


CM: No open bidding as it's high-value foreign direct investment

NATION

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GEORGE TOWN: Prime state land went to Island Hospital without an open tender because it was treated as a foreign direct investment in a high-value industry.

Chief Minister Lim Guan Eng explained that this was a RM2bil investment to build a medical city.

"The state feels that since this is an offer from a reputable hospital, we treat this like any investment coming in. We are told that the money injected is from overseas. So it's like any foreign investment.

"Groups like Intel or Motorola, we don't go by open tender because they are electronics companies. So similarly, we decided to treat this in the same manner," Lim said in a press conference in Komtar here yesterday.

The state government came under fire recently when Citizens Awareness Chant Group divulged to the press that about 3ha of prime land along Peel Avenue - the size of four football fields - would be developed.

The land is across the street from Island Hospital's current facility and less than 1km from the affluent Pulau Tikus suburb, which has been labelled as Penang's medical tourism hub in recent years with numerous other private hospitals there.

Asked why the state did not inform the public when the lease was handed to Island Hospital last December, Lim said the state was subject to non-disclosure agreements.

“The announcement should be made by the investors at a time which they feel is right. You must respect the confidentiality of the investors.”

The state, Lim said, gave Island Hospital a 99-year lease on the land for RM156mil, of which RM30mil had been paid.

The hospital has two years to obtain a licence from the Health Ministry and the balance must be paid within three months of getting the licence.

Island Hospital director Benny Lim, who was present, said the project was called Island Medical City, and it would be the first medical tourism hub of its kind in Malaysia.

He said that in its first stage, 300 beds would be added to its current 300, making it Penang’s first 600-bed private hospital. The long-term plan is to have 1,000 beds.

Benny said the project would create over 2,000 jobs.

“It will attract top Malaysian medical specialists, who have gone overseas, to practise in Penang,” he said.

TAGS / KEYWORDS:

Property , Northern Region , Island , Hospital , Land