

PENANG SOUTH ISLANDS

'PSI PROJECT IS KEY RECOVERY DRIVER'

It is because of the Covid-19 pandemic that the project must proceed, Penang govt insists

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THE Penang South Islands (PSI) project, previously referred to as the Penang South Reclamation project, has been identified by the Penang Socio-Economic Recovery Consultative Council as a key recovery driver of the state.

The project is to ensure Penang's economy survives as much as its people during and after the current Covid-19 crisis, and is needed now more than ever as a catalytic development project for Penang.

This was the Penang government's response to PKR Permatang Pauh member of parliament Nurul Izzah Anwar, who had called on both the federal and Penang state governments to cancel the project.

Nurul Izzah, in a statement on Monday, said the massive reclamation project should be cancelled in view of immediate pressing needs of the Covid-19 pandemic, and in an effort to preserve Penang's valuable fishing grounds, the livelihood of fishermen and overall food security.

State Infrastructure and Transport Committee chairman Zairil Khir Johari said, based on Penang's previous industrialisation trajectory, an independent study prepared by PricewaterhouseCoopers, the completed PSI would attract RM70 billion of FDI (foreign direct investments) and create more than 300,000 jobs over a 30-year timeframe.

"More critically, PSI will be the catalyst for more high-value employment so we can plug the brain drain and stop the outward migration of talented Penangites, and also attract the best and brightest from all over the country and, indeed, the world to Penang.

"Like the Bayan Lepas Free Industrial Zone before it, PSI is a project for the future of Penang.

"Unlike Nurul Izzah, I grew up in Penang, I now work in Penang and I plan to one day retire in Penang. As such, I for one certainly want Penang to be able to provide great opportunities not only for me and my contempo-



A plan of the Penang South Islands project, previously referred to as the Penang South Reclamation project. FILE PIC

raries, but more importantly, for our children and their children to come.

"Without PSI, I fear that future Penangites will do what many of their predecessors did before them, which is to leave for greener pastures elsewhere," he said in a response yesterday.

FINANCIAL GUARANTEE

First of all, Zairil said, a serious allegation was made about the project being "fraught with risks, debts and uncertainties".

Explaining, he said it was understandable to raise such concerns on a project of this scale, but "I am pleased to inform that in reality, such claims are furthest from the truth".

"In fact, one of the key factors which led the state to adopt the joint-venture model with SRS Consortium, was to address these very concerns.

"For the state to embark on building the PSI on our own, it would certainly be a financial burden. Not only would billions of ringgit of capital be required for the reclamation works, it would be years before we see a single sen of return as the land can only be sold after it is completed.

"With the joint-venture model, however, we would be able to

start the project with all associated risks and debts, including both project financing and corporate guarantee being borne by the principal partner of SRS Consortium, Gamuda Berhad.

"In the event of default, we have also agreed that all reclaimed land will not be subjected to caveat by the lenders. This effectively mitigates the potential risks," he said.

FISHERMEN'S FATE

Secondly, Zairil said, Nurul Izzah raised the important issue of fishermen's livelihood, claiming that the reclamation project would affect the fishing community and "increase poverty".

"This is far from the case, as she also correctly noted that the Penang government is offering ex-gratia

packages and programmes that are intended to provide long-term benefits to the 1,615 affected fishermen.

"In fact, it would not be a stretch to say that the ex-gratia packages being offered to the fishermen is quite possibly the best large-scale package ever paid out in Malaysia.

"On top of cash payments, fishermen will also receive new boats and engines, bringing their total package to about RM60,000 each

depending on their category."

As an added effort, he noted, a fisheries sustainability programme would also be implemented through the use of artificial reefs and fish aggregating devices, the release of fish and prawn fry and funding for marine-related research.

According to Zairil, Nurul Izzah also correctly pointed out the need for "re-skilling efforts" as a more comprehensive solution to the fishing community's problems.

"On this point we are in complete agreement. Besides the ex-gratia packages, there will also be a re-skilling programme for full-time fishermen, providing them with gainful employment during the course of the project that is projected to last for several years.

"With this extra employment, they will have more stable income and financial security through Employees' Provident Fund contributions, which they currently don't enjoy.

"To better convince her, the state government would be happy to arrange for Nurul Izzah to meet and speak directly with some of the fishermen involved, so she can get a clearer picture of the situation rather than relying on misguided advice."

ENVIRONMENTAL CONCERNS

Zairil said, finally, Nurul Izzah had highlighted the need to address environmental concerns.

Again, he stressed, this was

something both parties could agree on.

He explained that PSI had been designed with strict adherence to ESG (environmental, social, governance) criteria.

"We are very much conscious of the fact that leading multinational corporations and investors today increasingly place much value on sustainability.

"With PSI, we will be able to plan from scratch to ensure we can produce a sustainable, low-carbon city that meets the highest international standards and, by doing so, attract much-needed investments into the state."

He said the Environmental Impact Assessment report had been duly studied and mitigation measures were planned under the ecology offset programmes.

He said the state had also incorporated studies by the UN Inter-governmental Panel on Climate Change, Low Carbon Cities Framework and the independent report by the Royal HaskoningDHV into PSI's planning.

"Rest assured, the three islands are designed to have plenty of public green spaces, with 20 per cent of the land reserved for parks, mangroves, water canals, and wetlands to achieve temperature cooling.

"The PSI also aims to reduce carbon emissions by 40 per cent, achieve 100 per cent renewable energy usage and reduce freshwater demand by 70 per cent," he said.



Zairil Khir Johari