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*Global Health Security
COVID-19 & Its Impacts*

Johor's Pandemic Challenges

By Jose Ricardo Sto. Domingo

SYNOPSIS

The full re-opening of land borders between Johor and Singapore is critical for Johor's recovery and is in the interest of both countries, but prospects remain uncertain.

COMMENTARY

JOHOR'S MENTERI Besar (Chief Minister) Hasni Mohammad has consistently pressed for the reopening of the Malaysia-Singapore borders. This week, he stressed to the Johor State Assembly that this was a fundamental component of the state's economic recovery from COVID-19.

Johor's recovery is of vital interest to Malaysia and Singapore, given its role in the national economy and bilateral economic relations. However, there are no quick fixes on the horizon given the pandemic's uncertain trajectory.



The Johor-Singapore Causeway:
One of the world's busiest land crossings, now empty due to COVID-19. — Flickr Photo by Lionel Lim.

Johor's Economy

In 2020, Johor contributed 9.5 per cent to Malaysia's GDP, just behind Selangor and Kuala Lumpur. Johor's economy was greatly affected by the pandemic. Unemployment rose to 3.5 per cent in 2020, from 2.7 per cent in 2019. In 2020, Johor's [poverty rate](#) increased from 3.9 per cent to between 6-8 per cent. Its GDP shrank by 4.6 per cent in 2020.

Johor's economy is driven by services, principally through retail trade and tourism, followed by manufacturing and agriculture. Its top three trading partners by total exports in 2020 were Singapore (26.8 per cent), China (11.8 per cent), and the United States (10.2 per cent). Since 2006, Iskandar Malaysia in southern Johor has received a total of RM337.3 billion (SGD109 billion) worth of investments from countries such as China (16 per cent), Singapore (seven per cent) and the US (two per cent).

Foreign investments include large-scale real estate projects such as Forest City, which has sought to attract foreign residents, but had been affected by COVID-19 restrictions. The suspension of the "Malaysia My Second Home" scheme for foreigners added to the woes of Johor's property developers. Johor has the highest proportion of unsold residential properties in Malaysia, with 74 per cent of unsold condominium apartments located in the state.

The Johor government has instituted various measures to alleviate unemployment. It has [allocated RM11 million](#) (SGD3.6 million) to assist those affected by the pandemic, in addition to its state stimulus packages, amounting to RM491 million (SGD159 million).

The state government is seeking the federal government's approval to include Muar, Desaru, and Mersing under a tourism bubble programme for locals. The population in these places has achieved an 80 per cent vaccination rate or higher, and this situation could spur business activities.

The Johor-Singapore Connection

The closure of the two border crossings between Johor and Singapore was a huge blow. Some 250,000 people used to commute daily between Johor and Singapore. Malaysians come to Singapore for work or school, while Singaporeans go to Johor on daytrips. By the end of 2020, an estimated 15,346 Malaysians who were working in Singapore had been laid off.

In 2019, Singaporeans contributed over [10 million](#) or nearly 40 per cent of Malaysia's total tourist arrivals, with Johor being the top destination for tourists. In contrast, tourism plunged in 2020, though Singapore remained the top contributor with over 1.5 million arrivals.

Businesses have suffered. In May 2021, The Straits Times reported that 500 out of the 1,500 members of the Johor Indian Business Association, and 180 out of 300 members of the Johor Baru Cafes and Bars Operators' Association had had to close.

Borders remain opened for goods, though, as Johor is Singapore's main food supplier. An October 2020 estimate put Johor's monthly export of food products to Singapore at more than [RM500 million](#) (SGD162 million). Malaysia also exports other important goods to Singapore such as electrical components, petroleum and rubber products. Johor saw a 2.6 per cent dip in total exports in 2020.

Singapore and Malaysia implemented the Reciprocal Green Lane (RGL) and Periodic Commuting Agreement (PCA) in August 2020 which allowed travel for those on official business or work purposes. However, the RGL was suspended indefinitely after the spike of COVID-19 cases in Malaysia. PCA restrictions were also tightened.

As a reflection of Singapore's special ties with Johor, Singapore donated 20,000 doses of Sinovac vaccines in July 2021, 100,000 antigen rapid test kits in August, and committed over 100,000 doses of Pfizer vaccines in September, apart from medical equipment and supplies donated by organisations such as Temasek Foundation and SMRT.

Johor's COVID-19 Surge

As of 7 September 2021, total cases in Johor reached 153,633. Johor has recorded 2,326 deaths, or 61 people for every 100,000 — higher than the national average of 57.

In early August, Health Minister Khairy Jamaluddin had an audience with the Crown Prince of Johor to discuss increasing the vaccine supply and vaccine rate for the state. Over two million doses were promised to Johor. The minister also [announced](#) on 1 September that Ops Surge Capacity, a federal government initiative to accelerate vaccination and provide additional medical equipment and personnel, would be extended to Johor.

Johor lags behind other states in adult vaccination. As of 7 September, 55.7 per cent of the state's adult population have been fully vaccinated, behind Klang Valley, Sarawak and Negeri Sembilan.

In 2018, the World Bank [reported](#) that Selangor, Johor and Kuala Lumpur hosted the most foreign workers, with Johor having estimates of regular and irregular foreign workers as high as 680,000. According to the World Bank, many of these workers were employed in manufacturing, plantation and agriculture – significant sectors of Johor’s economy. Vaccination of all foreign workers is needed to reduce workplace infection.

An Endemic COVID-19

Menteri Besar Hasni has stated that if the pandemic is brought under control, Johor and Singapore could discuss implementing the RGL, PCA, and possibly the Daily Commuting Arrangement (DCA) or a travel bubble.

Yet, the unpredictability of the COVID-19 virus remains a considerable challenge. Health Minister Khairy has announced that Malaysia will reach 80 per cent adult vaccination by [end-October 2021](#), but vaccination is not the magic bullet. Singapore, Israel and parts of Europe have recorded significantly high percentage of their population fully vaccinated, yet a resurgence of COVID-19 cases is unsettling their scientists and policymakers.

Malaysia and Singapore have announced their intention of living with an endemic COVID-19. However, it will take much more for them to implement complementary policies that would facilitate the full re-opening of borders. A new normal is not around the corner.

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