

## Selangor goes Regional: “Future Proof State”

Mohamad Zulkufli Zakaria<sup>1</sup>, Khairul Shahida Shabi<sup>2</sup> Amirudin Shari<sup>3</sup>

<sup>1,2</sup>(Chief Minister Office, Selangor State Government, Malaysia)

<sup>3</sup>(Selangor State Government, Malaysia)

**Abstract:** *As the most advanced State in Malaysia, Selangor leads the way in helping to realise YAB’s goal of Malaysia becoming a fully-developed nation. It contributes nearly a quarter of our nation’s GDP, 20% of our population, and 22% of employment, Also, over the past 10 years, Selangor has brought in investments worth more than RM191 billion (Ministry of Finance, 2017). The Selangor Government has realised the need to go beyond being the best in the country to being a regional champion as being the ASEAN Gateway. Aligned with the state initiative in developing and organizing Selangor International Business Summit since 2017 where there were huge investment being into Selangor and network being connected.*

**Keywords:** *Premier Smart State, Selangor*



### 1. INTRODUCTION

The ASEAN region is of vital geostrategic importance to the world. Each year, trade valued at some US\$5.3 trillion (Chan Chun Sing, 2018) passes through its sea lanes, while an estimated 15 million barrel per day (bpd) of oil is transported through the Malacca Straits. With a population of some 650 million and fast growing wealth it is also becoming an economic superpower. Ranking as the fourth largest exporting region in the world, the countries that constitute ASEAN account for some 7% of global exports. They had a combined GDP of US\$2.8 trillion in 2017 (Yusof Ishak Institute, 2018), making them the third largest economy in Asia and the sixth largest globally. Economic growth continues to average 5.4%, way above the global average and this rate is forecast to continue for the near future. Singapore’s Prime Minister, Lee Hsien Loong, has predicted that ASEAN will become the fourth largest economy in the world by 2030, led by the US, China and the EU.

In view of this, ASEAN presents a compelling investment proposition for businesses who are looking to expand in one of the most dynamic and ambitious parts of the world. This attraction is illustrated by the level of FDI flows into ASEAN countries, which rose to record levels from US\$123 billion in 2016 to US\$137 billion in 2017.

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Home to Port Klang – the 12th busiest port in the world and the 2nd busiest in Southeast Asia, and KL International Airport – the 12th busiest airport in Asia and 3rd in Southeast Asia, as well as Cyberjaya – the nucleus of the Multimedia Super Corridor (MSC) initiative, all linked by a well-connected highway network, Selangor is an impressive player for Malaysia. The Smart Selangor initiative, which aims to transform Selangor into the region's leading Smart State by 2025 is one such initiative. 2025 is also the year for the ASEAN Economic Community (AEC) Blueprint to be realised, which, among others, envisions stronger economic integration and connectivity within ASEAN.

An important development is the rising investment in their digital economies, including e-commerce, financial technology, the development of data centers and ICT infrastructure. Significant growth opportunities are available for business across a range of industries and commercial sectors, including automotive, financial services, consumer goods, medical services and equipment, telecoms and transportation.

## **2. INFRASTRUCTURE AND SUSTAINABLE DEVELOPMENT**

The Smart Selangor Parking app was developed to address the traffic problems and parking payment difficulty. Utilising the IoT, this app allows enforcement officers to check if the parking fees have been paid by scanning the car registration number. At the same time, enforcement officers can issue compounds and enable offenders to make immediate payment through the app.

The improvement of broadband services to accelerate Selangor's development in the digital economy is vital. Also, there is a need to have a comprehensive regulatory framework in cybersecurity (World Bank, 2018). There are rooms for improvement, especially in developing best practices and guidelines to manage security as well as cloud security services in Malaysia and specifically in Selangor. The Government also needs to address the issue of a critical talent gap in areas such as digital forensic, security administration and security analyst. A safe and sound ecosystem is crucial to establish the trust of customers and users to enhance e-commerce and e-payment platforms further.

Besides, the development of logistic nodes to overcome physical and virtual communication gaps. By having workable initiative of logistic and effective supply chain management throughout Selangor, enhanced the public trust in conducting electronic logistic and business movement operation.

## **3. DEFENSE AND SECURITY**

Selangor initiatives on improving public living quality which not only consist of economic only but also to have comprehensive concept of safety culture which the commonly-used term that related to the public or citizen level of freedom and confidence towards ruling government.

Smart cameras featuring a range of megapixel resolutions, camera dimensions, advanced technologies and value added analytic functions are already taking place. These developments satisfy the needs of a diverse range of applications to achieve unobstructed monitoring of wide and open areas such as airport terminals, shopping malls, train stations and offices. With this technology, it provides high accuracy of counting people and objects analysis, while optimising security management and able to enhance in-store management through traffic data and visual analytics.

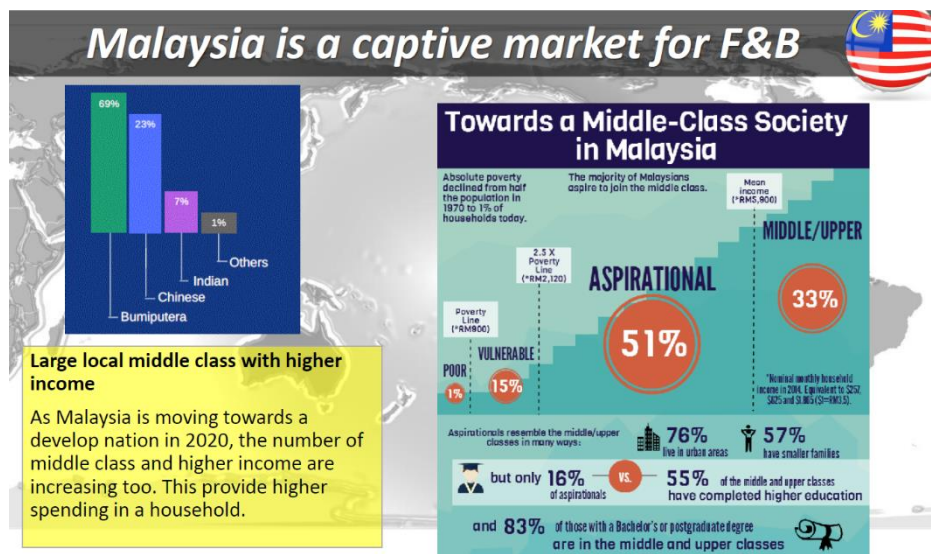
#### 4. INDUSTRIES

Steady performance in the E&E subsector is supported by strong demand for electronic integrated circuits and semiconductors; telecommunications equipment; and consumer electronics.

Output of petroleum, chemical, rubber and plastic products subsector will be mainly supported by rising demand in the healthcare industry (Afzanizam, Rashid, & Economist, 2019), particularly for rubber gloves, plastic medical appliances and pharmaceutical products. Meanwhile, production of chemical will be driven by expansion of petroleum and oleochemical industries. Production in the transport equipment and other manufactures subsector will be supported by manufacture of motor vehicles, trailers and semi-trailers; manufacture of other transport equipment; as well as repair and installation of machinery and equipment (M&E).

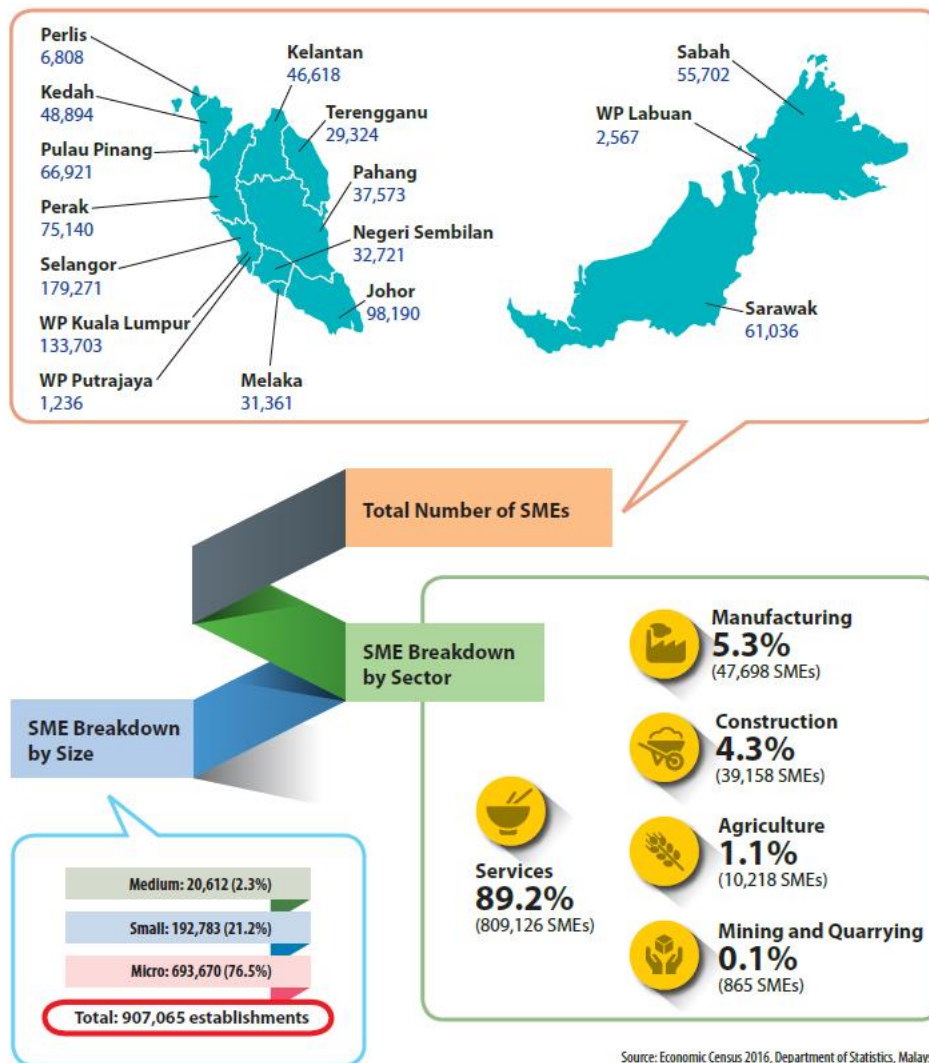
This is positively in tandem with the higher sales of vehicles. In addition, the aerospace industry including design and manufacturing of aircraft components; system integration; as well as maintenance, repair and overhaul activities; is expected to benefit from rising orders for aircraft in the Asia Pacific region.

Meanwhile, growth in the domestic-oriented industries will be driven by continued demand for food-related products as well as sustained production of construction-related materials amid new and ongoing infrastructure projects. It includes the Selangor as the main state which is dynamically involved in enhancing food supply and management. It is crucial to have in – house food guaranteed and supplies as it notion the stability and well management of food supplies (Deschamp, 2017). As Selangor also highlighted and focused on growing the Halal Industry which has reflecting the major food industry supply to the region.



\*Source: (Deschamp, 2017)

The major industries highlighted how Selangor currently step in towards reaching the bigger region and then becomes the main gateway to ASEAN as majority of SME establishment has been underlying in Selangor itself as being reflected in figure below.



## 5. RENEWABLE ENERGY

The rapid increase in energy consumption particularly in the past several decades has raised fears of exhausting the globe's reserves of petroleum and other resources in the near future. The huge consumption of fossil fuels has caused visible damage to the environment in various forms. Approximately 90% of energy consumption comes from fossil fuels. Due to industrializations and population growth our economy and technologies today largely depend upon natural resources, which are not replaceable (Alrikabi, 2014). Electricity consumption will comprise an increasing share of global energy demand during the next two decades.

Selangor invested RM1.5 bil (Dec 2018-est.) in waste disposal management. The usage of fuel cell in generating the energy involved majorly the chemical reaction that produced H<sub>2</sub>O which reflected the harmless product. It is undertaking the development of the country's biggest and modern waste-to-energy project at the Jeram sanitary landfill in a public-private partnership that will cost RM500mil under phase one and another RM500mil under phase two. A second waste-to-energy plant, which will also cost RM500mil, is to be built in Tanjung Dua Belas in Kuala Langat. Selangor Menteri Besar Amirudin Shari said the state planned to have a more sustainable system in solid waste disposal as landfills require a lot of land.

Furthermore, Selangor also has notion its ambition in developing better green environment through the establishment of Selangor Science Park 2 (SSP2). SSP2 is a Green Building Index (GBI) compliant integrated township planned as Malaysia's foremost solar city with the Q-

Cells solar cell manufacturing plant plus Malaysia's first solar farm. Firmly on PKNS' agenda is for SSP2 to eventually be powered by solar energy redefining healthy living in Malaysia. PKNS public tender projects and urban regeneration projects will impose GBI standards and incorporate design guidelines for energy efficient standards.

#### ➤ Basic Information

##### ➤ Selangor

- Population of 7,004,762
- The largest population in Malaysia, with a high standard of living and the state's poverty rate is the lowest in the country.

##### ➤ Shah Alam City

- Completely Low Carbon City action plan by 2030
  - Since 2000 has implementation on planning of land use, environment, environment and social management and related activities.
- |                                    |                       |
|------------------------------------|-----------------------|
| • standard building coverage ratio | 9.3%                  |
| • standard floor area ratio        | 40.2%                 |
| • whole area                       | 159.9Ha               |
| • building area                    | 335,703m <sup>2</sup> |



## 6. HEALTHCARE

Safety in healthcare is a constantly moving target. As standards improve and concern for safety grows, we come to regard an increasing number of events as patient. Having better healthcare solution that could predict and reduce health issue will be the best option provides for the citizen. With the evolvement of Artificial Intelligence, having intelligence to predict the living quality through systematic model may save more life and money.

## 7. EDUCATION

One of the key areas under Malaysian Budget 2020 is to ensure the socio-economic well-being of Malaysians via proper education. As such, the Ministry of Education (MOE) has been the largest recipients with total allocation of RM64.1. From this, a total RM5.9 million is specifically set aside for the Training and Vocational Education and Training (TVET) Prestige Fund, which aimed to bring the quality of education to a greater height. Selangor also has recognised TVET as one of the key priorities in order to be a developed nation besides targeting on academic and Sports education development.

Based on the Department of Statistics Malaysia (DOSM) data, the majority of employees in Malaysia has secondary education, totaling 8.22 million from the total labour force of 15.01 million in the 1Q2019. However, the percentage share from this group has decreased by 1.0%, from 55.8% in 4Q2018 to 54.8% in 1Q2019. Meanwhile, employees with tertiary education increased by 0.9% to 29.6% in 1Q2019 (4Q2018: 28.7%). This indicates employer's preference towards labour who are highly skilled and has better educational background. Therefore, demand for higher education is expected to be healthy in light of the potential upward mobility (Afzanizam et al., 2019). It is very important for Selangor in reflecting the quality and holistic education to be brought to wider region and as the platform in promoting competent graduates which starts from school years.

## 8. CONCLUSION

This case study has outlined affects due to implementation of automated process in organization that used to be handled an operated mainly by human. New avenue of business operation has been explored and enhance the productivity of overall organization but it has affected the man resources that existed. Since this case study only limited to the one organization which is Ar- Rahnu Sdn Bhd which is one of the remarkable pawnbroking agency in Malaysia, the cause effect might be different compared to other entity within the same industry.

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