

**The excitement over NCER**  
**New Straits Times (Columns)**  
**26 Aug 2007**  
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THE palpable excitement created by Pak Lah's four-event launch of the Northern Corridor Economic Region (NCER) Masterplan earlier this month may have died down by now, but it surely had left in its wake a heightened sense of expectation, a signal of wonderful things to come that had seemingly bypassed the northern states over the last decade. Don't get me wrong, there has been development, but concentrated more further south.

Certainly, Penang had lost its industrial dynamism of the 1970s and 1980s, as with the likes of Mada, Keda, and Perda along with the other regional development initiatives (Dara, Kejora and Kesedar, etc) that were launched with the Third Malaysia Plan (1976-1980), and hogged the third and fourth pages of the local newspapers then.

This time, first with the Iskandar Development Region plan in Johor, and now the second corridor development initiative, the NCER, things are different.

Catching this excitement at the Selinsing event at which Prime Minister Datuk Seri Abdullah Ahmad Badawi launched the Pintar Programme for NCER, I said to Datuk Seri Ahmad Zubir Murshid, group chief executive of Sime Darby Berhad responsible for the design of the NCER Masterplan, "the real hard work now begins"!

The National Implementation Directorate had been working closely with Sime Darby on this high impact corridor development project under the Ninth Malaysia Plan.

It is all the more surprising, this anticipation of things to come, since there had previously been, as early as the late 1970s, an inter-governmental Northern Malaysia Development Committee co-ordinated by the Economic Planning Unit that was charged with co-ordinating the development of the northern states.

It may be that in this new version a new administration is driving it. While the Mahathir administration had emphasised and successfully implemented the country's industrialisation drive in the 1980s and 1990s, which saw the rise of free trade zones in Penang, Sungai Petani and Kamunting (Taiping) and later Kulim in the north, the NCER is another plank fitted to the National Mission Pak Lah launched with the Ninth Malaysia Plan.

There is also the promise of a third masterplan, the Eastern Development Corridor prepared by Petronas waiting to be launched, that will reinforce this new sense of mission to complete the objective of balanced regional growth, and with the Sabah and Sarawak plans to follow.

The prime minister had initiated the regional corridor approach as one of his "signature projects", to achieve a greater spread of development to address in an integrated way imbalances between regional, rural and urban and sectoral incomes and eradicate poverty.

Each of the corridor development initiatives has its unique opportunities and obstacles to overcome.

If the challenge to the Southern Development Region is to take advantage of the regional spillover from Singapore's growth without surrendering national sovereignty, then the NCER is primed to achieve regional balance among the four northern states.

In doing so, they will overcome the dominance of Penang during the electronics boom of the 1970s and 1980s, and subsequent 1990s "hollowing out" of industrialisation based on cheap labour from the surrounding states, through regional complementarity in the development of the agriculture, manufacturing and services sectors in the north.

Indeed, the NCER masterplan had re-emphasised the electric and electronic development core extending from Penang Island through Sungai Petani, Kulim and Taiping in the south.

For the Eastern Corridor, the aim is to take advantage of the evident drive and energy of Petronas in the east coast states so as to ensure greater redound of development benefit to the local population.

The crux of regional, or corridor development, as a strategy is, as development economists and other social scientists had advocated, but in vain, since the 1960s, is that development is more than economic growth.

The gross domestic product-growth "fetish" associated with the ascendancy of market economic ideas informed by the now-defunct Washington Consensus over the last three decades, is currently being replaced by a three-pronged issue of how to develop and finance rural enterprise, enhance non-farm incomes, and improve living standards in sophisticated and complex economies, in an environment dictated by globalisation, liberalisation and national competitiveness.

This strategy is emphasised in a recent Asian Development Bank study, which highlights the downside on the poor of a regionwide boom launched by the post-war rise of Japan and subsequently driven by the dynamic growth of China and India.

Economic growth in the Greater Klang Valley, the Central Development Corridor, if you will, has developed to such an extent that it is possible to declare the Klang Valley a "world region" comparable to Singapore in terms of enterprise, infrastructure, employment and incomes. The three corridor development initiatives are the prime minister's answer to the over-concentration of development in the central region.

No doubt, you will say, though some will contest, that Malaysia's great achievements up to this 50th anniversary of our independence have, like the proverbial rising tide, lifted all boats. But many of those boats leak, if you know what I mean.

The answer is not to just plug the leaks — because that is not sustainable in the long run — but, to carry on the analogy, to build more boats (read jobs). That is what I think is the significance of the corridor development strategy being pushed by Pak Lah. Hence the excitement over the NCER announcement.

As I said to Zubir, there's going to be a lot of hard work. This time around, these masterplans, unlike previous regional "projects" which are a means for federal intervention at the state level or a mechanism to deliver interstate development allocations, are planned and will be largely delivered by the private sector.

In the NCER, of the projected RM177billion capital to be spent until 2025, two-thirds are supposed to come from private injections. Whether under PFI (private-funded initiatives) or direct foreign and domestic investment, this calls for efficiencies and co-ordination between the government and private sectors that reach beyond previous capacities.

The people of the northern states expect no less if they are to benefit from these ambitious

and massive development projects.

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