

Najib honours Razak legacy with new RM26b KL financial district
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KUALA LUMPUR, July 30 — The prime minister unveiled the city's new financial district today — the Tun Razak Exchange or TRX — with a gross development value of RM26 billion that will offer a clutch of incentives such as 100 per cent income tax exemption, in a bid to transform the nation's capital into a regional financial hub and a top 20 global liveable city.

The exchange, named after the country's second prime minister and Datuk Seri Najib Razak's father, is the new name for the Kuala Lumpur International Financial District (KLFID) and is spearheaded by the wholly government-owned strategic development agency 1MDB.

1MDB said that more than RM3.5 billion worth of foreign direct investment (FDI) will flow in under phase one of TRX, which will be designed to be a world-class living and working environment.

The new district is located on 70 acres, off Jalan Tun Razak, and offers financial incentives and a pedestrian-friendly green environment in a bid to attract local and international talent to base themselves at the exchange.

Najib said TRX will help position KL as a nucleus of global talent, a centre for new technologies and a focal point for exchange of ideas and information.

"What began as an idea for KLFID has evolved into something larger and more inclusive," he said.

He added that it will become a "haven" for new investment and encompass world-leading international design and progressive planning tenets.

"Its buildings and infrastructure will conform to the highest levels of sustainability; pedestrians will be able to walk and play in green public areas; and it will have seamless links to public transport including the MRT," he said.

The prime minister said the government will conduct a comprehensive review of business regulations in support of TRX.

"Anything that contributes to future progress stays and anything that is outdated goes," he said.

While TRX has grand ambitions, it will, however, have to compete against established financial centres like Singapore's Raffles Place and its new Marina Bay financial centre, which enjoy a decades long head start and are already cemented as the region's financial hub.

TRX will also have to guard against being called a "property-play", which was one of the criticisms levelled for years against another of Malaysia's hub projects, the Multimedia Super Corridor.

To avoid being dismissed as just a real estate project, TRX will have to ensure that it is not just about buildings but more about the human resources it can attract and the type of innovative environment it can foster.

Najib, however, appeared committed to the project's triumph.

"The government will go out of its way to ensure that the exchange is a success," he said.

He noted that Malaysia also enjoyed an edge in Islamic finance, which has grown to become a RM1 trillion industry, of which Malaysia accounts for RM400 billion.

Najib said more incentives are in the pipeline in addition to those announced in last year's Budget, which included an income tax exemption of 100 per cent for 10 years.

He also said that a special task force led by Minister in the Prime Minister's Department Tan Sri Nor Mohamed Yakcop will be in charge of ensuring the co-operation of government machinery.

"We remain steadfast in our commitment to creating a large, vibrant and successful financial district in Kuala Lumpur," he said.

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