



JS-SEZ

Johor-Singapore Special Economic Zone –
Update on Johor and Singapore Markets

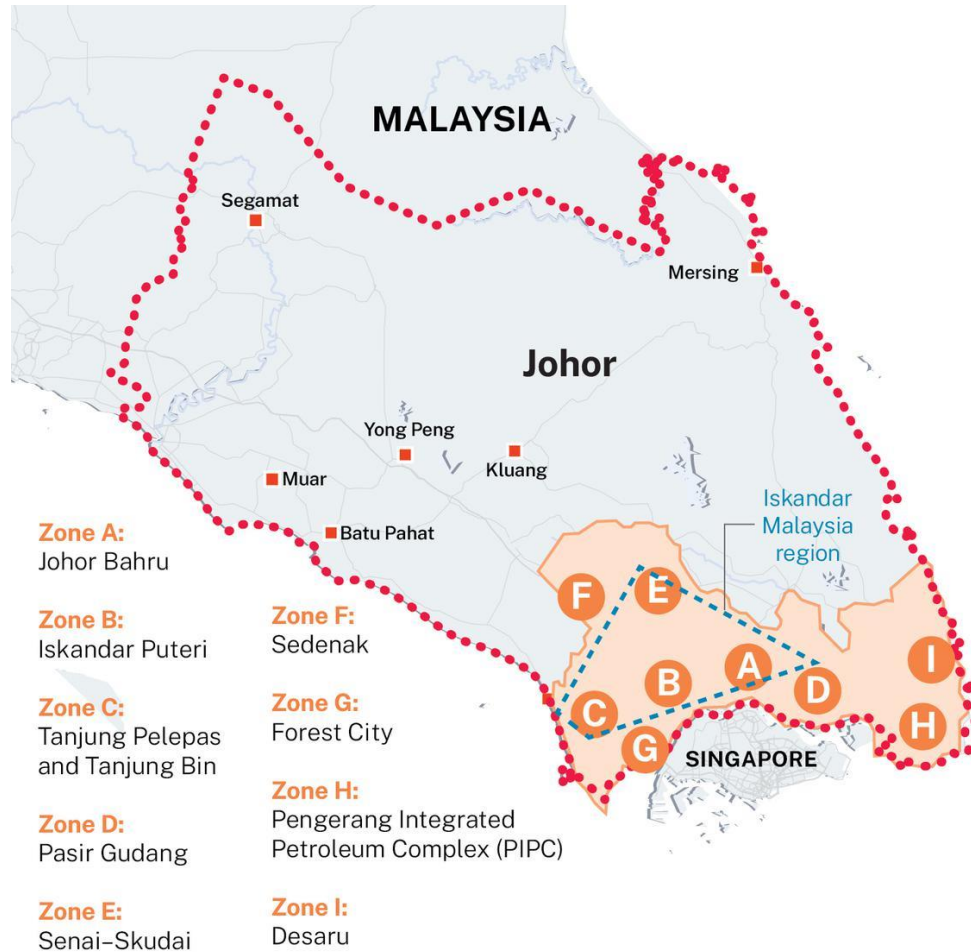
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Johor-Singapore Special Economic Zone (JS-SEZ)



Source: Hyrie Rahmat, Business Times

The Johor-Singapore Special Economic Zone (JS-SEZ) highlights cross-border cooperation between the two economies, benefiting businesses via the enhancement of regulations, incentives and infrastructure.

JS-SEZ at a Glance:



3,571 km demarcated under the JS-SEZ

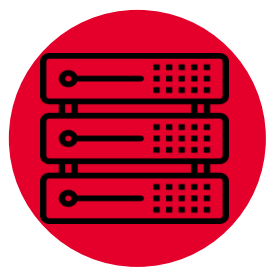


11 key sectors to benefit from facilitated investments



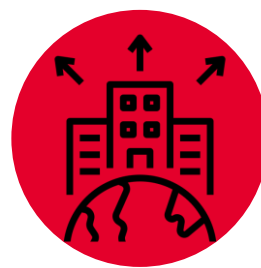
9 flagship zones

Johor-Singapore Special Economic Zone (JS-SEZ)



Data Centres to Benefit

Data centres are one of the key industries set to benefit from the JS-SEZ, with the **digital economy** identified as one of the key sectors targeted.



The SG+ Strategy

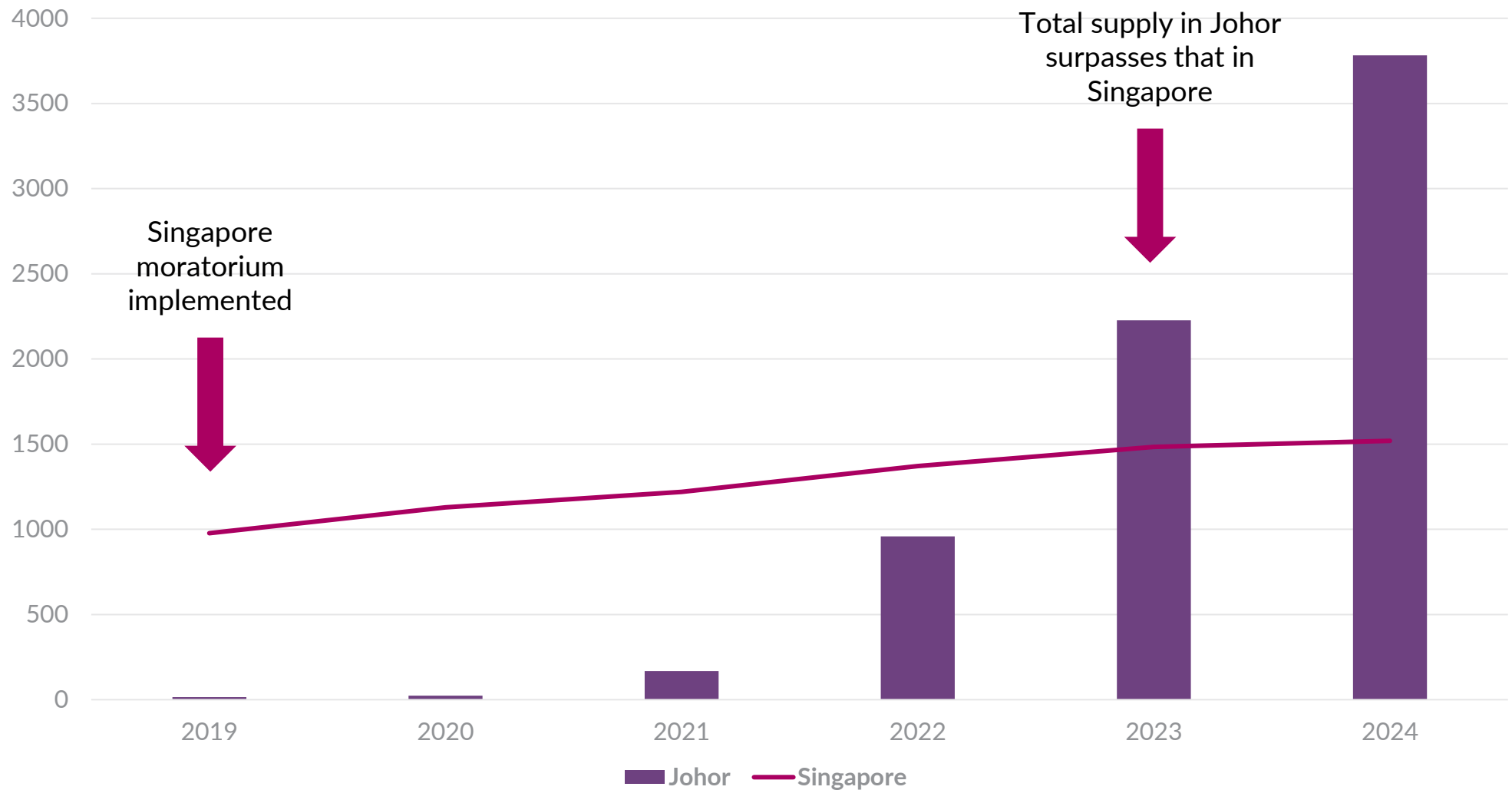
Development of the JS-SEZ is in **alignment with the SG+ strategy** as operators have expanded operations from the hub of Singapore to neighbouring **spillover markets** like Johor and Batam.



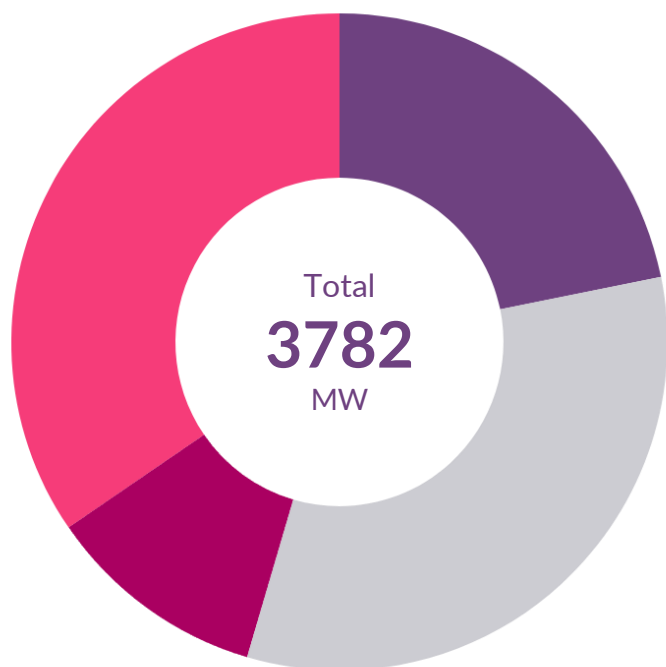
Facilitating Supply Growth

Streamlined regulations, greater tax incentives along with enhanced infrastructure will collectively aid in bolstering greater **data centre supply growth** by facilitating the progress of each project during the pipeline stages.

Johor and Singapore



Impact on the Johor Market



Johor

10%	Live IT Capacity	397 MW
5%	Under Construction IT Capacity	206 MW
23%	Committed IT Capacity	876 MW
61%	Early Stage IT Capacity	2302 MW

- Johor has emerged as a regional data centre hub, hosting nearly 400MW of live capacity. In comparison, Singapore stands at 1,072MW, and Johor has reached about half of Singapore's capacity in just three years—a milestone Singapore took a decade to achieve.
- Johor is now serving regional tech companies such as ByteDance and SEA Group, and is expected to see increased activity and demand from cloud players, particularly Microsoft, which has acquired three plots of land in the region.
- With its close proximity to Singapore and the availability of land, Johor has become a natural and practical choice for accommodating regional demand capacity expansion, previously concentrated in Singapore.
- Prior to the establishment of the JS-SEZ, Johor's data centre market has already seen significant activity, with around 26 operators in the region. Operators such as BridgeDC have operational capacity, while others, such as STT GDC have acquired land and are in the planning stages of development.
- The JS-SEZ development further strengthens Johor's data centre market, reinforcing the positive working relationships between both cities and accelerating the market's growth momentum.

Impact on the Johor Market

The key features of the JS-SEZ that are expected to benefit Johor as a data centre market include:

- **9 flagship zones across 11 sectors**

Many of these zones encompass existing data centre clusters, further increasing their appeal as hubs for digital infrastructure development.

- **Special corporate tax rate of 5% for 15 years and a special worker's tax rate of 15% for 10 years (Source: *TheEdge*)**

Competitive tax rates will enhance Johor's attractiveness compared to other special economic zones, such as the nearshore Nongsa Digital Park in Batam, which also offers schemes to attract data centre operators.

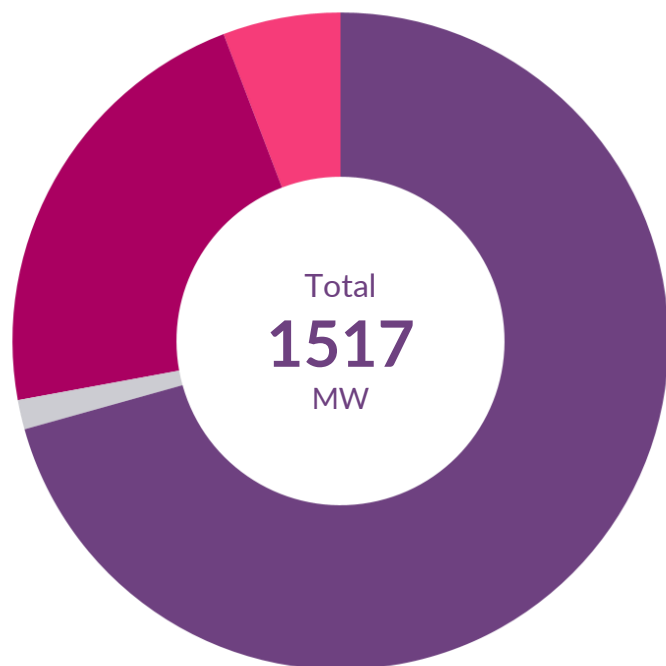
- **Creation of 20,000 jobs**

The creation of new jobs in the IT sector and knowledge transfer to the local workforce are key benefits, especially as foreign operators set up operations in the region. This fosters skill development and strengthens the local talent pool.

- **An initial RM5 billion (S\$1.5 billion) infrastructure development fund from Malaysia to JS-SEZ (Source: *The Business Times*)**

These funds demonstrate the government's support and commitment to facilitating more partnerships between both countries, while ensuring regulatory stability to prevent major policy shifts.

Impact on the Singapore Market



Singapore

70%	Live IT Capacity	1072 MW
2%	Under Construction IT Capacity	22 MW
22%	Committed IT Capacity	335 MW
6%	Early Stage IT Capacity	88 MW

- Singapore's data centre market is a regional hub fuelled by several major players such as cloud service providers, financial institutions, and social media giants.
- Increasing land and power limitations have constrained Singapore's growth when compared to other regional markets.
- The JS-SEZ complements recent efforts by Singapore to address its challenges sustainably, such as the DC-CFA and IMDA's announcement in May 2024 to release an additional 300MW of data centre capacity.
- Singapore-based operators are enabled to utilise the land, power, and labour of Johor to sustainably expand their pipelines.
 - E.g. Singtel partnering with Telekom Malaysia to develop a data centre campus in Iskandar Puteri which can scale up to 200MW.
- With the growing limitations on developing new capacity in Singapore coupled with the rise of AI, the JS-SEZ represents an opportunity for cross-border economic growth, greater integration of data centre ecosystems, and sharing of resources and expertise.



Overall, the JS-SEZ presents a mutually beneficial situation for both countries, promoting closer economic integration and the sharing of resources and expertise. Both economies are better positioned to capture more opportunities in the age of AI, driving greater data centre growth. This initiative also marks a significant milestone in the relationship between Singapore and Malaysia, enhancing both nations' competitiveness within the Southeast Asia region.

Key Definitions



Live IT

Operational IT Load



Under Construction IT

IT of data halls undergoing mechanical & electrical fit-out works



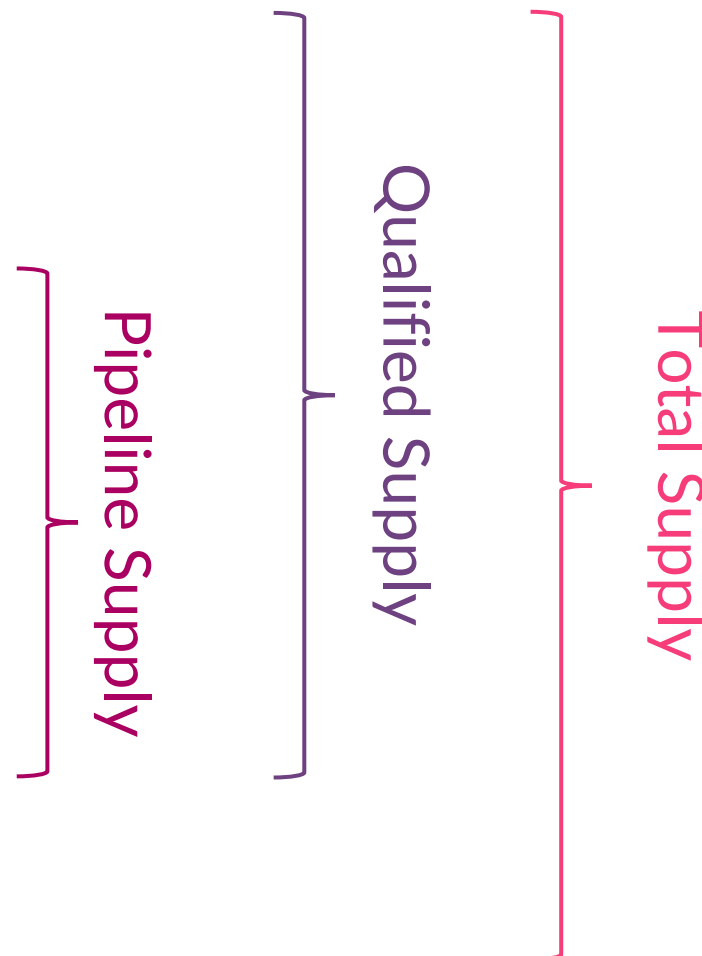
Committed IT

- Powered shells
- Projects with required elements secured but have not started construction



Early Stage IT

Projects without all required elements secured



About DC Byte

Who We Are



Leading provider of data centre market intelligence



Premiere Analytics Platform covering over 7,500+ data centre assets worldwide



Headquartered in London
Hub offices in Singapore and Northern Virginia



30+ analysts, consultants and developers globally
18 languages spoken

Thank you



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