



PDC's offices at Bayan Lepas.

## PDC – MAKING PENANG LEAD

*Losing its free port status would have done Penang in, if not for the PDC.*

By Fikri Fisal

Photography courtesy of PDC

Bayan Lepas, like Komtar and the Penang Bridge, are symbols of the robust development Penang underwent in the early 1970s. The story of how Tun Abdul Razak Hussein, Prime Minister from 1970-1976, declared Bayan Lepas a free trade zone with a wave of his cane during his visit to the area, has become legend. But Penang's industrial transformation is rightly credited to its second Chief Minister, Dr Lim Chong Eu (1969-1990).

Developing from a quiet town with large paddy fields into a busy free industrial zone, Bayan Lepas is where the "Eight Samurai" – Intel, AMD, Hewlett-Packard, Clarion,

National Semiconductor (Fairchild), Hitachi, Osram, and Bosch – are located. These MNCs pioneered Penang Free Industrial Zone's transformation, attracting more multinational corporations and combatting the high unemployment rate Penang suffered in the 1960s and early 1970s.

The responsibility for achieving this transformation was given to the Penang Development Corporation (PDC). Founded on November 17, 1969, PDC is still the premier socioeconomic development agency for the state government of Penang. PDC was tasked with spearheading socioeconomic growth, creating

employment and improving the quality of life of the people of Penang.

### The Man with a Passion

Datuk Rosli Jaafar, who helms PDC, is passionate about creating jobs for Penangites. PDC's influence reaches to the extent that every

family in Penang is expected to have at least one member working – directly or indirectly – in the manufacturing sector.

Providing jobs was always one of PDC's most important tasks. Figures show that after only two decades, PDC brought 500 firms into its industrial parks, winning employment for 115,000 people. PDC is now targeting human talent development by working with institutions such as the Penang Skills Development Centre (PSDC) which it was instrumental in founding, Japan-Malaysia Technical Institute, the Penang Career Assistance and Talent (CAT) Centre and other private sector institutes.

A challenge for the PDC has always been the scarcity of land. Rosli admits that ensuring an adequate land bank has always been tough. Scarcity of land increases land price, making the supply of affordable houses – another concern for PDC – inadequate. "Although we are not the main builder of homes in Penang, it has become our responsibility to ensure the availability of affordable housing," says Rosli. PDC's township in Batu Kawan is to provide 11,000 units of affordable homes.

That aside, the most exciting of all PDC's principal activities right now is urban and township development. Its Strategic Plan 2016-2020 focuses on creating new corridors of growth, developing infrastructure for tourism and regenerating commercial areas, industrial parks and housing estates, besides creating a sustainable environment. PDC is in fact actively developing a new-age township, and that is Batu Kawan. "In maintaining a healthy land bank level on the island, we figured that the time is ripe for us to pay more attention to places in Seberang Perai," says Rosli. Working with partners Eco World, Aspen and PE Land, PDC's plans for its latest township – Bandar Cassia in Batu Kawan – includes a Designer Village, IKEA, universities and mixed

developments. World-class companies that have invested there are Bose System Malaysia, Haemonetics and Malaysia Automotive Lighting.

"This is proof that PDC is successful, just like it was four decades ago, in attracting international investment to

Penang. It is not easy for a 40-year-old agency to do this. This is why we need to constantly adapt. One effective measure is to specialise, such as when we delegated promotion matters to InvestPenang," says Rosli. Before InvestPenang was created, PDC was the sole agency tasked with attracting investments to PDC parks and the entire state of Penang. The need for greater efficiency forced PDC to specialise. InvestPenang, being a non-profit entity of the state government, now devotes itself to attracting investments into Penang while PDC concentrates on being

the state's premier development agency – i.e. providing infrastructure and necessary amenities.

Constantly adapting and adding value are important to PDC – not only to its structure, but also to its operations. PDC did sell undeveloped land for industrial purposes, but soon came up a better idea: raising the value of the land with the proper infrastructure before selling it to an investor. Investors can then allocate their resources to their operations rather than to unnecessary capital spending.

But that is the easy part. "A trickier question is, what are you going to do with an old piece of land that is already developed? How do you add, or re-add, value to that land?" asks Rosli. The answer to that is a regeneration exercise. One example of this is when single-story semi-detached houses are demolished to give way to high-rise condominiums, in the wake of



Datuk Rosli Jaafar.





Rosli at the signing ceremony for agreements between PDC, Temasek and EDIS.

decreasing land availability and skyrocketing land prices. The land hence grows in relevance, and so too in value. Unbeknownst to many, the 42-year-old Komtar has been undergoing a regeneration exercise.

Playing its own part in the regeneration exercise, PDC will be moving

**Moving forward may be important, but so is conserving heritage.**

into a new era. Its current building will be demolished to give way to the Business Process Outsourcing (BPO) Prime Project, a RM1.3bil collaboration with Singapore-based Temasek and Economic Development Innovation Singapore (EDIS). In Rosli's words, PDC's new building must reflect a new spirit and trendiness. When asked whether he will like the new building better than the current one, Rosli answers, "There is strong sentiment for the current building, but that is precisely the point – we have to move on."

"However, never forget one important thing: moving forward may be important, but so is conserving heritage." Penang's rapid development witnessed much that was harmful to its heritage. New buildings can always be built, but not heritage buildings. "This is why PDC was one of the earliest

agencies to be actively involved in heritage conservation," says Rosli. "Our passionate refurbishment of Hotel 1926, former government quarters-turned-heritage hotel, gained recognition from Badan

Warisan and was named Most Excellent Project (in Malaysia's Heritage Awards) in 2000." PDC is also deeply involved in the restoration projects at Sia Boey, Wisma Yeap Chor Ee and the godowns at Lebuah Victoria.

Emphasising the importance of the past, Rosli cites important lessons he learned from his time at PDC. "I basically grew up with PDC. I spent the first five years of my working life in the private sector before joining PDC as an architect. That was more than 20 years ago," recalls Rosli.

One unforeseen flaw of the Free Industrial Zone was insufficient parking space and heavy traffic. "It is a classic example. Who knew that in 20 years, the workers would be driving cars instead of riding buses? It's not as if human error caused the problem. The fact is that you just cannot plan accurately for the long run. You plan, and then just adjust as problems arise," he says.

"What is relevant now may not be relevant in the future. We must be cognizant of that," warns the general manager. Penang must thus look towards something new, and high-tech is probably the answer. Meanwhile, PDC is here to ensure that Penang will progress, dynamically and innovatively. ■



Fikri Faisal is a simple guy who discovered the beauty of History while studying Actuarial Science at the University of Michigan. He wishes one day to be able to revamp the History subject in schools to be worthy of learning. He also admires professors with long white beards and is working hard to be like one.