

Kg Baru project

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By Tengku Shariffuddin

KUALA LUMPUR, Wed. — The Government has decided to drop its proposal to redevelop Kampung Baru here because of the high cost of acquiring land, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said the Government had initially estimated that the cost of acquiring 16.37 hectares of land, for the first phase of the project, would be \$66 million.

However, a subsequent study showed that the actual cost could escalate to an estimated \$414.18 million.

Dr Mahathir told the Dewan Rakyat that the cost of land could increase further if landowners took legal action to seek higher compensation.

"If the Government pays high compensation, the Kampung Baru development project will be affected.

"Not many Malays can afford to buy or rent shops and buildings if the prices or rates are too high because of high land cost," he said.

Dr Mahathir was replying to a question by Encik Shahidan Kassim (BN-Arau) who wanted to know about the Government's plan to redevelop Kampung Baru.

The Prime Minister said landowners in the area

could develop their properties but development must conform with the Kampung Baru Structure Plan to be drawn up by City Hall.

City Hall will ensure owners comply with this plan, which is part of the Kuala Lumpur Local Plan.

Landowners who refuse to or cannot develop their land according to the plan can sell it to Government agencies or the private sector.

"City Hall is preparing a perspective plan for Kuala Lumpur's long-term development as it feels the capital can accommodate 3.5 million people.

"This view is based on the fact that 8,000 hectares in Kuala Lumpur can be developed or redeveloped."

Replying to supplementary questions by Haji Ibrahim Ali (BN-Pasir Mas) and Dr Tan Seng Giaw (DAP-Kepong), Dr Mahathir said the law stated that the compensation for Malay reserve land acquired for development must be based on the price of neighbouring land.

"Kampung Baru is located near prime commercial areas and the price of the nearest land is \$1,000 per square foot.

"The Government cannot develop the land by applying the Land Acquisition Act," he said.

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No restrictions for landowners

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Dr Mahathir said the Government would not impose restrictions on Kampung Baru landowners who want to redevelop their land. However, they must abide by City Hall's structure plan.

The Prime Minister directed City Hall to draw up plans to develop Kampung Baru on Feb 16 last year during a visit to the area. He had wanted it to be developed to reflect its integral position as part of the federal capital.

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