



The Kuala Lumpur-Singapore High Speed Rail Frequently Asked Questions (FAQ)

Socio-economic Development Programme

1. What is the Socio-economic Development Programme (SEDP) and how will it help the KL-SG HSR project?

During the initiation phase of the KL-SG HSR project, global case studies were studied to learn best practices on maximising socio-economic benefits arising from the implementation of HSR. It was found that early socio-economic development planning alongside the implementation of HSR results in increase of population and creation of jobs, due to development of new economic activities and the transformation of cities.

Hence, the Socio-economic Development Programme (SEDP) was developed to guide holistic socio-economic development along the KL-SG HSR corridor, incorporating opportunities arising from the implementation of the HSR into development planning to accelerate inclusive growth.

The development of the SEDP is a collaborative effort between MyHSR Corp and the Economic Planning Unit (EPU) along with stakeholders from the federal, state, and local governments, sector-specific custodian agencies, and the private sector to achieve the following objectives:

- *Align and accelerate delivery of national, sectoral, regional, state, and local development plans*
- *Support integrated approaches to development planning for inclusive and sustainable growth across the cities*
- *Maximise socio-economic benefits for local communities and ensure meaningful participation in development*

2. What are the core components of the SEDP and how will it be delivered?

The SEDP comprises three elements of holistic socio-economic development:

- *Economy: Explores opportunities to stimulate the development potential of the prioritised economic growth areas across the HSR corridor, supported by ecosystem requirements and enablers as needed*
- *Inclusivity: To ensure inclusive growth, by empowering local communities to capture opportunities arising from the implementation of the KL-SG HSR and the development of priority economic growth areas*
- *Sustainability: A key consideration in the creation of vibrant and dynamic cities along the KL-SG HSR corridor*

The successful delivery of the SEDP is contingent upon its effective and efficient implementation and it will involve enablers, i.e., actions or resources, provided by the government, in collaboration with the private sector. Some of the enablers identified include supporting policies, incentives and regulations; talent; infrastructure; and suitable delivery mechanisms at federal, state and local levels. Successful implementation of the SEDP will require the combined efforts and collaboration of all stakeholders, including the federal, state, and local governments, as well as the private sector. MyHSR Corp is excited and committed to continue working together with all stakeholders.



3. What are the examples/case studies that MyHSR Corp used as a benchmark to develop the SEDP?

During the initial planning stage, extensive research was conducted on international case studies to gauge potential impact and opportunities arising from implementation of HSR. This helped to create an understanding of best practices of early socio-economic development planning alongside implementation of HSR delivery to maximise the socio-economic benefits from the KL-SG HSR.

The more successful cases incorporated the following common themes:

- *Clear priorities are set for economic development opportunities based on the strengths of each city*
- *Strong local-level support from the public and private sectors*
- *High connectivity to key areas in the city via efficient and reliable public transportation networks*
- *Emphasis on inclusive neighbourhoods and communities through provision of relevant social amenities and services, including access to housing, skills training, and jobs*

Examples case studies include:

- *Shin-Yokohama (Tokyo-Osaka) – Targeted policies and incentives for ICT and Biotech sectors were introduced to attract more companies to Shin-Yokohama. Alongside the improved connectivity resulting in shorter travel times from Shin-Yokohama to other cities such as Nagoya and Osaka, this attracted mid-sized companies and firms to move their operations to Shin-Yokohama. In addition, central business district (CBD) development in Shin-Yokohama began to thrive with a public transportation link to Yokohama city, highlighting the importance of integrating the HSR station with reliable public transportation options. Overall, following the implementation of the Tokyo-Osaka HSR service, Shin-Yokohama experienced an increase in population and job creation.*
- *Lille (London-Paris) – Lille emerged as an economic hub, due to strong ownership and long-term vision by the Mayor, and collaboration with the private sector. This involved supportive policies and incentives to develop industries, such as technical textiles, a key economic driver of Lille. Over the long-term, this led to an increase in population and employment rate in the city.*
- *Taiwan (Taipei-Kaohsiung) – The implementation of the Taipei-Kaohsiung HSR was accompanied by the HSR Special District Plans, centrally coordinated by the Bureau of High Speed Rail (BOHSR). The plans proposed distinct development themes at five station locations, supported by a common governance structure comprising of the relevant local county governments. This corridor development approach minimised overlaps and inter-city competition, while leveraging on strengths and unique value proposition of each area.*

These global case studies showed that wider socio-economic benefits arising from the implementation of HSR can be fully captured with early integration of socio-economic development planning alongside implementation of HSR. The SEDP aims to achieve this for the KL-SG HSR, by working together with stakeholders from the federal, state and local governments, sector-specific custodian agencies, and the private sector.



4. Seven growth areas have been identified to drive economic growth along the HSR corridor. What is the basis for MyHSR Corp to come up with the key development areas? Are these growth areas new or expansion of existing initiatives?

Growth areas are economic sub-sectors prioritised across the KL-SG HSR corridor, that will result in significant wider economic benefits for the cities and the country. These have been identified and prioritised based on the existing strengths, unique value proposition and growth potential of the cities, as well as future opportunities to capture synergies across the HSR corridor.

Each prioritised growth area is expected to:

- *Generate Gross National Income (GNI)*
- *Create high-income skilled/knowledge jobs*
- *Spur private investment*

Seven economic growth areas were prioritised to optimise the development of clusters across the KL-SG HSR corridor. These growth areas can be categorised as follows:

- *Knowledge-intensive activities: areas that rely heavily on professional and technical knowledge; aligned to Malaysia's shift from labour-intensive activities to more knowledge and innovation-based economic activities*
 - *Advanced Manufacturing*
 - *Bioeconomy*
 - *Digital Economy*
- *Local industries: industries that are the current pillars of the local economy and have the potential to move up the value chain*
 - *Furniture*
 - *Textiles*
- *Modern services: high-value industries that are tradeable, have high knowledge intensity and linkages with the rest of the economy, and the potential to generate high-income jobs*
 - *Tourism*
 - *Healthcare*

The prioritised economic growth areas were identified in a 3-step process involving a wide range of stakeholders from the public and private sector.

- *Step 1: Identify existing priorities (national, sectoral, regional, state, and local development plans)*
- *Step 2: Select HSR-relevant sub-sectors/economic growth areas (based on the impact that KL-SG HSR could have on its growth and development, i.e., movement of talent and people, growth opportunities with the KL-SG HSR to extend activities towards more complex or higher value products/services)*
- *Step 3: Prioritise economic growth areas for each city based on existing strengths, unique value proposition and growth potential of the cities, as well as opportunities to capture synergies across the HSR corridor:*

5. What efforts are being put in place to ensure that the intermediate cities and towns like Muar and Batu Pahat could enjoy the spill-over effect of the HSR?

In line with national, sectoral, regional, state, and local development plans, the SEDP aims to accelerate existing local and competitive strengths of each intermediate city and ensure that emerging cities and towns are able to fully capture the socio-economic benefits and spillover effects of the KL-SG HSR. For example, Muar's furniture industry and Batu Pahat's textile industry are well-positioned to benefit from the implementation of the HSR. Through effective planning, the KL-SG HSR has the potential to catalyse existing industry clusters in these cities, increase market access and unlock potential higher value-added activities due to the increased movement of knowledge workers. Across all cities, tourism is expected to grow as a result of increased arrival of high-value tourists via the KL-SG HSR.

In addition, it is also important to ensure that each city is a great place to live, work, and conduct business. In line with this, various efforts are being undertaken such as working closely with the relevant local authorities, to ensure inclusive and sustainable growth in the cities. This includes increasing access to skills training and jobs, supporting entrepreneurs to capture emerging opportunities, and advocating for demand-based supply of liveable and community-centric affordable housing. In addition, there are also plans to implement comprehensive transit-oriented development (TOD), provide reliable and affordable public transportation options, and incorporate sustainability measures through Low Carbon City implementation. These will empower local communities to ensure that they too benefit from the opportunities arising from the implementation of the KL-SG HSR, and create vibrant and dynamic cities that are liveable for all Malaysians.

KL-SG HSR Impact to Nation's Economy

1. What are the wider economic benefits from the KL-SG HSR?

The KL-SG HSR will transform the way locals, visitors and the business community in Malaysia and Singapore interact, socialise and conduct business. It will bring the two countries closer together, deepen people-to-people ties, and catalyse further economic cooperation. In addition, it presents an opportunity for Malaysia to boost socio-economic development in the cities along the corridor.

The reduction in travel time brought about by the KL-SG HSR will bring the cities along the corridor closer together, creating opportunities for residents, visitors and businesses, for example, to:

- *Transform the collection of cities into a well-connected tourism corridor, leveraging on the increased connectivity for tourism development*
- *Enable businesses to set up back office operations and production facilities in intermediate cities at lower costs, with faster access to supporting ecosystems and headquarters in major cities*
- *Attract skilled/knowledge workers to work in bigger cities, while enjoying better quality of life and lower living costs in medium-sized cities, which can become commuter hubs serving families' needs with higher-quality education, social amenities and recreation facilities*
- *Make intermediate cities more accessible and attractive for skilled/knowledge workers based in economic centres, i.e., Kuala Lumpur and Singapore, to work and transfer skills/expertise*



A feasibility study commissioned by the Government of Malaysia identified three broad benefits from the implementation of the KL-SG HSR:

- Direct, indirect, and induced impacts on Gross Domestic Product (GDP) growth from the construction and operations of the KL-SG HSR
- Wider economic development impact, as a result of businesses increasing their accessibility to a larger pool of labour and other businesses, thus raising productivity
- Direct user benefits, including:
 - Increased productivity through travel time savings (an estimated 40% decrease in total passenger-hours of travel, by year 10 of operations)
 - Reduction in road accidents and fatalities
 - Smaller environmental footprint (19 million litres of fuel and up to 55 million kgs of carbon dioxide (CO₂) emissions saved, by year 10 of operations)

The wider economic benefits from the implementation of the KL-SG HSR is estimated at RM 21 billion of GDP expansion in 2060 with 111,000 jobs created, based on a study using a World Bank model on another HSR project internationally. A related study commissioned by the Land Public Transport Commission (SPAD) indicated that the impact could vary depending on the land area that is developed in relation to the HSR station area. In an unconstrained scenario with early socio-economic development, the estimated impact could reach up to RM 650 billion in GNI with 442,000 jobs created **by 2069** if the coverage area incorporated comprehensive master planning of the surrounding areas of the stations, including TOD and hub zones (within 5-km radius of HSR stations).

2. With the HSR project impacting property prices, isn't the HSR adding to the issue of millennials not being able to purchase properties?

The SEDP seeks to address this through advocating for demand-based supply of liveable and community-centric affordable housing at reasonable distances to economic centres. This is to ensure that communities are not priced out of the residential property market and have access to relevant amenities, including public transportation connectivity. This is part of MyHSR Corp's efforts to ensure that cities along the HSR corridor are vibrant and liveable for all Malaysians.

3. How long can we expect for the cities along the HSR corridor to fully reap the benefits stemming from the KL-SG HSR?

The duration needed for HSR cities to fully reap the benefits from the KL-SG HSR will vary across different cities. As seen in other countries, the presence of a HSR has proven to unlock employment opportunities. An example is the development of the biotechnology and information and communications technology industries in Shin-Yokohama, Japan. Combined with other enabling components in the city such as improved connectivity through public transport, Shin-Yokohama saw an increase of 147% in the population and approximately 700,000 jobs created from 1966 to 2006.



HSR Industry Development for the KL-SG HSR

1. What has been MyHSR Corp's efforts in developing the HSR industry in Malaysia?

With the KL-SG HSR being the first HSR project in the region, MyHSR Corp is taking the initiative to develop the HSR industry towards becoming a regional player in key focus areas to enable local players to capture the booming HSR industry in the region. To this end, MyHSR Corp is working with relevant Ministries, agencies and the private sector to undertake the necessary steps to develop the local HSR industry, including supply chain and talent development. A blueprint, which will outline the strategic direction and initiatives, is currently under development and is expected to be launched sometime in 2018.

2. How will the KL-SG HSR help to boost the local talent industry?

Talent is a key component for both the KL-SG HSR project as well as the overall HSR industry development. MyHSR Corp is currently undertaking several initiatives to develop talent in this space, e.g. working with local universities and Technical Vocational Education Training (TVET) institutions to incorporate relevant components in their curriculum to produce talent with knowledge and/or skills relevant to the HSR industry, as well as launching the MyHSR Academy to produce local professionals in key focus areas to enable the growth of Malaysia's HSR industry and catalyse its position as a regional HSR training hub. Another initiative also includes the offering of a Young Engineer Programme to equip local graduates with the knowledge and skillset to become future leaders in the HSR industry.