

The Case of Malaysia

A perspective of economy from both China and Local Government

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- Background
- The “One Belt, One Road” Project of China
- Four Cases
- What’s Next?

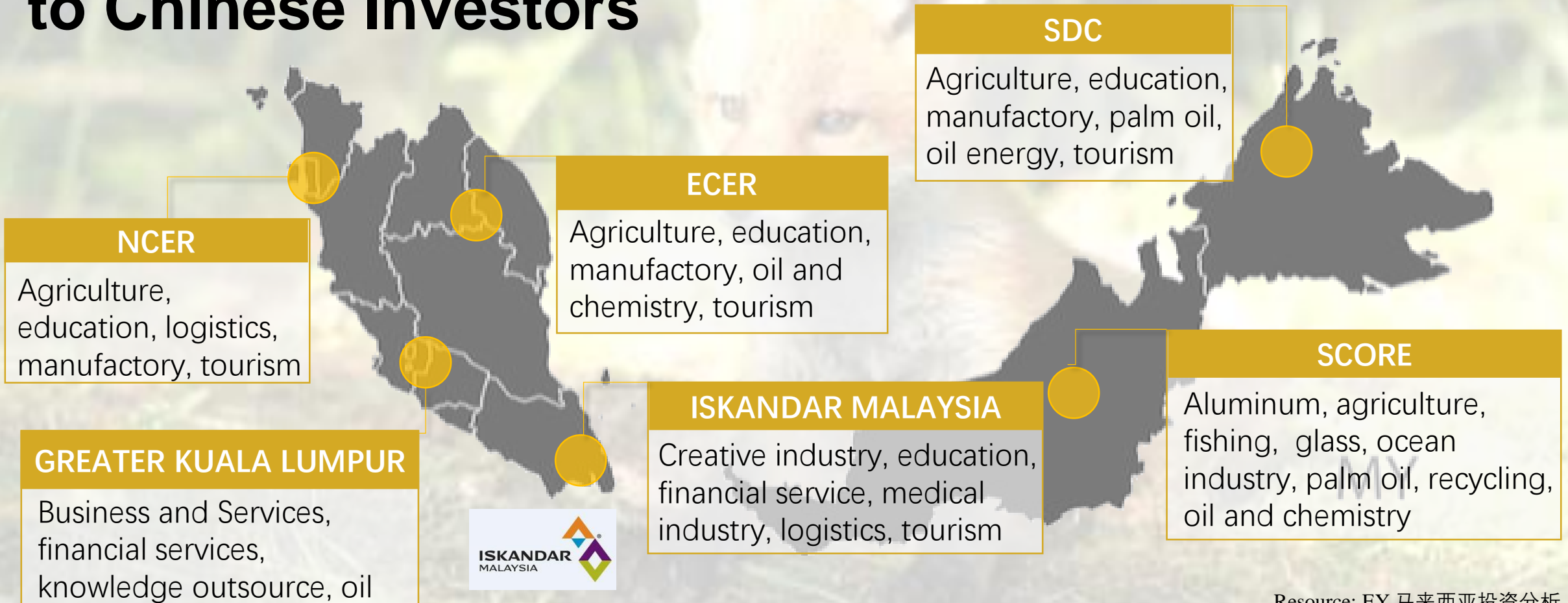




01

The Background

Six Economic Corridors in Malaysia were Welcomed to Chinese Investors



Resource: EY 马来西亚投资分析

In the previous years, Chinese investors invested a total of 1,722 billion MYR based on the project.

Johore (b. MYR)

Forest City
1050

A total of ...

1,722b MYR

Selangor (b. MYR)

ECRL
37

XMUM
13

Acquisition
of EGE
100

Pahang (b. MYR)

MCKIP
153

Kuala Lumpur (b. MYR)

Exchange
106 Tower
35

Four Seasons
Hotels
25

Penang (b. MYR)

Submarine
tunnel
37

Second
Bridge
45

Sarawak (b. MYR)

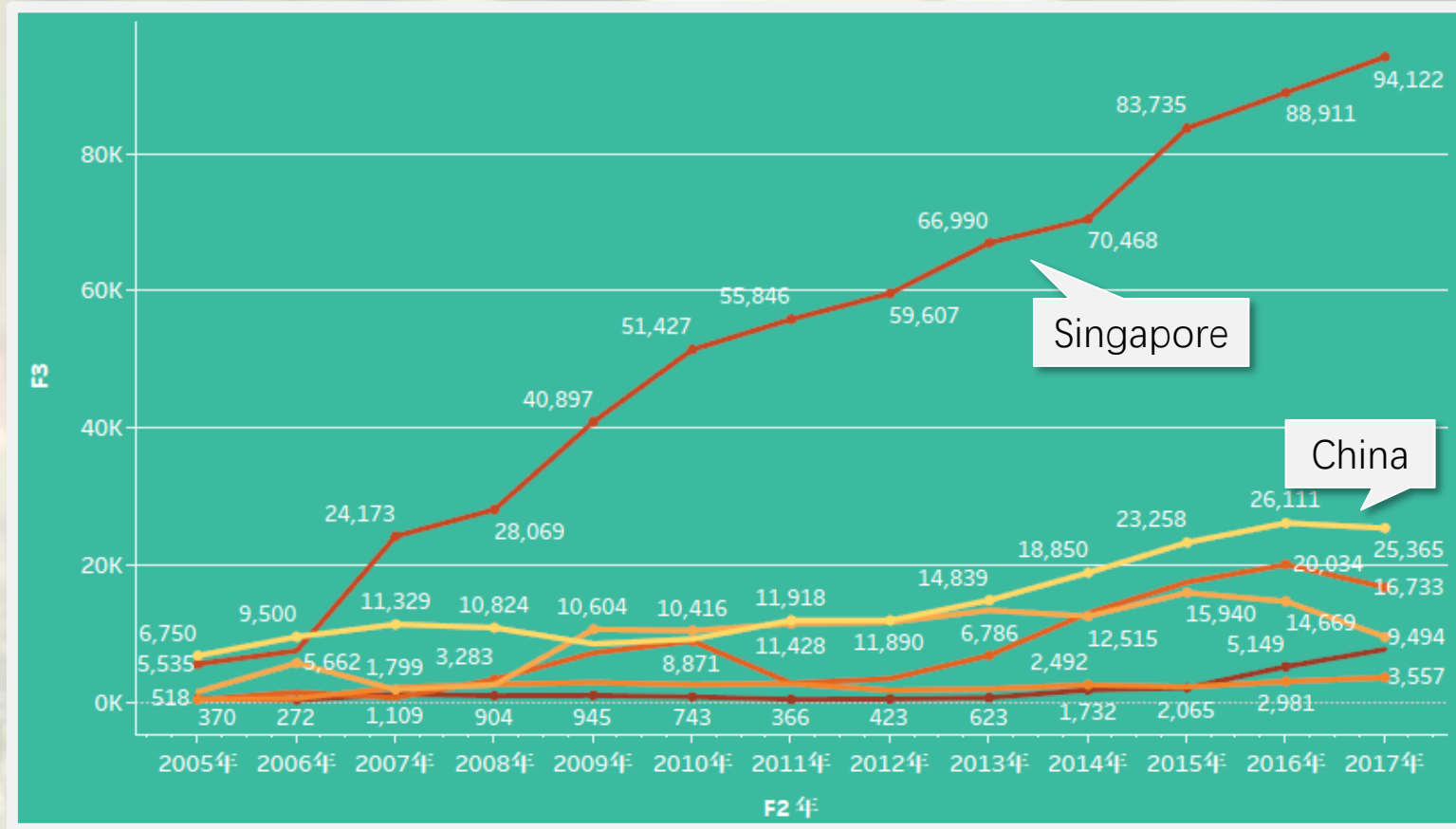
Bakun Hydropower
Station
75

Melaka (b. MYR)

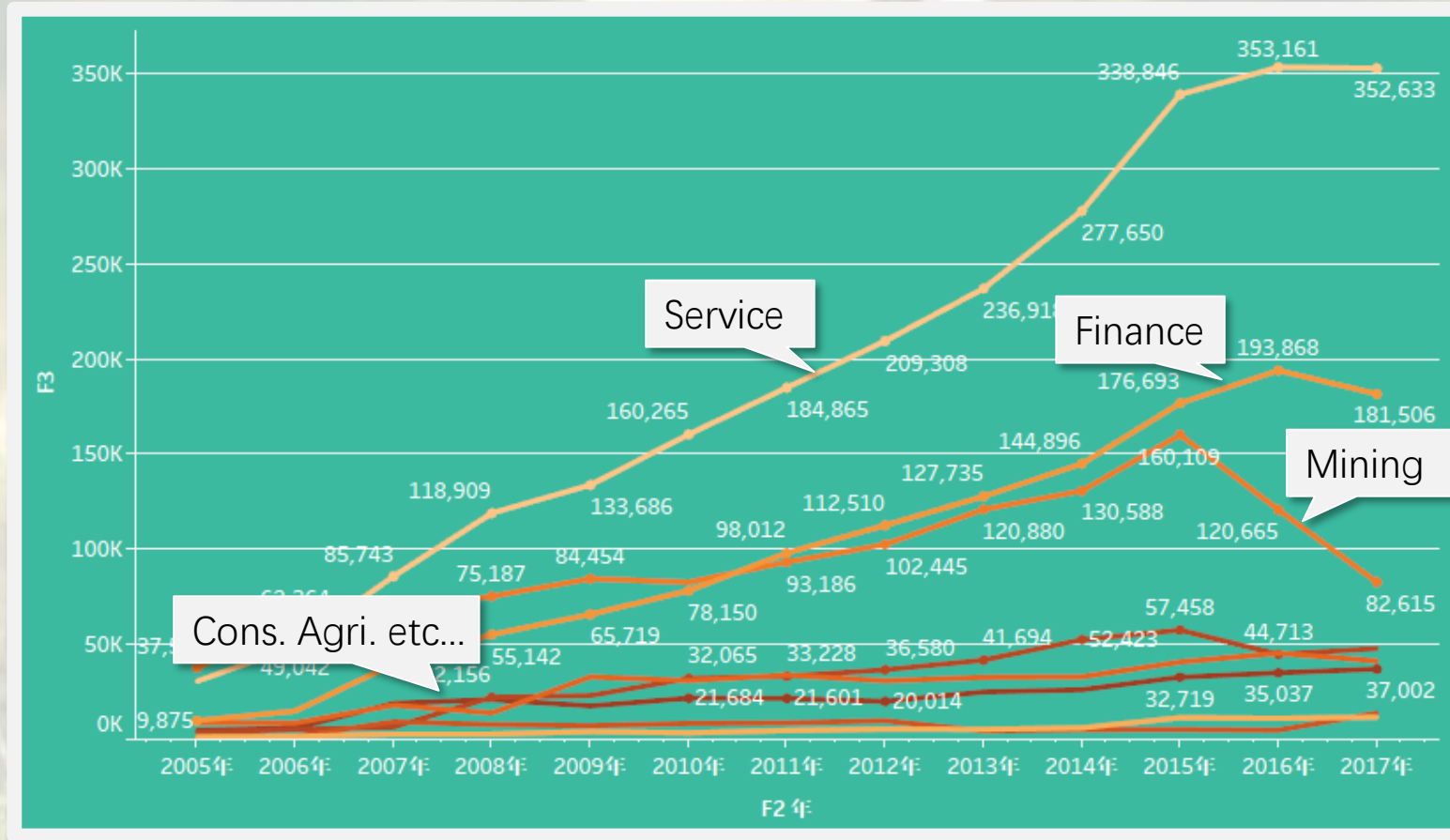
Melaka Gateway
150



Singapore has become the country that invested the largest amount of money to Malaysia, while China ranks the second



Most foreign direct investment in Malaysia flows into tertiary industries such as finance and services



We also collect more data on agriculture, industry, financial and services, etc. in order to have a whole understanding of the economy in Malaysia



02

The “One Belt, One Road” Project under Chinese Situation



For the construction of water conservancy projects...



Resource: Bo Qiu/ Greenpeace

Ross Perlin (2011) believes that 23 million people have been forced to move to build dams. The data also shows that 30% of rivers in China are heavily polluted, most of which are affected by the dam. Luna Lin (2014) pointed out that one-fifth of the country's water bodies are considered to contain toxic substances, and two-fifths are seriously polluted. The "Water Ten" released in April 2015 proposes that by 2020, the quality of the national water environment will be improved step by step. The water quality of the centralized drinking water source in the city is about 95% or better than that of the Class III. The quality of the groundwater in the country is extremely poor. The ratio is controlled at around 15%.



For the construction of water conservancy projects...

行政区	测站总数	2015 年全年			2015 年 枯水期	2015 年 丰水期	2014 年 全年
		I 至III类%	IV类%	V类%	I 至III类%	I 至III类%	I 至III类%
北京	124	53.2	23.4	23.4	54	75.4	26.4
天津	63	14.3	30.2	55.6	11.1	15.9	10.7
河北	203	14.3	36.5	49.3	12.3	31	8.1
山西	190	17.4	34.2	48.4	15.8	22.6	17.9
内蒙古	94	4.3	31.9	63.8	2.1	6.4	0
辽宁	126	7.1	24.6	68.3	6.3	4.8	2.4
吉林	170	18.2	33.5	48.2	20	18.8	16.5
黑龙江	98	9.3	28.9	61.9	16.3	11.3	14.3
江苏	40	32.5	40	27.5	33.3	42.5	27.5
安徽	70	15.5	66.2	18.3	11.4	15.7	12
山东	325	23.1	27.1	49.8	23.1	22.9	19.6
河南	222	7.7	47.7	44.6	9	9.5	7.7
湖北	11	9.1	27.3	63.6	9.1	0	0
陕西	185	33.5	30.3	36.2	35.7	33	34.6
甘肃	116	25.9	22.4	51.7	20.7	19	16.4
青海	15	73.3	6.7	20	71.4	64.3	53.3
宁夏	33	0	33.3	66.7	0	0	0
新疆	18	44.4	22.2	33.3	33.3	55.6	5.6

Resource: January 2016 "Groundwater Dynamics Monthly Report" published by the Ministry of Water Resources

Qin Liu (2014) said that according to the "Groundwater Dynamics Monthly Report" released by the Ministry of Water Resources in January 2016, 80% of China's groundwater is not drinkable. For a long time, the water quality situation in China has been difficult to clarify, and it has repeatedly fallen into the strange circle of media reports and official "correction". Data between departments and departments, and even within departments, are inconsistent. Zuoding Lin (2013) said in an interview that the project did not officially begin to progress until mid-2015. Yingdeng Peng (2015) used Beijing as an example to explain the current situation of data sharing difficulties to China Dialogue. The Beijing Municipal Environmental Protection Bureau will issue an environmental quality report every year, which will be led by the environmental protection department, and the water conservancy department and the geology and mining department will provide data. But the EPA often gets processed text reports, not data reports.



For the energy engineering construction section...



Resource: United Nations Development Programme (UNDP), 2015, 2030 "Sustainable Development Goals"

Matthew Gianni, Duncan Currie (2018) believes that if deep sea mining is allowed, biodiversity loss is inevitable. Many deep-sea species have long lifespans, and ecosystems that want to recover from the effects of deep-sea mining are either difficult or even impossible to recover. The World Bank (2016) said that China processes 200 million tons of garbage every year. Landfills are crowded with the burden of surrounding communities. To solve this problem, China is building more waste-to-energy plants than the rest of the world. Marcy Trent Long, Sam Bekemans (2018) pointed out that in 2016, only 77 of China's 230 incinerators agreed to disclose data, and one-quarter of the plants did not meet emission standards. Professor Nickolas Themelis (2017) of Columbia University agrees that recycling is better, but now says that waste is converted into energy to solve pollution problems.

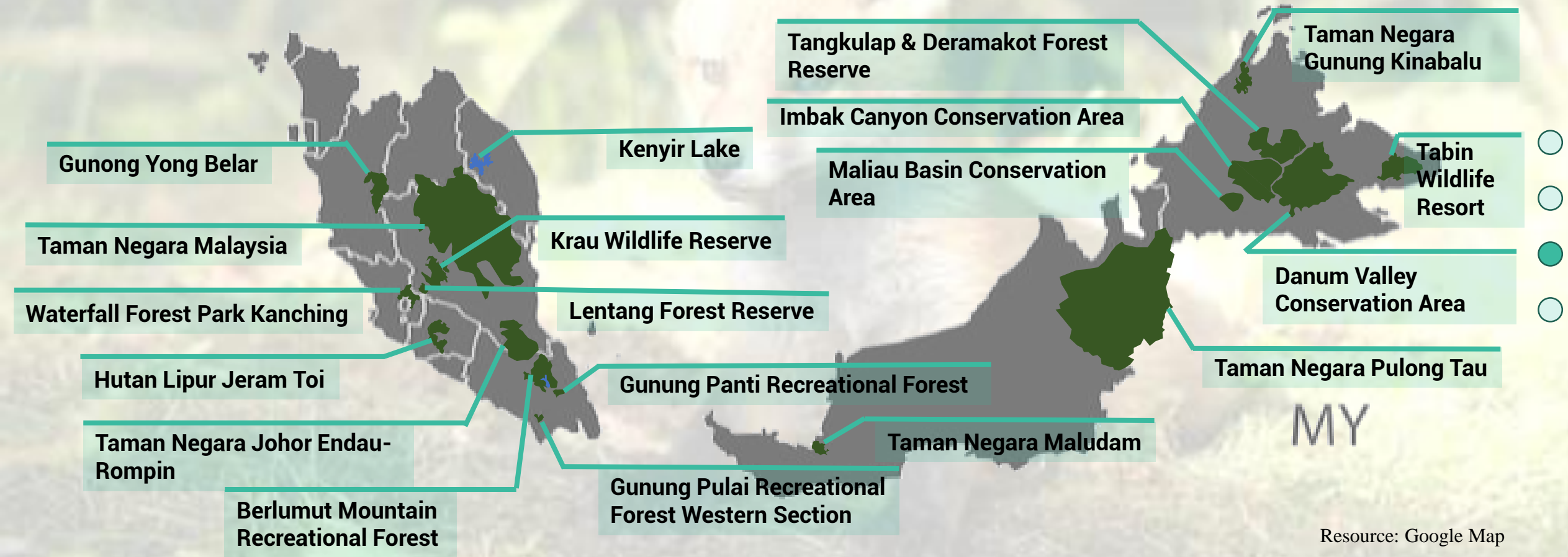
In fact, European countries generally believe that incineration is the last final solution to the problem of solid waste. Xia Luoting and Bai Lili (2018) expressed extreme concern about the environmental footprint of the "Belt and Road Initiative" initiative, including financing coal projects in less developed countries. According to the commitments in the Paris Agreement, countries need to develop low-carbon and climate-resistant infrastructure, but some "One Belt, One Road" projects are not consistent with this demand.

03

Four Cases

This four cases are selected from the projects that China invested to Malaysia, which can hardly find a concentrate resource.

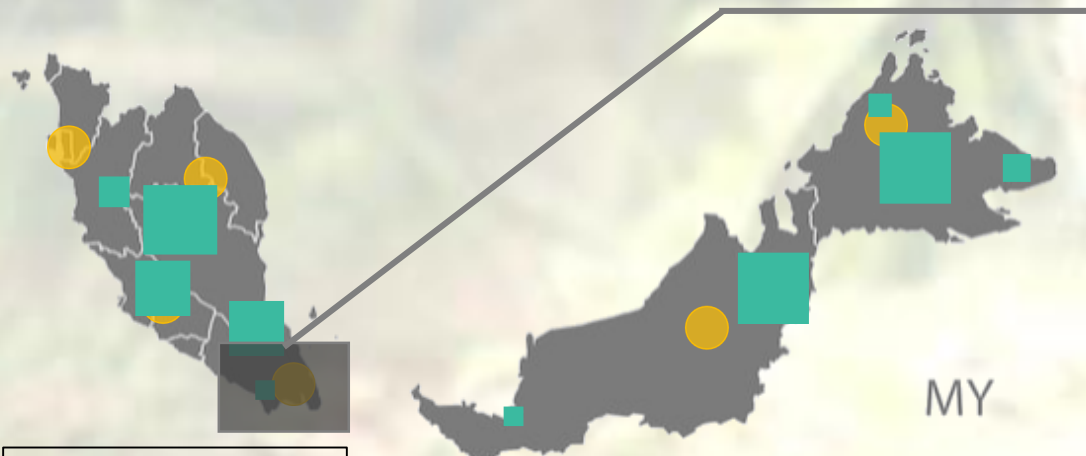
The main areas of Wildlife Conservations or National Parks



Cross places by Corridors and main areas of Wildlife Conservations or National Parks



The Forest City Project in Malaysia is Invested by Chinese Company *Country Garden*, which aims on Reclamation



Main Reference

- [1] 丁书琴, 许淑芬. 生态文明建设背景下碧桂园森林城市开发运营模式探索[J]. 魅力中国, 2018(14).
- [2] 鲍涵, 邓军. 马来西亚碧桂园森林城市离岛填海交通系统规划[J]. 交通与运输, 2018(2).
- [3] 罗丽娟, 阿细. 碧桂园海外造城[J]. 二十一世纪商业评论, 2016(4): 70-72.
- [4] 陈晨, 田乐. 马来西亚森林城市总体规划[J]. 景观设计学, 2016(1):80-93.
- [5] Rahman S. Johor's Forest City Faces Critical Challenges[J]. 2017.



Resource: <https://baijiahao.baidu.com/s?id=1600174475581841858&wfr=spider&for=pc>

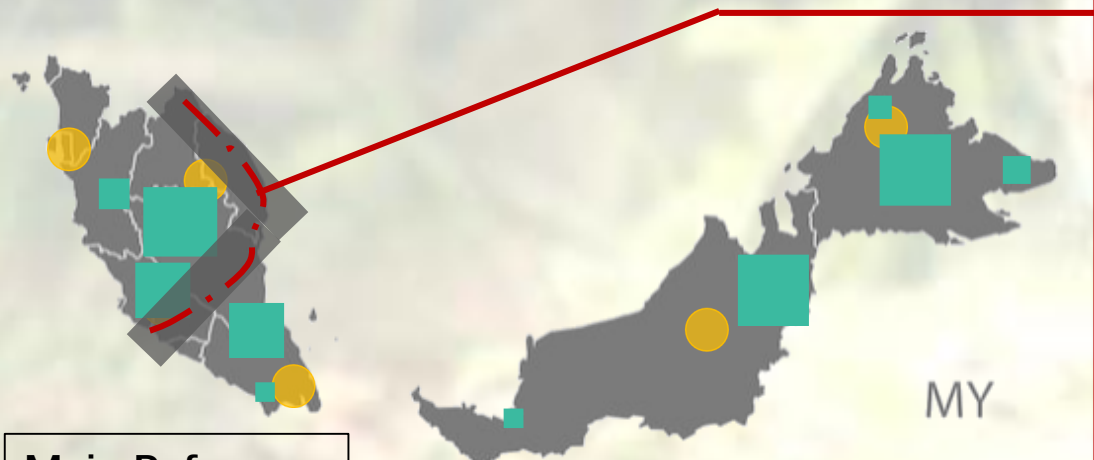
Even though the definition of forest city is to create an eco-friendly environment, many people still express their concern



Resource: *Forest City Malaysia Master Plan*, 2016

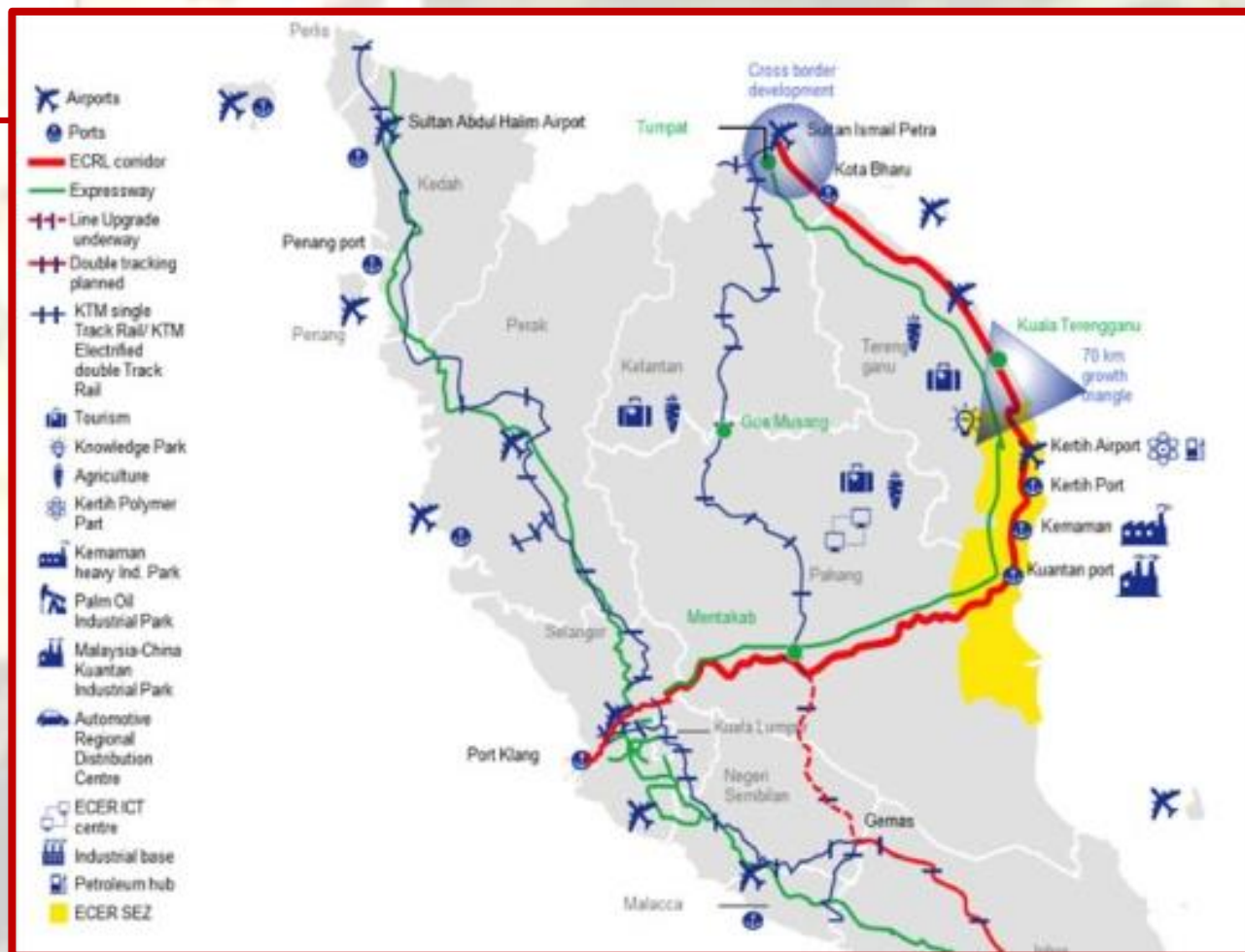
In *Discussion on Several Problems Concerning the Establishment of National Forest Cities* (2015), the authors provide some basic concepts of forest city. Eeric Jorgeson (1970) stated that Forest city not only refer to the management of urban trees, but also the management of all trees affected and utilized by urban residents, such as urban-wide areas, waters serving urban residents, areas for recreation and recreation, etc. However, there are also many problems in the construction of forest city. Jian Wang (2010) explained Luoyang blindly introduced exotic species for creating a national forest city and the problem of the failed protection forest belt network affected the environment. Shuqin Ding (2018) questioned on four aspects while constructing the forest city, including safety, house bearing, climate and plants, and costs. In *Forest City Malaysia Master Plan* (2016), the author mentions concerns about the local traditional fisheries environment and states that forest cities provide habitat for 75% of local fish. Lijuan Luo (2016) also says that about 80% buys of forest city came from China.

ECRL project needs to find a way to continue cooperation and construction as soon as possible

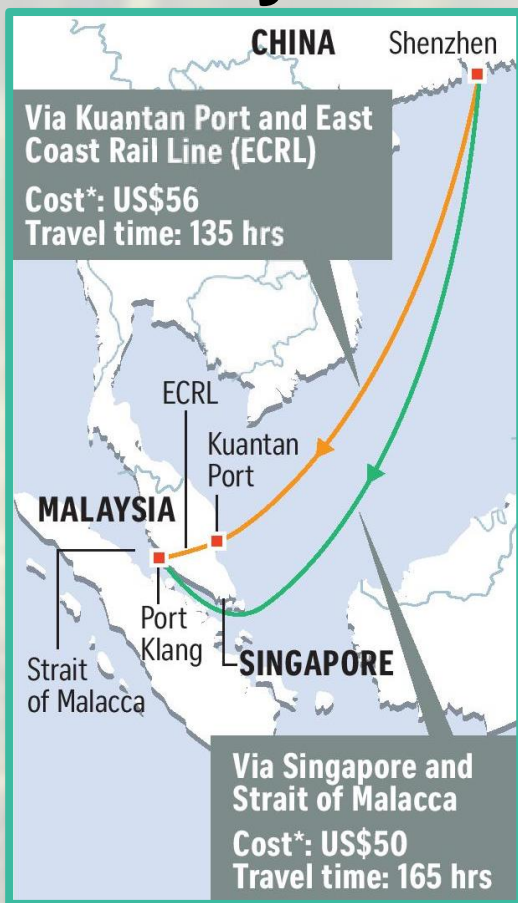


Main Reference

- [1] Lopez L. Malaysia's East Coast Rail Line Touted as a Game Changer[J]. Straits Times, 2016.
- [2] Teoh S. East Coast Rail Link: Malaysia touts rail trade route as rival to Singapore[J]. 2017.
- [3] Trinna L. Malaysia's East Coast Rail Line will proceed only if \$27.4b cost is cut drastically: Minister[J]. 2018.
- [4] Garver J W. Development of China's overland transportation links with Central, South-West and South Asia[J]. The China Quarterly, 2006, 185: 1-22.



Even though the definition of forest city is to create an eco-friendly environment, many people still express their concern



Resource: Malaysian Logistic Executives

Lopez (2016) declares millions of tones of sand are being dredged up from the South China Sea to get Kuantan Port ready for the country's priciest infrastructure project yet: a RM55 billion (\$\$17.7 billion) railway link financed by China. Datuk Seri Najib (2017) said 53 million tones of cargo will use the ECRL service annually by 2030 as the primary transport between the east and west coast. In July, Trinna Leong (2018) reported that the Malaysia will not proceed with the East Coast Rail Line (ECRL) project with China unless its RM81 billion (\$\$27.4 billion) price tag be substantially reduced.



Resource: KUANTAN PORT



Resource: REUTERS



Wildlife
Surveyors

Chinese company invests 120 million to buy 1,500 acres of land in Malaysia to plant durian



China's well-known enterprise Huang Wenbin Group's Po Lianmu Industry and China's Beijing Dianshi Investment concluded an agreement to organize a joint venture company, injecting RM120 million, planting 100,000 trees in a piece of land owned by the PNG in Sabah. Maoshan Wang Lulian, export more durian to China. Although this investment is sort of profitable, it should also pay attention to environmental protection issues.



The Pan-Asia Railway, which is led by China, also has certain problems in assessing the impact of the ecological environment.



04

What's
NEXT

Questions that worth to be analyzed for the next step

- In the process of implementing the “one Belt, one Road” project, how to establish a proper supervision system to make the project meet the requirements of the UN sustainable development?
- The actual impact of the reclamation of Country Garden Forest City on local fisheries.
- Overseas high-speed rail project that has been suspended: What should we do in the investment in “one Belt, one Road” project?
- Durian Project invested by Dianshi Investment: situation and impact on the ecological environment in the next 5 to 20 years

Methods we may use and difficulties we may have to overcome

- In the process of implementing the “one Belt, one Road” project, how to establish a proper supervision system to make the project meet the requirements of the UN sustainable development?

Methods	Literature reading, interviews, case studies, field surveys, legislative advice, law analysis, international comparison
Difficulties	<ul style="list-style-type: none"> ➤ The topic is too general ➤ May interrupt the interests of different groups

- The actual impact of the reclamation of Country Garden Forest City on local fisheries.

Methods	Literature reading, interviews, case studies, field surveys, data collection, data analysis, reporting methods
Difficulties	<ul style="list-style-type: none"> ➤ The actual situation and the expected situation are very different ➤ High dependence on field investigations

- Overseas high-speed rail project that has been suspended: What should we do in the investment in “one Belt, one Road” project?

Methods	Literature reading, interviews, field surveys, data collection, data analysis, modeling, law analysis, international comparison
Difficulties	<ul style="list-style-type: none"> ➤ The solution may not be easy to explore ➤ Policies could be changed very quickly ➤ Difficult to check whether the answer is right

- Durian Project invested by Dianshi Investment: situation and impact on the ecological environment in the next 5 to 20 years

Methods	Literature reading, interviews, case studies, field surveys, data collection, data analysis, predictive modeling, executive advice,
Difficulties	<ul style="list-style-type: none"> ➤ Very little relevant information on the Internet ➤ A totally new project that can be hard to find some bad effectives

Thank you!

Guangzhou, P. R. China
Sep 2018