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A symbol of South-South co-operation

MALAYSIA's master plan for the redevelopment of a railway depot in a township outside Santiago in Chile is a symbol of the success of South-South co-operation.

The project is a combination of Malaysian expertise in property development, civil engineering and contracting.

Chileans have been impressed with the kind of townships developed in Malaysia.

And they were excited when Prime Minister Datuk Seri Dr Mahathir Mohamad and Chilean President Eduardo Frei Ruiz-Tagle jointly inaugurated the new township in San Bernardo, 30km south of Santiago, last September.

Malaysian South-South Corporation (Chile) S.A. (Masscorp Chile) managing director Datuk Juan Caludio Ilharreborde said the US\$120 million (RM540 million) project is expected to prove popular with Santiago residents, seeking to escape the pressures of living in the city of six million.

He said redevelopment plans were being finalised on the drawing board.

"We're visualising a satellite city with parks," he said in an interview.

The intended area for development has been cleared and the target date for completion is six years.

Malaysian South-South Corporation Bhd (Masscorp) became a public limited company in 1994 and is Dr Mahathir's brainchild.

The Chilean Government had awarded Consorcio Sur-Sur (South-South Consortium), a privatisation contract to redevelop San Bernardo's old railway depot including the refurbishment of old buildings.

Masscorp's associate company Masscorp Chile is a shareholder in Consorcio Sur-Sur.

"It is a 65 per cent South-South investment while the local train company EFE (the State Railway Corporation) makes up the rest," Ilharreborde said.

The other shareholders of Consorcio Sur-Sur are IJM Corporation Bhd and the Landpac Group from Malaysia, and Besalco S.A and Armendaritz from Chile.

The project entails a development comprising 4,000 residential units, theme park, shopping mall, railway museum, sports complex and a technical training school.

The existing old buildings at the core of the railway depot will be preserved as part of Chile's cultural heritage.

The residential units at the project are aimed at the middle income group as these houses measuring between 60 and 85 square metres each, cost US\$30,000 a unit.

San Bernardo is a 15-minute train ride south of Santiago.

The three reinforced concrete buildings which are being developed into a shopping complex, supermarket and theme park, were a centre of activity in the earlier decades of this century.

By the end of 1995, the State Railways Corporation put out to tender the construction of a real estate project to be developed on the 47-hectare site of the San Bernardo Machine Shop.

In July last year, the project submitted by the Empresa Desarrollo Inmobiliario de San Bernardo S.A was awarded the tender which proposed the construction of a huge housing estate.

On Masscorp Chile's other investments, Ilharreborde said the company has

a 30 per cent investment through its associate company, Masscorp Chile Sdn Bhd, in a leather tannery in Buenos Aires in Argentina known as Cidec S.A.

The tannery is said to be one of the largest in the world under one roof and supplies top quality leather to the world market.

The factory has an annual turnover in excess of US\$50 million.

Masscorp Chile together with the Landpac Group and its Chilean partner, Baltran Ilharreborde S.A hold a 55 per cent equity in the leather tannery.

This represents the first tripartite venture between Argentina, Chile and Malaysia.

In conjunction with the G15 summit held in Buenos Aires in November 1995, President Carlos Menem of Argentina, President Frei of Chile and Dr Mahathir jointly signed a declaration on the three countries' investment in the leather tannery.

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