

08/11/2000

Putrajaya deal signed (HL)

KUALA LUMPUR, Tues. - Selangor will receive RM200 million cash besides RM7.5 million a year for an indefinite period from the Federal Government following the signing of an agreement making the 4,931ha Putrajaya a Federal Territory.

The agreement was signed by the Yang di-Pertuan Agong Sultan Salahuddin Abdul Aziz Shah for the Federal Government while the Regent of Selangor Raja Idris Shah signed for the State.

Prime Minister Datuk Seri Dr Mahathir Mohamad witnessed the signing for the Federal Government, and Menteri Besar Datuk Dr Mohamed Khir Toyo for Selangor.

The signing ceremony was held at Istana Negara today.

The agreement would come into force on a date to be decided later upon obtaining consent of the Conference of Rulers, and upon passage of the related Bill by the Selangor State Legislative Assembly and Parliament, the Prime Minister's Department said in a statement.

Under the agreement, the Federal Government will hand over to Selangor 10.16ha of Federal-owned land in Morib and increase the number of Selangor representatives in the Putrajaya Corporation Board of Directors to two from one at present.

The agreement provides for the Federal Government to fund development projects in villages fringing Putrajaya, the new Federal administrative capital, and Cyberjaya, the country's intelligent city, under the Eighth Malaysia Plan, costing RM800 million.

Unspent quantum of the RM800 million allocation would be carried forward to the Ninth Plan, the statement added.

The idea to build Putrajaya as Malaysia's Federal administrative centre away from Kuala Lumpur was mooted by Dr Mahathir.

The Cabinet in June, 1993, approved Prang Besar, at that time comprising mainly rubber and oil palm plantations, as the site.

Construction began in mid-1996 and the first departments including the Prime Minister's office moved to Putrajaya in 1998.

Phase One comprised, among others, the Prime Minister's office, the Prime Minister's Department, Taman Wetlands and the Lake, Masjid Putra and Dataran Putra.

Phase Two will include the remaining government and institutional buildings, commercial and residential areas and other infrastructure works.

The developer of Putrajaya is Putrajaya Holdings Sdn Bhd, which was set up in 1995. It is owned by Petronas (40 per cent), the Government's investment arm Khazanah Nasional Bhd (40 per cent) and Kumpulan Wang Amanah Negara (20 per cent).

Putrajaya Corporation was set up a year later for the planning, management and administration of Putrajaya. It also exercises the function of a local authority.

(END)