

Seeing the ‘forest’ for the trees

WHAT The mammoth mixed development ‘Forest City Project’ collectively spans 1,978 hectares, of which 1,624 hectares will occupy an enormous expanse – by Malaysian standards – of reclaimed land

- A cluster of four man-made islands – one island to spring up in every stage of the four-phase project spread over 30 years – of varying sizes forms the project’s centrepiece
- With a surface area of just over 1,000 hectares, the largest of the specially-designed islands to be built in the second phase will be two times bigger than Singapore’s famed Sentosa Island
- Creation of the first island, which is the farthest away from the Malaysia-Singapore international boundary is work in progress now
- The islands’ key components include service

apartments, mixed commercial, clubhouse, health centre, education facility, business park and water element, will be interconnected via bridges.

- Estimated population size of 300,000 people expected in the newly-created islands
- Manpower of 5,000 (engineers, skilled workers and semi-skilled workers) required for reclamation works

WHO Project is led by Country Garden Pacificview Sdn Bhd – a joint-venture between China’s Country Garden Holdings (66%) and Esplanade Danga 88 Sdn Bhd (34%). Esplanade Danga is a private vehicle owned by Johor state investment arm and reportedly majority owned by the Johor Sultan

WHERE It is located in the western Straits of Johor (in Tanjung Kupang district) and east of

Malaysia’s busiest container port Port of Tanjung Pelepas

- The project’s closest distance to the Malaysia-Singapore international boundary is 1.59 km
- The Malaysia-Singapore second link that stretches across Straits of Johor between Gelang Patah, Johor to Tuas in Singapore is close to the project vicinity
- Site is also close to Johor’s largest and Peninsular Malaysia’s second largest mangrove forest reserve known as the Sungai Pulai Forest Reserve
- Committed developments close to project :
 - » PTP’s third-phase expansion
 - » Tanjung Piai breakwaters (Tanjung Piai is dubbed the southernmost tip of mainland Asia and is a tourist attraction)
 - » Integrated Petroleum hub and Maritime Industrial Park covering 3,485 acres (led by KL’s Benalec

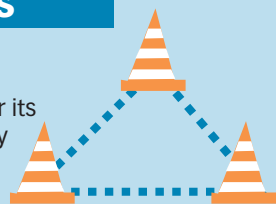
Holdings via a joint venture also reportedly partly owned by the Johor Sultan)
» Sunway Iskandar’s low-density residential and commercial property project over some 728 hectares

WHY Project hopes to draw investment dollars and boost trade and tourism and in doing so, compete with Singapore

- Given the easy access to project via Malaysia’s North-South Expressway that connects Thailand, Malaysia and Singapore and proximity to Second Link, the project hopes to woo investors from ‘land-starved Singapore’
- Forest City expects to create some 62,200 new jobs in various sectors when completed
- Investment of some RM700 million to upgrade roads and public transport to benefit population around Gelang Patah, Tanjung Pelepas and Nusajaya

KEY CONCERNS

- Given the project’s proximity to Singapore, there are concerns over its potential transboundary impact. (Noteworthy in 2002,

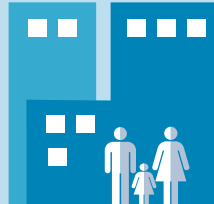


Malaysia protested land reclamation by Singapore around Pulau Tekong and Pulau Ubin on grounds of transboundary environmental harm. The dispute was taken to the International Tribunal for the Law



of the Sea (Itlos) and was resolved when international experts claimed the reclamation was not causing major environmental damage)

- Potential hazards on the environment and social



landscape; the Environmental Impact Assessment concluded that huge commitment is required from Country Garden to mitigate the risks

- The massive project may exacerbate the oversupply



of residential units in Iskandar and lead to a sluggish property market in the area

- Could encroach on area surrounding Malaysia’s PTP and narrow the navigation channel for ships