water and a waste management system.

"We have invested RM500 million to develop common infrastructure and utilities in that area. It is important that the investors come in with all these facilities ready.

"If they go to a piece of standalone land, they have to convert the land to agricultural or industrial use and construct its utilities. Over here, everything is provided. That is the value proposition to the investors," Gan said.

He said engagements and negotiations with the remaining MNCs and local companies are expected to be concluded by the first quarter of next year.

"Most of these companies' timeline to be operational is between 12 months and 18 months. So, we expect more companies operating in Senai Airport City by 2020," Gan said.

SAC has also allocated 283.3ha for the hi-tech and manufacturing segment, 202ha of which is currently undergoing earthwork that is expected to complete by the end of the year.

Senai Airport City is strategically positioned in close proximity to two international airports, Senai International Airport and Changi International Airport, allowing it to leverage on Singapore's economic advantages.

The park is also located in the middle of two major southern seaports in Johor — Port of Tanjung Pelepas in Gelang Patah and Johor Port in Pasir Gudang.

The airport city is also connected via three major highways — the North-South Expressway (PLUS), the Malaysia-Singapore Second Link and Senai Desaru Expressway Bhd.

"With these domestic and international connections via sea, land and air, as well as our business model, it would give us advantages to spur the Senai Airport City business and trading activities.

"By 2025, we expect the development of the whole land area would be matured enough," Gan added.

The airport city also aims to attract MRO players on a 162ha of land that has been allocated.

"However, depending on the market situation, we may review and relocate the land for a different industry," he added.

With all the economic activities that are taking place in the area, one could only expect a higher profile for Johor Senai International Airport that had gone through quite a transformation recently, following a massive renovation that was spearheaded by its operator, MMC Corp.



The Senai Airport City master plan is also in line with the state govt's aspirations to relocate the industries and have them operate in a managed industrial park