# The cross-border industrial and urban developments promoted by Singapore and Transnational corporations

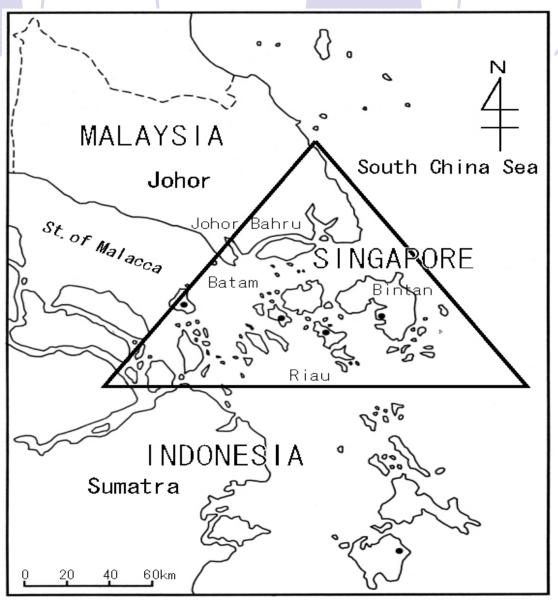
Masato IKUTA Ritsumeikan University, Japan 1. Introduction



3. Endogenous development in the region

4. Future regional and urban development in Asia

#### Singapore-Johor-Riau (SIJORI) Growth Triangle



Based on Chia Siow Yue(2001)

#### Extended Metropolitan Region (EMR)

 EMR
Urbanization in densely populated agricultural area

Metropolitan Area

City-region

## 2. Forming the SIJORI Growth Triangle

Historical backgroundCauseway 1923

Large scale industrial estate

Water resource

#### Malaysia & Indonesia

- New economic policy in Malaysia
- Manufacturing estates for the local industrialization

- Riau Province in Indonesia
- Bonded Zone

#### Common purpose: the economic growth

December 1989

- Singapore : OHQ(Operational headquarter) 1986
- Centre for supporting production activities

Malaysia, Indonesia: Branch plant

#### Extended geographical coverage

Malaysia 3 states 1996

Indonesia 6 provinces 1997

Total population over 35 million

Indonesia-Malaysia-Singapore GT

## 3. Endogenous development in the region

Cross-border developments

SIJORI-GT Central governments

EU Local governments

SIJORI-GT Vertical division of labour

EU Horizontal division of

labour

#### Two types of development

Exogenous development by TNC

Endogenous development by Local Gov.

Sustainability: Local entrepreneur

#### Locational strategy for TNCs

Innovation of information technology

Industrial policy in each country

Regional integration (AFTA)

#### Census Population (2000)

Singapore total 4,017,733 (person)

(resident 3,263,209)

Johor state 2,565,701

Riau province 4,724,292

Total 11,307,726

### Corridor rather than triangle

Singapore – Johor

Singapore – Riau

Johor – Riau

#### Regional governance

Watching and planning as a whole

To promote endogenous development

Effectiveness for economic activities

Competition between EMRs

## 4. Future regional and urban development in Asia

- GTs in early 1990s
- Asian financial crisis in 1997

- Singapore: Without rapid population increase
- Industrial restructuring
- Various types of TNCs

#### Other Asean EMRs

 With rapid population increase from rural area

Overurbanization

Manufacturing FDI

#### Lessons from SIJORI-GT



Own industrial policy

Governance