From running on the spot to a decisive leap: The case for SAIL

BY DATUK SERI PANGLIMA WILFRED MADIUS TANGAU ON NOVEMBER 1, 2026, SUNDAY AT 6:00 AM — COLUMNS, SABAH VOICE

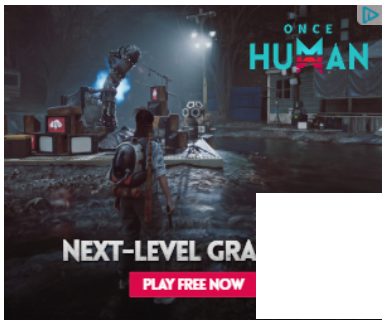
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SABAH must take a decisive step forward in industrial development. We have resources, a strategic location and the potential to create industries that provide good jobs for our people. Yet our progress has not matched that potential. Too often, it feels as if Sabah is running on the spot while other economies move ahead.



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We need an extraordinary effort to turn our potential into production, investment and lasting economic growth. I believe transforming POIC Lahad Datu into SAIL — Sabah Advanced Industrial & Logistics Hub — and establishing it as a Special Economic Zone for Sabah could provide that focus.

The Sabah Government established POIC in 2005 to develop downstream palm oil industries, add value to our resources and create jobs and business opportunities. It has since developed as an industrial and port platform with potential to support broader manufacturing and logistics activities.

The Free Trade Zone is an important step in POIC's development. In 2023, the Ministry of Finance gave in-principle approval for POIC Lahad Datu to develop Sabah's first Free Trade Zone. Federal allocation for implementation has now been approved, and work is proceeding to establish an initial 75-acre bonded area. The plan is to expand to 500 acres, and eventually 3,000 acres or more.

This scale brings a major challenge: securing enough land for industrial development. Investors need confidence that suitable land will be ready when their projects are ready to proceed. Land planning, infrastructure and investor engagement must move together. The Ministry of Industrial, Entrepreneurship and Transport and POIC need a clear, phased plan to secure and prepare the land.

SAIL should build on the bonded area by giving the development a broader purpose and a coordinated plan. The proposed Special Economic Zone should focus leadership attention on land, infrastructure, logistics, investment and industrial activity. Its designation alone will not secure land; the necessary government decisions, coordination and delivery arrangements must support it.

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SAIL should also have its own dedicated local authority responsible for a defined territory. The authority's jurisdiction is a separate planning question from the acreage allocated for the bonded area and industrial phases. The 75-acre, 500-acre and 3,000-acre-plus figures describe development land. The local authority's territory must be planned more broadly to account for industrial areas, infrastructure, communities, an international airport and a container port.



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Sarawak's Bintulu Development Authority provides an example of a development authority responsible for a defined territory. Pasir Gudang offers another useful comparison as an industrial city administered by its own city council. These examples can inform the discussion, while SAIL's boundaries, functions and powers must be designed for Lahad Datu's needs.

An international airport and container port within the SAIL territory should form part of its master plan. Together with the industrial land, these facilities could support investment, manufacturing, logistics and trade. Their planning and development must be coordinated with the relevant state and federal authorities.

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A new name alone will not deliver this vision. POIC's organizational structure must be reshaped into an institution capable of planning and developing SAIL. The local authority will need a clear mandate, accountable leadership and professional management. Its responsibilities should include land and master planning, infrastructure coordination, investor facilitation, zone operations, industrial development and local services.

Progress should be measured by land made ready, infrastructure delivered, investment realised, exports generated, local suppliers engaged and quality jobs created. The plan should assign responsibilities and timelines for every phase, from the initial bonded area to the wider industrial and logistics territory.

Sabah cannot afford to keep running on the spot while its economic potential remains underdeveloped. The initial bonded area gives us a platform. SAIL could turn that platform into a much broader industrial and logistics programme, supported by land at the necessary scale, integrated infrastructure, its own local authority and capable leadership. The task now is to define the territory, establish the institution and move forward with urgency.

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