

SDC contributions significant — economist

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KOTA KINABALU: The Sabah Development Corridor (SDC) had contributed significantly to Sabah's economy during the last 10 years.

Dr Rafiq Idris an Economist, Senior Lecturer from Financial Economics Program, Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah said projects by the SDC had contributed to the economy during the first 10 years of the SDC period.

Although he acquiesced that many other factors had contributed to the economic growth in the State, many good things had been brought to Sabah due to this national corridor programme.

"The SDC is an economic corridor programme that is undertaken to further develop various areas in Sabah. It is one of the four other corridor programmes in the country, namely Northern Corridor Economic Region, East Coast Economic Region, Iskandar Malaysia and Sarawak Corridor of Renewable Energy," he stated.

"These five economic corridor programmes were initiated under the Ninth Malaysia Plan to reduce development imbalances throughout the country."

According to him, consistent with national agenda, the Economic Transformation Programme (ETP) and the National Key Economic Areas (NKEAs) that aimed to transform Malaysia into a high-income nation by the year 2020, the SDC had several key focus areas.

"This includes tourism, logistics and manufacturing, higher education, oil, gas and energy, agriculture and palm oil. In this regard, among the programmes that fall under the SDC include Kinabalu Harbour Front and Gold Coast Enclave, consolidating logistics and transportation infrastructure," he said, adding that this also included the Sabah Agro Industrial Precinct as well as Sipitang Oil and Gas Industrial Park, Keningau Integrated Livestock Centre (KILC), Marine Industrial Cluster (MIC) in Southern region.

"There are also the Palm Oil Industrial Cluster (POIC) and Sandakan Education Hub (SEH). As a result of some of these programmes, more down-streaming activities have been created under the SDC."

"In terms of infrastructure, in the past 10 years many are in the pipeline. For example, port transshipment hub in Sepangar, Pan Borneo highway among others shall definitely further improve the connectivity and logistical efficiency in Sabah."

According to him, the Pan Borneo



Dr Rafiq

for instance would improve the connectivity between the various economic clusters under SDC, he said.

Besides that, it had the potential to lower the logistic cost and attract foreign direct investment at least in the long run, he said.

"When looking at certain macroeconomic indicators, data have indicated significant improvement. For instance, poverty rate has reduced significantly within these 10 years. Poverty rate was reported to be 19.7% in 2009 and it has reduced to 2.9% in 2016."

In terms of income distribution, Sabah's distribution of income had improved, he stated.

"The gini coefficient level of Sabah was reported to be at 0.453 in 2009. In 2016, gini coefficient has improved where it was recorded to be at 0.404. This is slightly higher than the national one which was reported to be at 0.399 in 2016."

He also said household income increased significantly in the past 10 years.

"In 2007, the monthly household income (in Sabah and FT Labuan) was reported to be RM2,866. In 2016, it increased to RM5,468 which is a 90.7% increase. In comparison to a decade earlier, the period between 1997-2007, the recent increase in SDC period is even more."

The increase for the period of 1997 to 2007 was just a 39%, he stated.

"SDC has created many new jobs. Based on vacancies

availability, huge increase has been reported during the SDC period. For instance in 2007, new vacancies (by occupation) in Sabah were reported to be only 7999. Between 2009 and 2010, annually the new vacancies were reported to be more than 50,000. Between 2011 and 2016, new vacancies were reported to be more than 100,000 every year. For instance, in 2016, it was reported that there were 120,676 vacancies."

He stressed that these numbers were not SDC programmes vacancies but the overall availability of jobs.

"Despite the Global Financial Crisis in 2008, the recent slowing down in the world economy, the drop in world oil price and the depreciation of Ringgit among others, Sabah has recorded a significant achievement at least in some of the economic indicators."

He expressed his hopes that Sabah would continue to grow in the years to come especially in the third phase of the SDC.