

KTM land development charges to be settled in The Hague
Malaysiakini.com
September 20, 2010

Malaysia and Singapore have agreed to bring the outstanding issue on the development charges payable on Keretapi Tanah Melayu Berhad (KTMB) land in the city-state that will be jointly developed by both countries, to the international court for arbitration.

According to a joint statement issued after Malaysian Prime Minister Najib Abdul Razak met his Singapore counterpart Lee Hsien Loong at the Istana in Singapore today, both leaders agreed to settle the issue amicably through arbitration under the auspices of the Permanent Court of Arbitration.

NONEThe statement said both countries had different views relating to the charges payable on the three parcels of Points of Agreement (POA) land in Tanjong Pagar, Kranji and Woodlands.

The three parcels of land are expected to be developed by a 60-40 joint-venture company, M-S Pte Ltd, to be set up between Malaysia's Khazanah Nasional Berhad and Singapore's Temasek Holdings Ltd.

Najib and Lee had further agreed to accept the arbitration award as final and binding.

It is understood that the development charges, which applied to any business which wants to develop any land in Singapore, will be significant if the three parcels of land are going to be developed.

The contention now is that based on the POA entered into, by both countries in 1990, the clause on who should pay the development charges was not clear enough.

Singapore interpreted that the company should pay for the development charges but Malaysia said there should be no cost at all.

'Survive test of time'

However, Najib and Lee agreed that the arbitration would proceed on its own track, and should not affect the implementation of the POA and the other bilateral initiatives agreed upon, in their first meeting here on May 24, this year.

In that meeting, Malaysia agreed to move the KTMB Tanjong Pagar station to the Woodlands Train Checkpoint by July 1, next year, and the three parcels of land would be vested in M-S Pte Ltd for joint development and swapped with several pieces of land in Marina South and Ophir-Rochor.

NONESpeaking at a joint press conference later with Lee, Najib said the issue was not a major problem but it was important for they wanted an agreement (POA) that would survive the test of time.

Najib said they wanted to make it a legally and politically correct agreement that would be accepted by both peoples of Malaysia and Singapore and their future generations.

Najib said: "This agreement signifies the final chapter in the long-standing arrangement

which started 20 years ago.

"We both are delighted and as well as relieved in a sense that we can put this behind us and move forward."

The prime minister pointed out that Singapore and Lee had shown deep commitment in addressing the POA which was of mutual benefit to both sides, resulting in the old version of the POA further enhanced.

Rapid transit link

On June 22, this year, in follow-up talks with Najib in Putrajaya, Lee conveyed Singapore's offer on the land swap.

Following that meeting, Lee sent a revised land swap offer to Najib on June 28.

Najib accepted the offer on Sept 17, and Lee replied two days later, confirming his agreement in which the Singapore government should vest four land parcels in Marina South and two land parcels in Ophir-Rochor in M-S Pte Ltd, in lieu of the POA lands.

Both leaders said the discussion on the details of the implementation of the POA by the Joint Implementation Team would be concluded by this Dec 31.

They also reiterated their commitment to the matters set out in the May 24 meeting, including the 50-50 joint-venture company between Khazanah and Temasek to undertake the development of the iconic wellness township project in Iskandar Malaysia and the joint development of a rapid transit system link between Johor Bahru and Singapore.

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