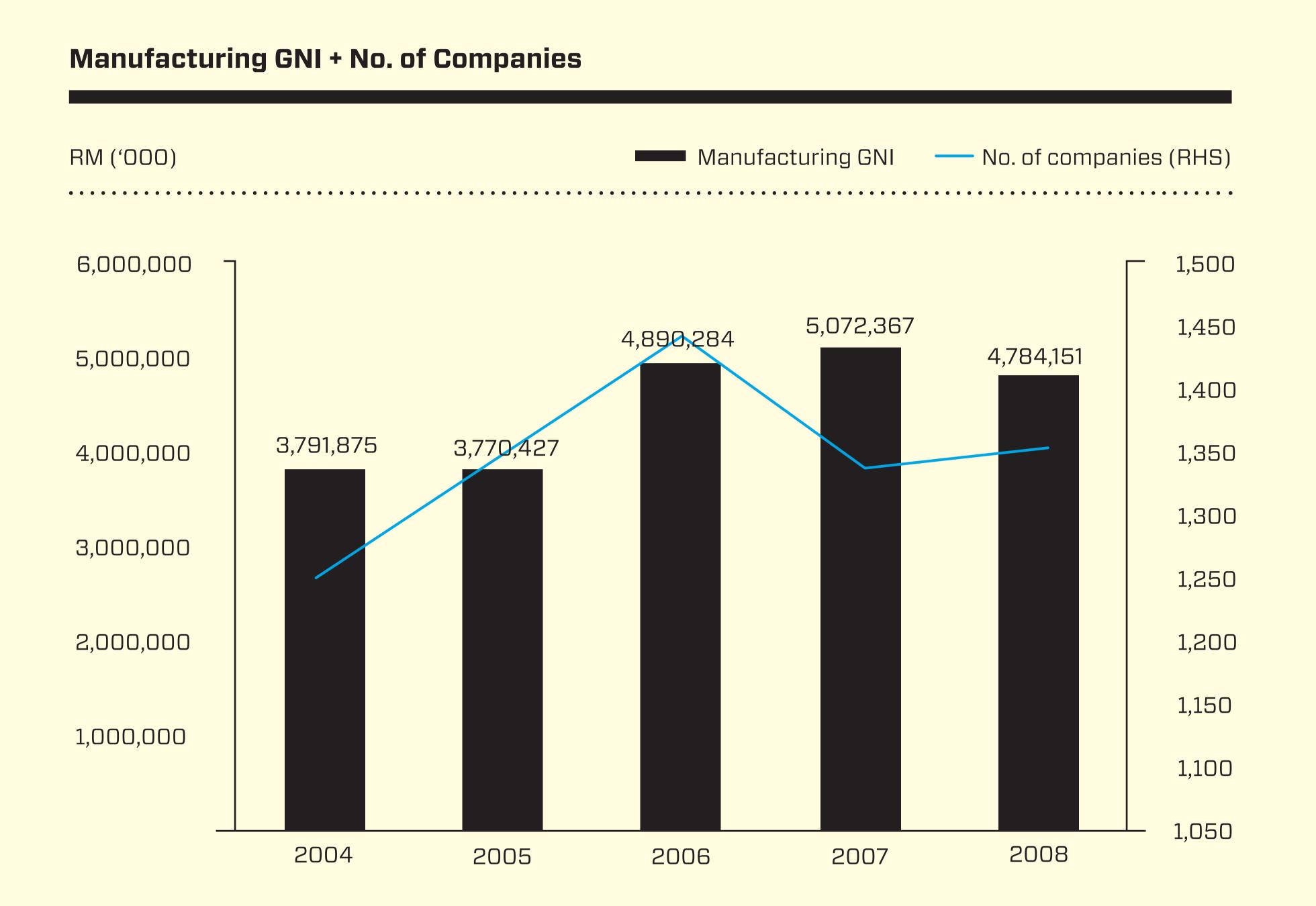
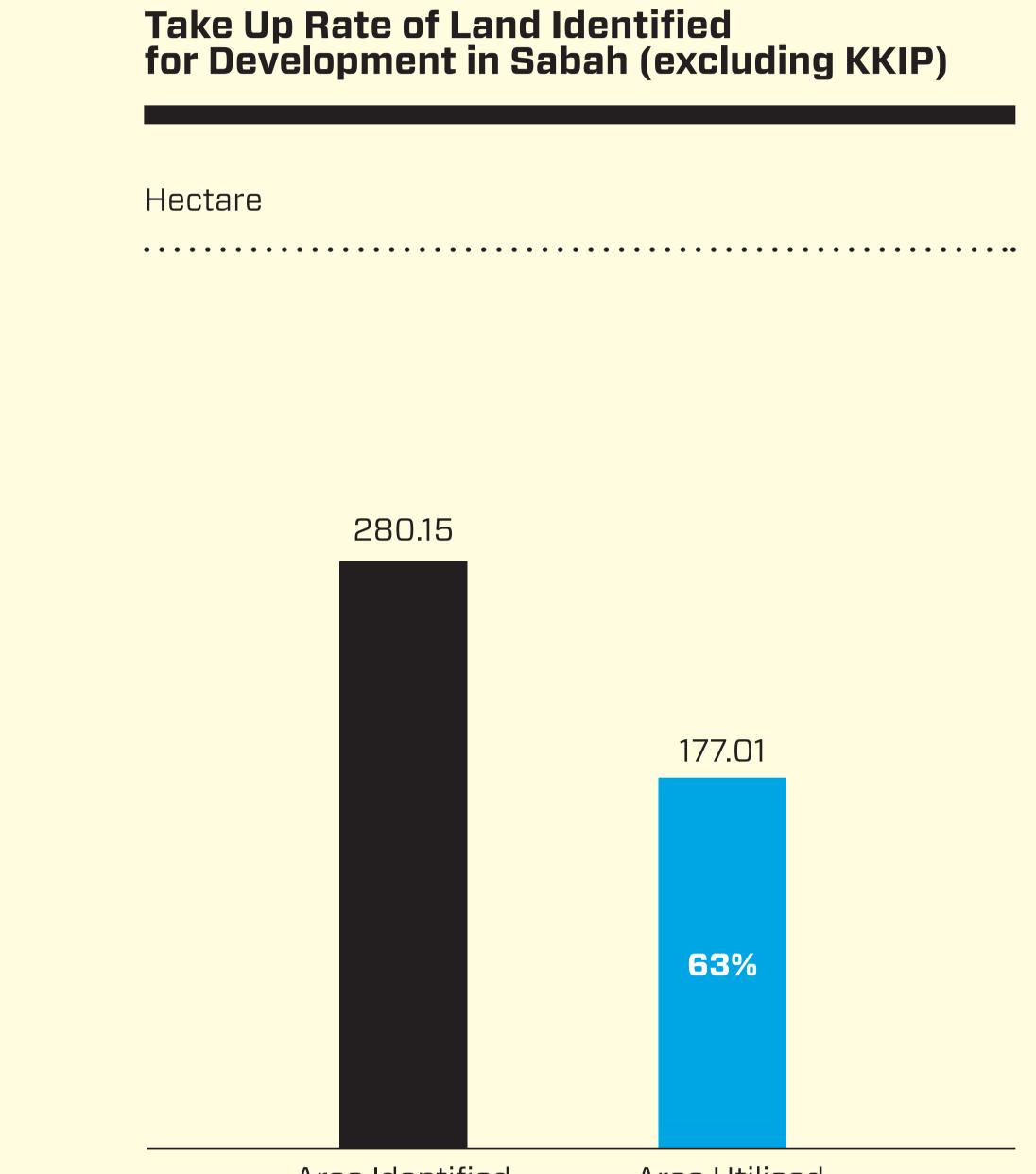
MANUFACTURING & LOGISTICS SECTOR

OVERVIEW

The Manufacturing Sector in Sabah





There are a number of existing gazetted land areas for the purpose of the manufacturing industry in Sabah

However, the growth of the sector has been fairly poor over the recent years

The take up land for the purpose of manufacturing purposes only accounts for 63% of the total land gazetted for the manufacturing sector

Contribution from the sector has also been dwindling in the recent years

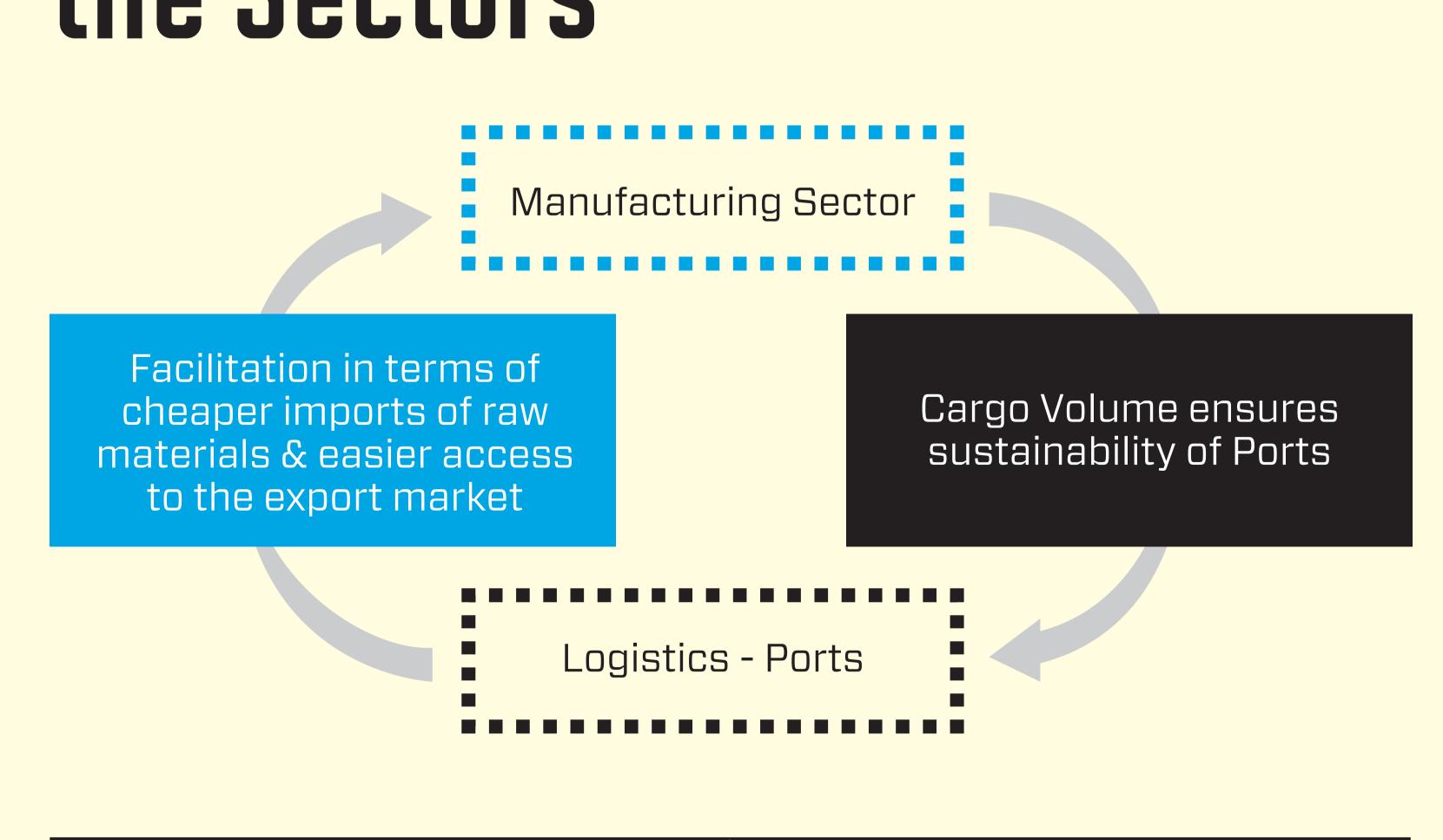
Shipping & Ports Industry in Sabah

Ports form a vital entity for the Sabah's economy as the hinterland connectivity are vastly undeveloped

Sabah currently has 8 operational ports, scattered predominantly along its west and east coast



The Relationship between the Sectors

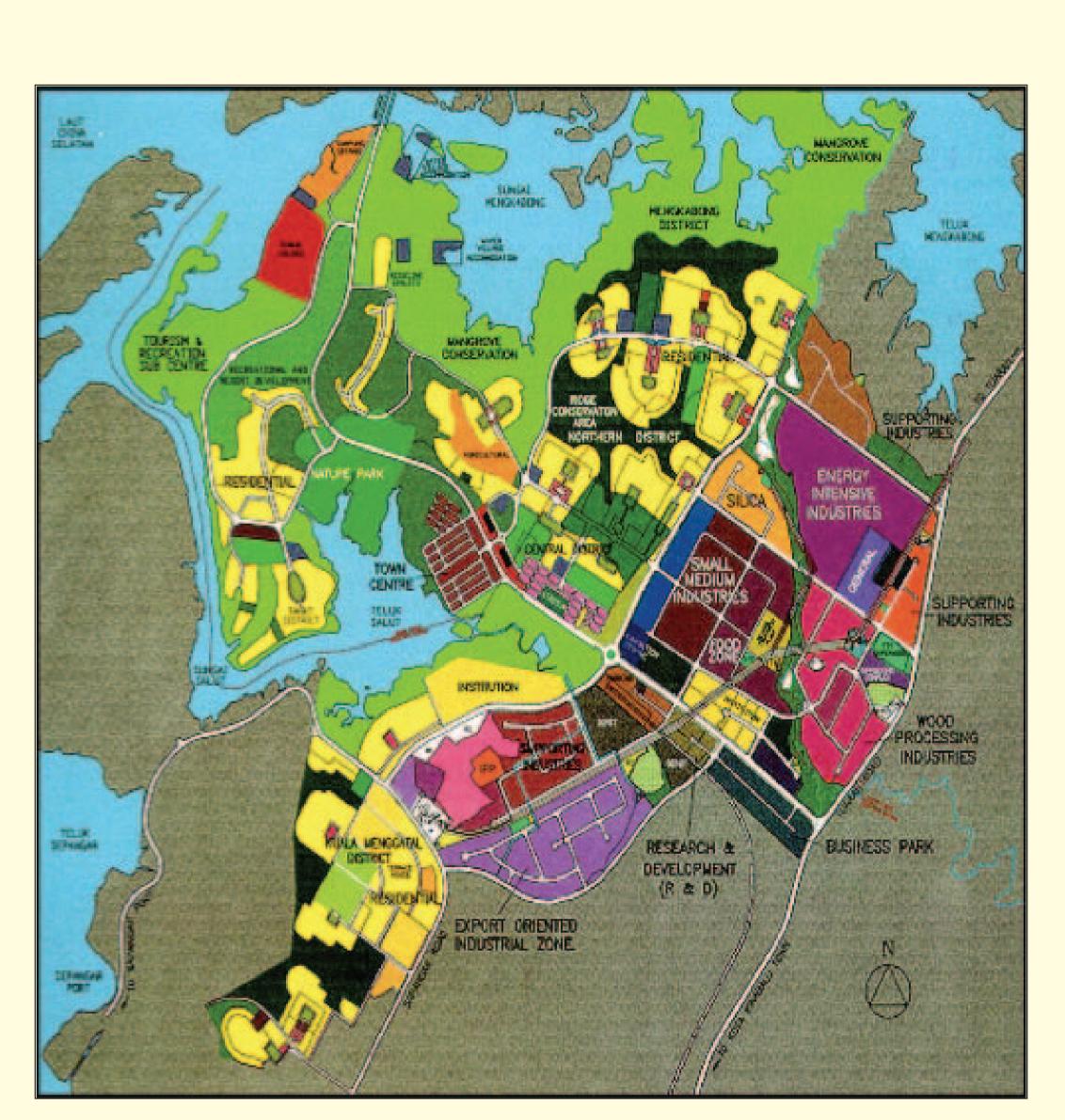


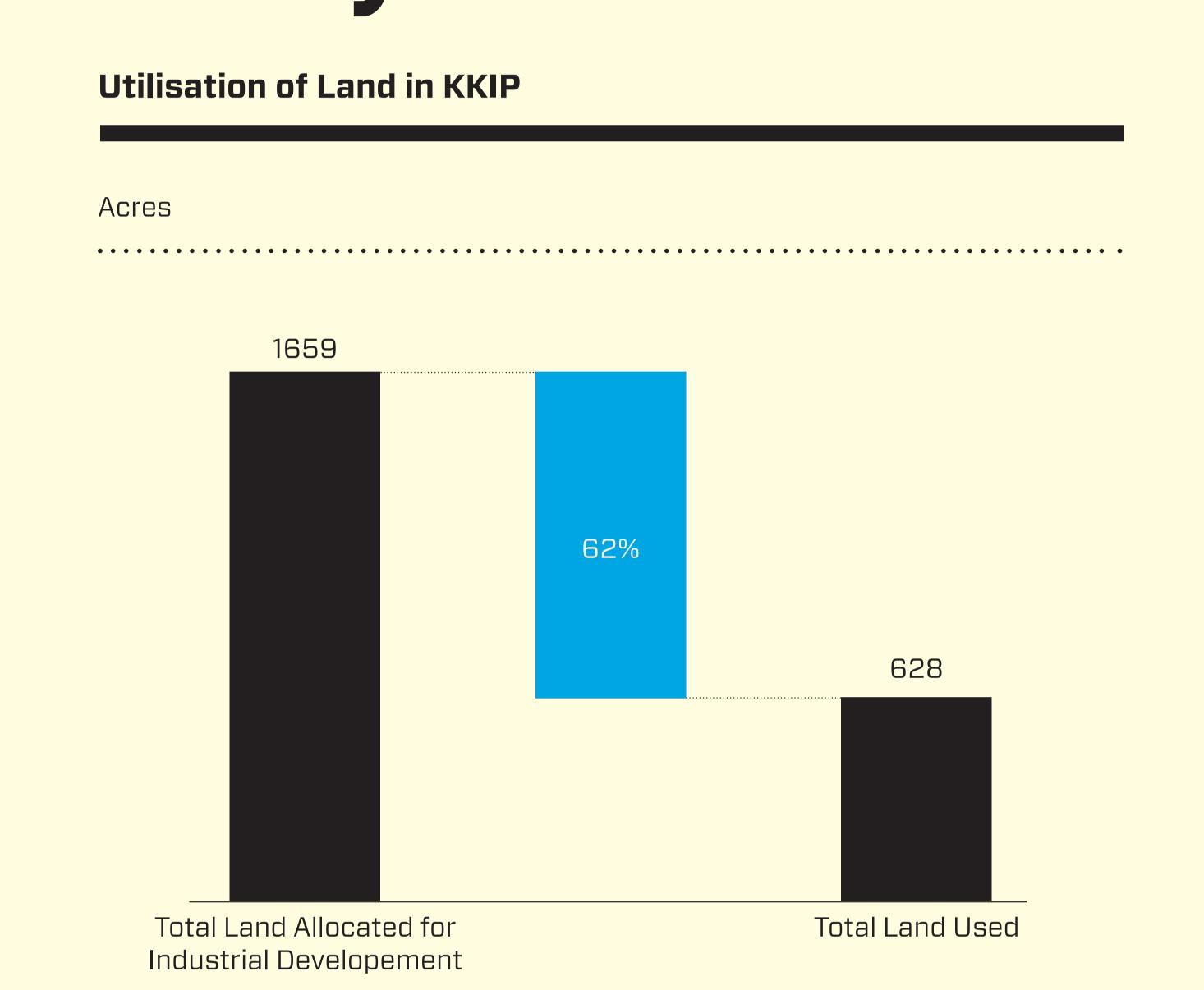
Manufacturing	Ports
owth in GNI contribution and numbers of mpanies has been stagnant	 Cabotage Policy has prove to be less relevered explaining the slow growth of ports in Saba

here is still an abundance of industrial land which are not utilised there is a pressing need to grow the sector which will contribute greater spillovers to the To achieve a lower cost of living and cost of doing business, Sabah has to establish a base for Main Line Operators to service Sapangar Bay Container Port

CASE FOR CHANGE

Leveraging on Sabah's rich resources to capture added value via the Manufacturing Industry





The Kota Kinabalu Industrial Park (KKIP) is the largest industrial park in the state, housing a number of manufacturing plants, training institutions as well as residential areas

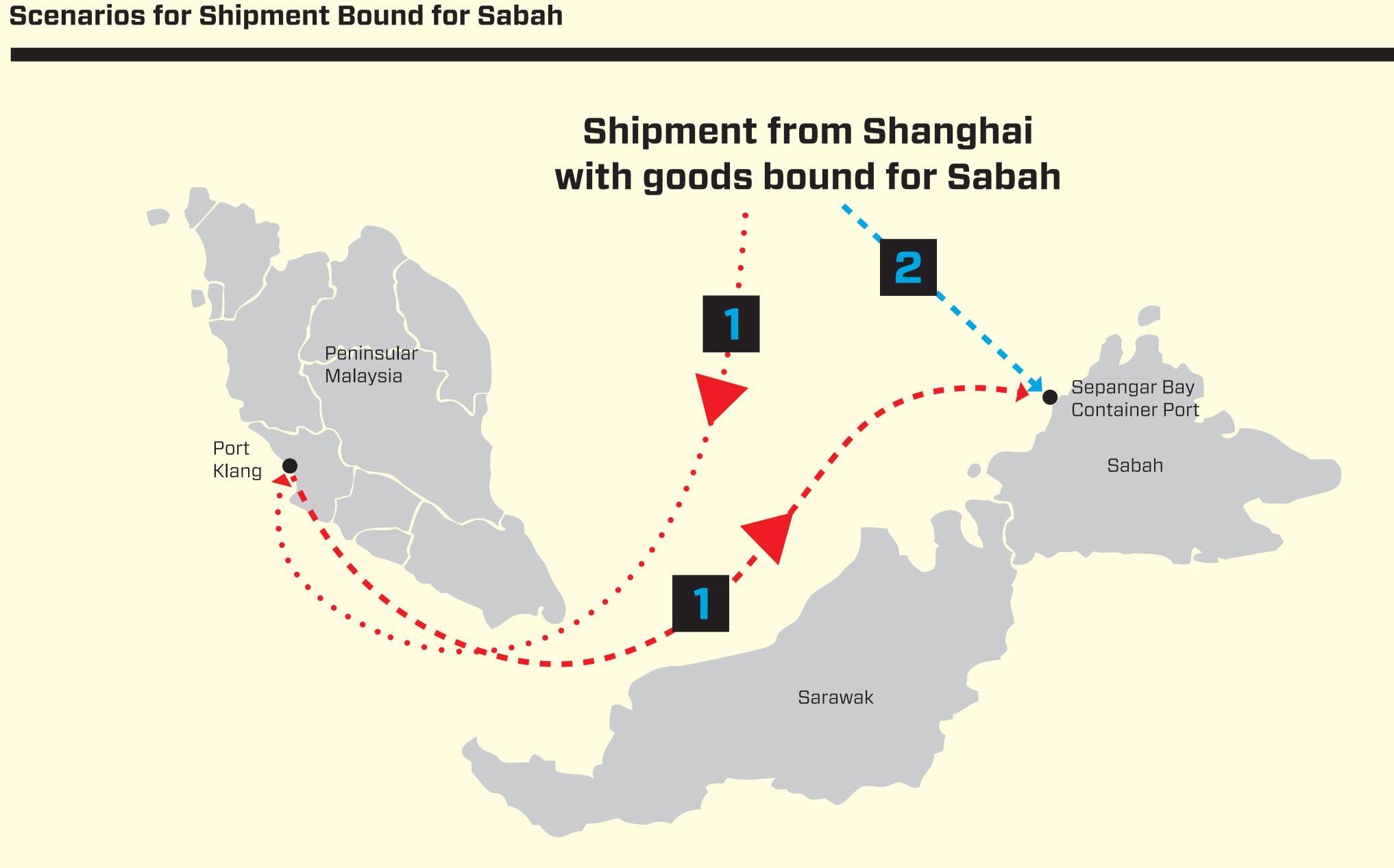
It is also located within close proximity to a container capable port – Sapangar Bay Container Port (SBCP)

However, given the amount of land available, the utilisation rate of space given for manufacturing purposes remains poor – only 37% of the land is being occupied

Measures have to be made to entice more investors to set up plant within KKIP

Improvement of the Ports Infrastructure to facilitate the growth of the Manufacturing Sector as well as the economy of Sabah as a whole

Capacity Utilisation of SBCP



Freight cost and sailing duration between scenarios 1 and 2			
Route	Sailing Time	Freight Cost	
Shanghai > Port Kelang > Sepangar Bay Container Port (SBCP)	8 Days	RM3,686	
2 Shanghai > Sapangar Bay Container Port (SBCP)	5 Days	RM2,580	
Disclaimer: Freight Cost includes ocean freight rate, terminal handling charge, and other local charges			

IMPROVEMENT TO EXISTING FACILITIES AT SBCP TO BE MADE TO ENTICE LARGE SHIPPERS TO MAKE DIRECT CALLS

Current shipping scenario is depicted by route 1, where most of the shipments are being double handled in other hub ports such as Port Klang in Peninsular Malaysia

This leads to inefficiency as the sailing time and freight cost is significantly higher compared to a direct shipment to Sabah

DISTRIBUTION OF EPPs

2 EPPs have been identified for the Manufacturing & Logistics Sector in Sabah



Kota Kinabalu Industrial Park (KKIP)

GNI	JOBS	INVESTMENT
RM1.56 billion	23,032	RM4.69 billion



Sapagar Bay Container Port (SBCP)

CA.	GNI	JOBS	INVESTMENT
The state of the s	RM279 million	439	RM404 million

