

CANCELLED MAY 2017

CABINET REINSTATES BANDAR MALAYSIA

Project with gross development value of about RM140b revived with some changes, says PM

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THE government has decided to reinstate the Bandar Malaysia Project following the cabinet meeting on Wednesday.

Prime Minister Tun Dr Mahathir Mohamad said the project, with an expected gross development value (GDV) of RM140 billion, had been revived, with some adjustments to its original plan.

"When we conducted our investigation, we found that the company doing preliminary work on the Bandar Malaysia project was actually not a Chinese company. It was in fact a Malaysian company in which the Malaysian government holds a 40 per cent stake.

"The Chinese (company) only owned 24 per cent of that company. That is why we changed our stance to reinstate the project," Dr Mahathir, who is Parti Pribumi Bersatu Malaysia chairman, said at Yayasan Al-Bukhary near here yesterday.

The original master developer of the project was a consortium of Iskandar Waterfront Holdings Bhd and China Railway Engineer-

ing Corp Sdn Bhd (IWH-CREC).

Dr Mahathir said Bandar Malaysia would have a significant impact on Malaysia's economy and would serve as a global hub to further attract high-impact global finance, technology and entrepreneurial firms.

"It will draw major international financial institutions, multinational corporations (MNCs) and Fortune 500 companies to locate their regional headquarters in Bandar Malaysia.

"In addition, tech giants such as Alibaba and Huawei have also manifested interest to establish their ICT (information and communications technology) centres."

Asked on the new cost of the project, Dr Mahathir said the consortium was outlining the details.

He said when the government terminated IWH-CREC's contract, it had paid back about RM800 million in deposit to the consortium.

He said IWH-CREC would now have to make an advance payment of RM500 million in addition to the original deposit sum of RM741 million, to be paid within 60 days from the date the government officially reinstated the project.

He said the original plan would be changed to include 10,000 affordable housing units, a people's park, greater Bumiputera participation throughout the project and priority for the use of local content and materials.

On whether the project would house a terminal for the Kuala Lumpur-Singapore High Speed Rail, he said the rail project had been postponed for two years.

"If we do build the HSR (even-

tually), there will be sufficient room for the station.

"The contract (for the HSR) has not been given out."

Dr Mahathir said the East Coast Rail Link (ECRL) and Bandar Malaysia projects reflected the good long-term bilateral ties between Malaysia and China, which would be significant to the Belt and Road Initiative that Malaysia hoped to be able to tap into and exploit its multiplier effects.

The Prime Minister's Office yesterday announced that the Bandar Malaysia Project, terminated in May 2017, would be reinstated with some changes.

In an international open tender exercise participated by more than 40 world-renowned companies, including from Japan, Australia and the Middle East, the joint venture to take up 60 per cent of Bandar Malaysia Sdn Bhd was awarded to a consortium, IWH-CREC Sdn Bhd (ICSB).

"Like ECRL, the Bandar Malaysia project should be viewed within the larger context of fostering and cementing long-term bilateral relations between Malaysia and China, while ensuring that such projects add maximum economic value to the country," the statement read.

"It should be stressed that the principle of integrity, accountability and transparency will remain paramount at all times. No corruption or any form of shady deals will be tolerated. This approach will prevent leakages, questionable dealings and abuse of power and will translate into massive savings for the government."