Driving the **change agenda**

With Rancangan Selangor 2, the Mentri Besar aims to realise a model state that will set a new benchmark for South-East Asia.

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SELANGOR Mentri Besar Datuk Seri Amirudin Shari is currently in his second term, but he has no plans to slow down.

In fact, his plans are focused on accelerating Selangor's progress through Rancangan Selangor 2 (2026-2030) (RS-2), one of the most ambitious development plans in Malaysia, even as Selangor is already the country's most developed state.

In 2025, Selangor alone contributed 26.5% to Malaysia's total gross domestic product (GDP) with the state's total GDP reaching RM460.1bil, an expansion of RM28bil from the previous year.

Having first been appointed to the post on June 19, 2018, Amirudin was sworn in for his second consecutive term on Aug 21, 2023, following the state election.

Amirudin's dream for Selangor, he says, is "simple" – to be a model state for Malaysia and the region. Yet he admits that this "simple dream" is not so easy, especially when it comes to retaining Selangor as the "blue-eyed boy" of Putrajaya and keeping it flying high above other states which are racing to catch up.

However, his main concern is still ensuring long-term socio-economic stability and leading Selangor's economic transformation for all Selangorians.

That being said, Amirudin has to ensure investments – both local and international – keep pouring in and that those who migrate from other states are also cared for, without making Selangorians feel like they have to take second place.

In his interview with *The Star*, Amirudin lays out his plans for Selangor in the next few years and discusses issues closest to his heart as the Mentri Besar.



Selangor as a model state

What does Selangor want to be economically by 2030?

We are trying to set a new benchmark after becoming the heartbeat of Malaysia.

Selangor is already the most developed state in Malaysia and is consistently the main contributor to the national GDP.

I have given my team a new challenge: to benchmark Selangor against other provinces or states in South-East Asia.

We do not yet have a fixed set of parameters as the parameters are dynamic and different frameworks apply.

For example, Singapore cannot be compared directly with a Malaysian state because Singapore is a city-state and has the full functions of a country, including its own police force, army, tax policies and other powers.

As a province or state, we therefore need to compare ourselves with places that have similar characteristics, economic activities and responsibilities.

What about benchmarking the state against regional players?

That is why under RS-2, we are not just trying to remain a liveable state and the heartbeat of Malaysia. We want Selangor to become a model state or province for South-East Asia.

The model should have a good quality of life, a strong economy and a highly productive state and community.

So, to set a new benchmark, we have to retain our position as the heartbeat and main contributor of Malaysia, while developing every locality and district according to its own niche.

Closing the disparity gap

How are you developing the different districts according to their respective economic strengths?

That was actually the inspiration behind Selangor Plan 1 (RS-1). It started with our clusterisation policy.

During my first three months in office, I instructed all district officers and local council heads to identify the main activities in their respective localities.

For example, Klang has the port and is also an important food basket for Selangor, particularly for vegetables and other agricultural products.

Sabak Bernam has plantations, livestock and agricultural activities. Petaling has many service and industrial activities.

Nowadays, the automobile industry in Hulu Selangor is growing quite rapidly, involving companies such as Chery, Perodua and Proton.

Are you expecting new investments?

We are expecting to announce new investments in the coming months.

From there, we develop clusters based on the niche and potential of each area – whether in agrotourism, tourism, services, manufacturing or other sectors.

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>
> DATUK SERI AMIRUDIN SHARI



That was the first foundation of RS-1. We then strengthened it through regional planning, including various regional development initiatives.

Under RS-2, we are now giving ourselves a new mission: to close the gaps between the districts.

What do you mean by "closing the gaps between districts"?

For example, we need to look at how to close the gap between areas such as Sabak Bernam and Petaling Jaya in terms of income, infrastructure quality and other aspects, while making use of the potential and assets that each area already has.

Where government intervention is needed, we have to introduce new projects and new elements.

But we cannot rush development.

If we develop an area too quickly before it is ready, it can create a new crisis that we would then have to deal with.

What I want is for Selangor to remain as a vibrant state and the heartbeat of Malaysia, but with each district developing its own capacity, economic base and development projects.

Does closing the gap between districts take into account the redistribution of population and migration patterns within Selangor?

Yes. At present, Klang, Shah Alam, Subang Jaya and Petaling Jaya account for over four million of Selangor's approximately seven million people. If we include Hulu Langat, Kajang and other areas, the concentration becomes even greater.

This means some other districts have effectively become feeder areas for the major development centres.

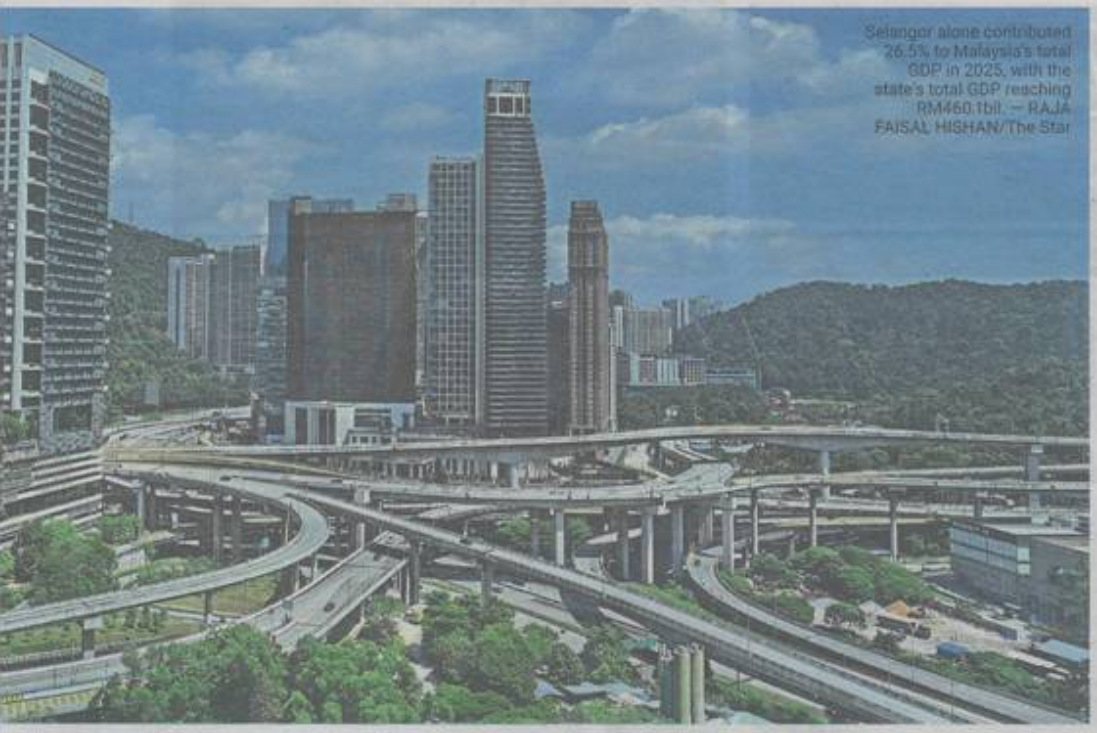
Now we want to ensure areas such as Sabak Bernam, Kuala Selangor and Gombak have their own economic activities.

People should be able to return to their hometowns, live near their families and have good access to public transport. They can continue working in places such as Petaling Jaya while living in districts such as Sabak Bernam or Tanjong Karang.

That is the new approach I want to see, and it is how we intend to close the development gap between Selangor's districts.

Being sufficient to be better

Does Selangor have enough water, energy and infrastructure to support



Selangor alone contributed 26.5% to Malaysia's total GDP in 2025, with the state's total GDP reaching RM460.1bil. — RAJA FAISAL HISHAN/The Star

this more evenly distributed industrialisation and rapid development?

We have sufficient raw water, and our raw water capacity can be sustainable for the next 50 years.

We have progressively gazetted water bodies to ensure that the state has sufficient raw water supplies.

The second component is water treatment capacity. We are progressively developing treatment plants.

We have Rasau, followed by Labohan Dagang Phase Two and Semenyih Phase Three or Langat Two Phase Two. We also have ongoing discussions with Pahang on certain options.

At the same time, the capacity of the Ulu Bernam treatment plant can be increased when necessary.

Phase II of the Labohan Dagang Water Treatment Plant is a major water infrastructure project in Selangor targeted to add 200 million litres per day of treated water capacity and scheduled for completion in 2029.

With all these measures, we are confident that our water reserve margin can reach more than 18% by 2030, compared with around 15% currently.

Therefore, when people ask about data centres and similar developments, we are confident we can cope with the additional demand. But we will not allow every development indiscriminately.

What about electricity supply?

For power, we are quite dependent on Tenaga Nasional Berhad (TNB) because electricity is largely a federal matter.

At the same time, our state-linked companies are involved in power generation.

We recently won a bidding round for Large Scale Solar 5 with the Energy Commission to procure 2,000 megawatts of large-scale solar energy capacity. We expect to produce over 300 megawatts through solar farms and solar panels installed on identified water bodies and land.

We are also exploring small-scale hydro projects. Some projects have experienced delays over the past two or three years, but the work is still progressing.

However, power generation is only one part of the equation. All electricity generated ultimately has to go into the national grid, which is owned by TNB.

TNB is currently confident that it can supply the necessary power.

With all these plans and federal support, I believe we have sufficient power capacity through 2030.

What about Selangor's longer-term energy strategy beyond 2030?

Selangor needs to move towards alternative sources of energy rather than relying on fossil-fuel-based power generation. We have started exploring nuclear energy.

Recently, we sent five students to Harbin University in China to further their studies in nuclear-related fields.

We want them to spend sufficient time there to develop their expertise as we prepare for the future.

Our target is that within the next five years, we will begin preparations for nuclear power generation in Selangor.

It is an alternative source of energy, although we have to address public perceptions and concerns arising from incidents such as Fukushima and Chernobyl.

Houses for Selangorians

Selangor is one of the richest and most developed states, but the cost of housing and home ownership is very high. Is your economic model actually working when many Selangorians complain that they cannot afford to own their own homes?

Of course, complaints are always high as we have the highest population compared with other states.

States such as Sarawak have huge reserves, but their population is less than three million people.

We have around RM3bil to RM4bil in reserves but our population is now perhaps 7.5 million people, so there are many voices and many demands. One of the biggest demands is housing.

So, we have changed our housing policy slightly. We are not forcing people to own a house immediately.

Instead, we want to make sure they have a shelter first before they are qualified to obtain a housing loan.

What about rent now, own later?

It is better for us to prepare housing for them to rent and stay in comfortable housing schemes created by the state.

So far, for our (Rumah) Idaman and other affordable housing projects, we have around 174,000 units in the pipeline. The completion rate is 40%, which means over 50,000 units have been completed.

It is not easy. It is not the same as a government project as our policy requires us to work together with developers to make sure the houses are completed.

What we do is coordinate with the developers and relevant agencies to ensure each house is completed within two or three years, based on the development projects.

Are you getting help from the Federal Government to solve this problem?

The Housing and Local Government Ministry announced that Selangor was among the champions in preparing houses. Around 40,000 units were completed last year for the period from 2018 to 2023.

This year, we are trying to double the number. We have a dream of completing around 200,000 housing units to ensure people have the chance to own a house.

The issue is not simply the availability of houses; it is whether people qualify for loans and whether the financing is affordable for them. End-financing is one of the major issues.

We do not yet have a formula linked directly with financial institutions or banks. They also have limitations. For example, the state government cannot act as a guarantor.

We can expand the Smart Sewa programme. The Smart Sewa policy is quite sustainable as the rental payment collection rate is around 99% compared with the old People's Housing Programme (PPR).

With PPR, many people did not want to stay or pay the maintenance fees. Eventually, the premises and units deteriorated.

Do you make sure that the houses the states own are good-quality houses?

Of course. These houses are developed by developers. We inspect the quality before we purchase or take ownership of them. That is part of our policy.

For example, under the Idaman and Harapan (Rumah Harapan Rakyat) programmes, 15% to 20% of the housing units have to be surrendered to the state.

From there, we collect perhaps 20, 30 or 50 units for every project, depending on the total number of units.

This allows us to slowly increase the number of houses owned by the state, which we can then rent to the people.

Definitely, 2,000 or 3,000 units are not enough because demand is very high. But slowly, we are trying to build and own more houses to make sure people have a pathway towards house ownership.

Under the rental scheme, after five years, we give them back 30% of what they have paid in rent. This can help them accumulate the equivalent of the 10% down payment required before obtaining a housing loan.

Normally, a housing loan covers 90% of the house price, meaning the buyer has to provide the remaining 10%. The big issue is that 10% down payment.

With household income at a stretch, how are people going to come up with that 10%?

Around 2014 to 2016, we tried to introduce loans to cover that 10%.

But again, we are not a bank or a financial institution. We do not have the ecosystem or capability to manage such financing. Eventually, the repayment rate was very low.

So now, we have introduced another approach: this is your rental house. You stay in this rental house under Smart Sewa for four or five years and after that, we give back 30% of what you have paid.

That 30% can be equivalent to the 10% down payment for a house costing RM100,000 or RM150,000.

So, after four or five years, they have the capability to obtain end-financing.

This is where government intervention is necessary. Sometimes, I feel that government intervention at this level is quite extensive. But I think the government has to provide some solutions rather than simply pointing a finger at the banks or making excuses. At least some of our efforts are now working on the ground.

What is the latest challenge now?

The latest issue is who qualifies to rent these houses. Under the law, we cannot grant these units to foreigners.

But now the discussion is whether these houses should be prioritised for Selangorians or whether we should also consider migrants from other states.

People migrate here from other states, and this is a major challenge.

But as the state of Selangor, we have to celebrate everybody. Selangor has developed because we are open to everybody, and people come here to work, study and become part of Selangor's development.

I think we have to be more selective and give opportunities to those who qualify. Eligibility should be based on their income and household income.

At the same time, we will give priority to Selangorians first before offering the units to people from outside the state.

Possessing state autonomy

How much autonomy does Selangor have from the Federal Government?

Of course we have autonomy, but it is not absolute. A majority of the powers in our ecosystem are with the Prime Minister, Cabinet and Federal Government.

In terms of revenue, for example, we are dependent on sources such as land-related revenue and entertainment tax.

We have also started reducing entertainment tax for activities such as Formula 1 and other tourism-related events in order to encourage tourism.

But for major projects – what we call "moonshot projects" – we definitely need assistance from the Federal Government.

We have some advantages because we have already closed the gaps between the Federal and state governments.

In 2022 and 2023, we resolved outstanding issues between the state and Federal Government. Now we are looking at how to obtain new federal loans to support new policies and major projects, including those related to energy.

Given Selangor's close relationship with Putrajaya, have there been instances where the Federal Government wanted to intervene and you told them no?

We have our autonomy and manage the state according to our responsibilities, but major projects and certain areas still require cooperation with the Federal Government.

Our approach is to work together where federal involvement is necessary, particularly for major projects that require federal resources or authority.