

FTZ for Lahad Datu POIC will be game changer

KOTA KINABALU: The establishment of a free-trade zone (FTZ) in Lahad Datu's Palm Oil Industrial Cluster (POIC) will be a game changer for the east coast region.

With the relocation of Indonesia's future metropolitan city, Nusantara to Borneo, the FTZ would boost economic growth for Sabah, which will have the capacity to tap into the neighbouring markets.

The Sabah government and POIC must capitalize on having an FTZ and the federal government should allocate funds to accelerate the FTZ establishment, said Sabah Housing and Real Estate Developers Association (Shareda) president Datuk Chua Soon Teck.

"This will be timely move and strategic to encourage trade in the region.

"The trade in this region will potentially move into an active economy zone with the presence of the Nusantara capital," he said.

Indonesia has a population of 300 million and Nusantara will be the centre of the greater Indonesia.

"It is located free outside the 'ring of fire', and with plenty of reserve of raw minerals such as copper, gold, nickel, coal, timber and palm oil.

"Nusantara could become the next Dubai, whose growth has generated many economic spillovers and spin-offs for the United Arab Emirates and Qatar.

"Qatar will also host the next World Cup in December 2022.

"Like Dubai's growth is for the Middle East, Nusantara is for the Far East, a key economy driver in the region," Chua opined.

Chua said Sabah would benefit from the impacts of the relocation of Indonesia's capital city to Borneo, alongside Sarawak and Brunei.

"A POIC in Lahad Datu with a deep-sea port will be a strategic facility and open opportunity for transshipments to East Kalimantan and beyond," he said.

During the recent launch of POIC Port and operations of bulking facilities at POIC Lahad Datu, Chief Minister Datuk Seri Hajiji Noor announced that the state government had commissioned a feasibility study on a proposed free zone at POIC Lahad Datu.

The study also included a proposed international airport in Lahad Datu as the east coast district is poised to become the catalyst for economic development.