

Kg Baru project too costly to proceed, says PM

By AHIRUDIN ATTAN

DATUK Seri Dr Mahathir Mohamad said the Government has scrapped the proposed redevelopment of Kampung Baru in the heart of the federal capital because of the high cost of acquiring land gazetted for the project.

The cost to acquire 16.57 ha for the first phase of the redevelopment project had increased by 527.5 per cent to \$414.18 million, from the \$66 million estimated by the Government when it announced the plan early last year, the Prime Minister told the Dewan Rakyat.

He said he believes the costs for the project will increase further should landowners involved decide to seek higher compensation in court.

"If the Government has to pay too high for compensation, projects under the Kampung Baru development plan will be affected. Not many Malays can afford to buy or rent shops or buildings if prices become too high because the land is too expensive," he added.

Dr Mahathir was replying to a question by Encik Shahidan Kassim (BN-Arau) on the status of the proposed plan.

He said the Government had proposed the redevelopment of Kampung Baru because the area lagged far behind other areas in Kuala Lumpur. The Government had formed three committees to look into the plan.

But in view of the increase in costs to acquire the land, Dr Mahathir said, the Government had to drop the plan and direct City Hall, instead, to prepare a Kampung Baru Restructuring Plan, which will be known as the "Local Plan".

From now, landowners in Kampung Baru who undertake development projects on their land must adhere to the Local Plan, he said.

Dr Mahathir said landowners who do not have the capacity to undertake any development project may transfer their properties to government agencies or private sector firms on terms agreed upon between themselves.

To supplementary questions by Encik Ibrahim Ali (BN-Pasir Mas) and Dr Tan Seng Giaw (DAP-Kepong), the Prime Minister said the Government will not impose any restriction on individual landowners in Kampung Baru undertaking development projects, except that they must adhere to the Local Plan.

He added that under the relevant Act governing land acquisition for development projects, the Government is obliged to pay compensation based on land prices in the surrounding or neighbouring areas. Dr Mahathir said Kampung Baru is located within prime property areas, where land costs some \$1,000 a sq ft.

To an earlier question by Shahidan on a development plan for Kuala Lumpur, the

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Prime Minister said City Hall is preparing a long-term Perspective Plan for the Federal Capital for the next 30 to 50 years.

He said the plan will be based on City Hall's findings that Kuala Lumpur can accommodate a population of

3.5 million people, based on the fact that there are more than 8,094 ha of land in the city which can be developed or redeveloped.

On City Hall's plan to convert Jalan Sultan Ismail into a shopping street, Dr Mahathir said the success of the

plan will depend on the contribution and participation of the private sector, particularly developers who own land along the road.

"City Hall can only prepare a concept. It is up to the developers to ensure the success of the concept," he added.