Wednesday, Dec 18 2019

PUTRAJAYA, 17 DEC - The revival of the Bandar Malaysia development project, following the "detoxification" exercise by the Pakatan Harapan government, is expected to generate economic impact on the country's urban development, said Finance Minister Lim Guan Eng.

He said that with an expected gross development value of RM140 billion over the next 20 years, this mixed-use, transited-oriented development in Kuala Lumpur would bring substantive economic value to the nation and create thousands of jobs, particularly in the construction, knowledge, entrepreneurial and technology sectors.

"The revival of the Bandar Malaysia project is due largely to the efforts of Prime Minister (Tun Dr Mahathir Mohamad).

"After the necessary detoxification exercise that has raised investors' confidence, Bandar Malaysia now offers more balanced and reasonable terms to the country," he said in his speech at the signing ceremony for the Bandar Malaysia development between TRX City Sdn Bhd and IWH-CREC Sdn Bhd (ICSB).

TRX City is wholly owned by Minister of Finance (Inc), while ICSB is a consortium comprising Iskandar Waterfront Holdings Sdn Bhd (IWH) and China Railway Engineering Corp (M) Sdn Bhd.

ICSB is acquiring a 60 per cent equity stake in Bandar Malaysia Sdn Bhd, the project's master developer, from its parent company TRX City.

Lim said subsequent to the signing of the framework agreement on April 25, the Cabinet approved the establishment of a Bandar Malaysia Development Advisory Committee under the Finance Ministry to renegotiate improved terms that ensured the project would truly benefit Malaysia and its people.

"Compared to the original agreement negotiated by the previous government, the new agreement which is being signed today and negotiated by the current government contains improved terms," he said.

Among the new terms are shortened staggered payment period from seven years to three years and a wider park and recreational area spanning 34.4 hectares compared with 19.7 hectares previously.

"In addition to the original deposit of RM741 million, ICSB will pay an additional RM500 million as an advanced payment and increase the number of affordable homes from 5,000 units to 10,000 units," he said.

Lim said the dividend from land sales also improved where it would be split 50:50 between the ICSB and TRX City.

He said the confidence of ICSB to re-invest in this project was also a result of the government's successful efforts to quarantine, rationalise and detoxify the project that had been marred by the 1MDB corruption scandal.

"Once completed, Bandar Malaysia will attract major multinational corporations (MNCs) and Fortune 500 companies to relocate their operations here. Alibaba and Huawei have already shown their interest in opening up their hubs here in Bandar Malaysia.

"This is in line with the government policy of attracting MNCs into Malaysia to invest in high-tech and high-value sectors, and to raise Malaysia's productivity and competitiveness amid a challenging global environment," he said.

Lim said the ministry, through TRX City, would continue to monitor to ensure compliance with the improved terms as well as the speedy completion of this landmark project.

Meanwhile, during the press conference, when asked on the incentive offered for the master developer, Lim said it had yet to be decided.

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