



**KEMENTERIAN PEMBANGUNAN
USAHAWAN DAN KOPERASI**
Ministry of Entrepreneur Development and Cooperatives

PRESS STATEMENT

YB DATO SRI DR. HJ WAN JUNAIDI TUANKU JAAFAR MINISTER ENTREPRENEUR DEVELOPMENT AND COOPERATIVES (MEDAC) ON THE PENANG SOUTH RECLAMATION PROJECT

Putrajaya, 3 Jun 2021 - The Penang South Reclamation Project (Projek Tambakan Laut Selatan Pulau Pinang) -PSR which will take up the size of almost 17 sq km, involves the development of three artificial islands with a land mass of 1,700 hectares in the waters of Permatang Damar Laut near Bayan Lepas in Penang. This proposed development under the Environmental Quality Act 1974 requires an Environmental Impact Assessment Report that needs to be approved by the Department of environment (DOE) which was previously under my charge as the Minister of Natural Resources and Environment (NRE). During this time in 2017 when the matter was brought forth to my attention, I was totally against the project development and even though now the report has been approved on 25 June 2019 by the Department I am still in disagreement with the approval and I wholly support for the project to be cancelled. On this note I have made strong criticisms, substantiated with facts and data, that the project would have serious negative socio-economic and environmental impacts.

First and foremost, the EIA report stated that there will be a permanent destruction to the site which will have a significant negative impact on fisheries resources, fishermen and the security of the country's food supply by affecting the breeding ground for fish, prawns and crabs. The ecosystem of the coast to be reclaimed and the fisheries resources would be permanently destroyed, and the fishing community exposed to grave hardship. There will be the irreversible damage and residual impact on the mudflat ecosystem, fishing ground, turtle landing and part of the coral reef at Pulau Rimau (Rimau Island) which is an important ecosystem to the fishery resource. This irreversible damage would cause significant negative impact to the fishery resources and fishermen and would threaten the country's food security. It will be unfortunate that we have to bear the costs of the diminishing supply of seafood and increase in prices. It was said that in 2017 Penang's marine aquaculture industry accounted for 55 percent of Malaysia's US\$700 million annual marine harvests, where the area under threat has an estimated wholesale value of fish worth US\$10 million. The

negative socio-economic impact from the reclamation plan will affect the livelihood of about 1,800 fishermen around Penang area and their families - with the possibility that this fishermen's community will be wiped out. Not only that, it will also affect some 4,500 fishermen in Perak, as well as those in Kedah, whose livelihood depended heavily on harvesting marine resources in the area. Do take note that the Northern Coast of Penang is a mangrove area, which is the breeding ground for prawns, crabs and fishes.

The marine ecosystem surrounding Penang Island is also a playground of the Indo-Pacific Humpback Dolphin and the Indo-Pacific Finless Porpoise. There is no doubt that the water pollution and contamination will likely disrupt their swimming paths which spread for miles across the oceans. The EIA report shows findings that there are records of the Olive Ridley Turtle landings, including the Green Turtle (*Chelonia Mydas*) at Teluk Kumbar, Gertak Sanggul, Pantai Medan, Teluk Tempoyak and Pantai Belanda. These turtles are natural assets which should be protected. Sea turtles play vital roles in maintaining the health of the oceans by maintaining healthy seagrass beds and coral reefs, providing key habitat for other marine life, helping to balance marine food webs and facilitating nutrient cycling from water to land. The mega project will definitely wipe out the landing and nesting ground of the turtles and we will lose out on the ecosystem chain provided by the turtles.

I would also like to emphasize that the assessment of sand mining impacts on the marine environment are also very important. Millions of tonnes of marine sand will be mined and rocks quarried for the land reclamation which will have significant impact to seabed flora and fauna. The deep seabed (benthic zone) and sea meadow habitats will be destroyed and the amount of siltation of the water will increase. Where the sand is deposited, burial of original biodiversity and habitats occur, suspended sediment increase will occur and changes in hydrodynamic patterns will affect biodiversity. The water will be highly polluted. At the same time because of water currents, these impacts are not confined to this specific dredge or dump site but to a wider area, so impacts on neighbouring habitats are possible.

The country should not allow for such mega development, which severely affect our environment, to take place as such actions would have an impact on Malaysia's international commitments namely under the Paris Agreement of the United Nations Framework Convention on Climate Change, Malaysia's pledge for the Nationally Determined Contribution on enhancing our carbon reduction initiatives, the Biodiversity Convention, the United Nations Sustainable Development Goals and other international treaties. It includes the conservation and sustainable use of the oceans, seas and marine resources for sustainable development. The environmental damage will not only affect the Balik Pulau coastal area but will also spread out to the southern and northern portion of the area of the straits, impacting Kedah and Perak.

The major pollution discharge will certainly have an enormous impact on the northern part of Malacca Straits. The reclamation project will put an end to sustainable use of seas and marine resources by permanent destruction of the marine sites. Such projects are known to generate more carbon dioxide in violation of Malaysia's pledge to reduce carbon emissions and adding to the rising global temperatures. In the face of climate crisis, the mega project is environmentally bad and it is dismissive of all the available research that caution against commissioning it.

There can be alternative proposals to the state's transportation requirement which costs much less to alleviate the transport congestion problem. We must not be in a situation that we destroy our environment, natural heritage and affects the livelihood of our fishing community for a nominal gain as compared to what we are losing. At the same time land is plentiful in the mainland area of the state for any form of development to boost its socio-economic development be it for heavy, medium or small-scale industries as well as for any other infrastructure development with no necessity of carrying out the land reclamation and causing disturbance over the coastal areas of the southern side of the Penang Island. I do not see any form of mitigation measures that can ease out the losses that we will be facing if this mega project is allowed to be carried out. I again strongly support for the EIA report to be reviewed for disapproval and this mega project be cancelled.

DATO SRI DR. HJ WAN JUNAIDI TUANKU JAAFAR