

Bandar Malaysia to take off again

Govt resumes project in view of its impact on country's urban development

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KUALA LUMPUR: Fresh from announcing the resumption of the RM44bil East Coast Rail Link (ECRL) project, the government has announced that the stalled Bandar Malaysia project will be revived.

Prime Minister Tun Dr Mahathir Mohamad said the government had decided to go ahead with the project, which was previously shelved, given its impact on the economy.

"The project is expected to generate tremendous impact on urban development in Malaysia. It will draw major international financial institutions, multinational corporations and Fortune 500 companies.

"Like the 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," he said at a press conference at Yayasan Al-Bukhary near here yesterday.

The original developers of the Bandar Malaysia project, which is a consortium comprising Iskandar Waterfront Holdings Bhd and China Railway Engineering Corp Sdn Bhd (IWH-CREC), have 60 days to pay



Bigger picture:
Dr Mahathir answering questions from the media at Yayasan Al-Bukhary in Kuala Lumpur. — Bernama

the government the original deposit sum of RM741mil with an additional RM500mil.

The resumption of the project will also mean that the original plans of the development will be changed.

The massive Bandar Malaysia project, which occupies the former airport in Sungai Besi, will now include 10,000 affordable housing

units, a people's park, bumiputra participation throughout the project and the priority for the use of local content and materials.

Dr Mahathir said tech giants such as Alibaba and Huawei have also signalled their interest to set up their ICT centres there.

When asked if it would also house the terminus for the Kuala Lumpur-Singapore High Speed Rail (HSR)

project, he said, "we will keep that in mind. If we do build the HSR, there will be sufficient room for the station".

He said under the previous deal, Chinese company China Railway Engineering Corp will own only 24% of the project while the rest of the project will belong to Malaysia.

"Because of that, we have

changed our stance and will reinstate Bandar Malaysia to the company that won the bid," he said, adding that the agreement of the developers were "unfairly terminated" previously.

The Bandar Malaysia project was announced under the administration of former prime minister Datuk Seri Najib Razak in 2011 and had an estimated cumulative gross development value of RM200bil.

The 196ha integrated property development project was previously owned by the controversial 1Malaysia Development Bhd and was supposed to host the HSR terminus.

In December 2015, the Finance Ministry sold off a 60% stake in Bandar Malaysia for RM7.4bil to a consortium consisting of IWH-CREC.

Those companies were to be the project's master developer.

In May 2017, however, the government called off the deal to sell the stake to the consortium over the failure of purchasing parties to fulfil payment obligations.

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