

Gerakan: Why is prime land leased out without open tender?

BY LOGEISWARY THEVADASS

GEORGE TOWN: Prime state land along Peel Avenue has been leased to a company to build a private hospital – without an open tender – and questions are now being asked.

The land on the island, measuring about 3ha – the size of four football fields – would be developed by Island Hospital, which has another facility across the road.

It is less than 1km from the affluent Pulau Tikus suburb, which has also been labelled as Penang's medical tourism hub in recent years with numerous other private hospitals there.

Penang Gerakan wanted to know why other hospitals were not invited to bid for the land.

“Aren't all private hospitals high-value medical facilities?”

“I think almost all the private hospitals in Penang have good medical facilities and there are many more hospital management corporations in the world that would have been interested.

“This project's investment is RM2bil and its economic value is expected to exceed RM7bil. Why was it not opened for tender?”

Loo also felt the leased value was low because it was prime land.

“It's just a few streets away from Pulau Tikus where there are now so many famous hospitals.

“There are pharmacies doing good businesses. So many Indonesian medical tourists can be seen in Pulau Tikus that some shops put up signs in Bahasa Indonesia to serve them,” he said.

He said that while medical tourism was a big thing, low-cost housing was also important.

“Young Penangites need homes and many are struggling to own a house on the island.

“I’m not against medical tourism but compared to low-cost housing, I think we are more desperate for it,” he said.

Chief Minister Lim Guan Eng said the land went to Island Hospital without an open tender because it was treated as a foreign direct investment in a high-value industry.

“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.

“People 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 told a press conference at Komtar yesterday.

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

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 in its first stage, 300 beds would be added to its current capacity, making it Penang’s first 600-bed private hospital.