

'Where did Umno get RM12.5 billion land revenue figure?'

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Penang only received RM1.1 billion in land sales since 2008, says chief minister.

GEORGE TOWN: Penang Chief Minister Lim Guan Eng questioned the math work done by an Umno leader over his claims that the state government had RM12.5 billion in its coffers from land sale profits.

State Umno chief Zainal Abidin Osman had yesterday called on Penang to use funds from "RM12.5 billion" in profits from land sales, instead of getting loans from China to fund planned infrastructure projects.

Penang recently announced plans to accept a loan facility offered by a Chinese government bank to fund infrastructure projects in the state.

Lim described Zainal's claim as "fitnah" (slander) as the state only made RM1.1 billion in land sales since 2008.

Lim said in comparison, the previous BN government had sold 3,661 acres of land for RM1.05 billion from the early 1990s to 2008.

He said the current Pakatan Harapan government had sold only 106.1 acres of land for RM1.11 billion.

"Penang sold land 36 times less than BN, but yet got more money because Penang conducts public open competitive tenders.

"For potential economic game-changers, direct negotiations is the international norm.

"Just like getting Ikea to open shop in Batu Kawan ... the deal was finalised through direct negotiations.

"Finally, compare this to the RM156 million sale of land to build Malaysia's largest private hospital, which can generate RM7 billion in economic value for the state," Lim told reporters in Komtar today.

Lim said RM38 billion worth of open tenders were carried out in Penang and only 1% of contracts were conducted via direct negotiations.

Zainal hit out at Lim yesterday for passing a state law that allowed the Penang government to borrow money from banks or financial institutions.

Zainal told Bernama that BN had never resorted to borrowings from overseas and Lim should use funds from revenue collected internally.

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