

RRI land tender out soon

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EPF working on the master plan for 926ha in Sungai Buloh

PETALING JAYA: The tender for the re-development of the 926ha out of the 1,215ha Rubber Research Institute (RRI) Malaysia land in Sungai Buloh, that is now controlled by Kwasa Land Sdn Bhd, is expected to be called by the third or fourth quarter of this year, sources said.

The new developments would give the RRI land a huge physical and economic boost that would lift the land value of the area.

Sources said the Employees Provident Fund (EPF) was now working on the master plan for the 926ha site so that it would be able to call for tenders for some parcels of the land as the entire development was supposed to take place over a 10 to 15-year period.

Sources said the parcels were likely to be broken down to between 100 acres and 500 acres and as the RRI land had attracted massive interest, sources believed the tenders were something property developers were waiting for.

The tenders were supposed to be out by June but because this development required considerable scrutiny and strategising, it might take a little longer.

Besides the development led by Kwasa, the original owner of the land, RRI, would remain at the same location.

It will get a new hub and under the agreement with Kwasa, RRI will retain 216ha.

It intends to build the most mod-

New chapter in RRIM land

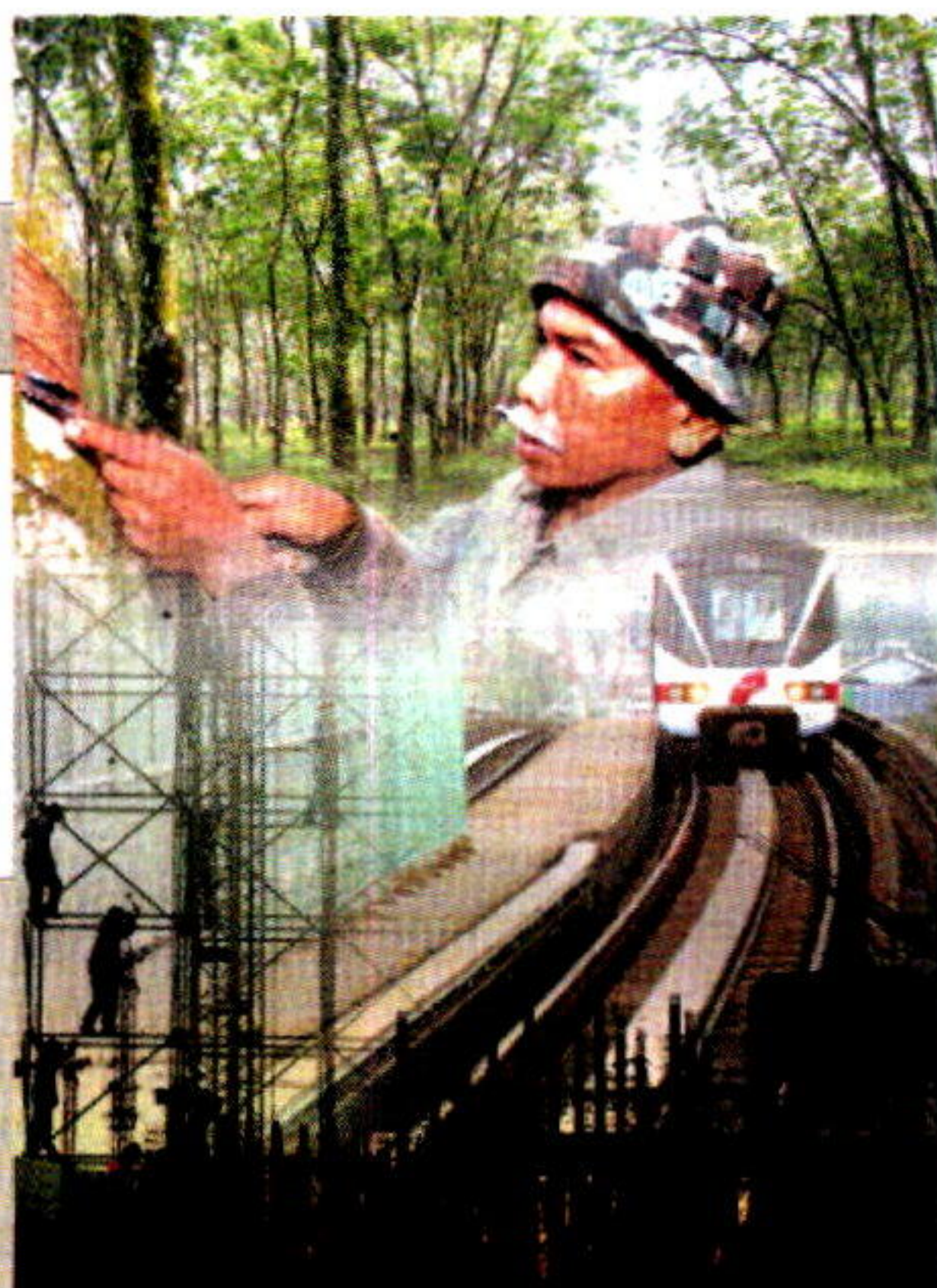
Land area:
About 1,215 ha
(3,000 acres)

Mass Rapid Transit depot:
180 acres

Salient features:

- Jalan Sungai Buloh - Shah Alam slices the land in half
- One portion comes under the Petaling Jaya City Council and the other is under the jurisdiction of the Shah Alam City Council

The redevelopment of the RRIM land is part of the Greater Kuala Lumpur Strategic Development Project initiative under the 10th Malaysia Plan



Source: RRIM

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ern research facilities including a museum, a commodity college, its headquarters and business clusters.

This will be funded by RRI from the proceeds of monetisation of the 1,215 ha that it had once owned.

In an interview with *StarBiz*, Malaysian Rubber Board (MRB) Director-General Datuk Dr Salmiah Ahmad declined to disclose the amount it would be getting for

monetising the 1,215ha to Kwasa.

She also declined to reveal how much it would cost MRB to develop the new facilities.

"The proceeds will be given in different portions (over a period of time).

"In addition to this, the Government will continue to fund MRB for its management and operations," she said. RRI is one of the three agencies that come under the



purview of MRB.

She also could not say when the first portion of funds will be disbursed by Kwasa to MRB.

However, she indicated that MRB must submit its master plan for development of the 216ha by this year to the Government.

She said EPF would pay for the land but the pension fund would be able to recoup much of this when it tenders out the remaining 926ha, or 76% of the 1,215ha.

Of the total land bank, 73ha was allocated for MRT Co to build the Sungai Buloh MRT depot. That portion of land is being cleared by the company currently for development.

The Sungai Buloh land is divided by the Jalan Sungai Buloh-Shah Alam highway which slices the 216ha in the middle.

The northern portion is under the authority of the Shah Alam City Council. It houses the RRIM research station and the MRT depot.

The southern portion comes under the Petaling Jaya City Council. Townships around the area include Kg Baru Sungai Buloh, Kg Sungai

Kedondong, Taman Subang Bestari, Tropicana Golf and Country Resort and Damansara Indah.

Salmiah said MRB would also be monetising other land bank where its facilities were located.

This included Menara Getah Asli which fronts the Petronas Twin Towers in Jalan Ampang, the RRI building in Jalan Ampang, and two others, one each in Jalan Stonor and Jalan Lidcol.

"MRB is blessed with some very strategic properties.

"(But) anything we need to do with these properties would be decided by the board and has to be approved by the Plantation Industries and Commodities Ministry. We also need to consult the Finance Ministry. It is really up to board to decide what it wishes to do with these assets and when it wants to do it.

"Our core activity is research and while we want to realise the value of our assets, (we have to do it systematically). We have to building our new premises before we can move out from our present offices that are located all over the Klang Valley," she said.

She added that whatever the plans might be for the 926ha was not going to affect MRB, however, being on that site itself, the MRB would have to be kept in the loop, especially those near the 216ha.

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MRB: Time is ripe for the rubber industry to move up to a new level

DIRECTOR-GENERAL of the the Malaysian Rubber Board (MRB) Datuk Dr Salmiah Ahmad (*pic*), talks to *StarBiz* about the rationale for the monetisation of the rubber research land in Sungai Buloh.

STARBIZ: How did monetisation of this asset come about?

Salmiah: As was stated in the 2010 Budget, the Government had decided to monetise the asset (the 1,215 ha of rubber research land in Sungai Buloh). The MRB, being a semi-government organisation, agreed to part with the land in order to help the Government. We signed an agreement on Aug 16, 2011 to sell the land through a special purpose vehicle.

In that agreement, MRB would retain 535 acres which includes two areas for germplasm. One is 79 acres and the other is five acres.

(A germplasm is a collection of genetic resources for an organism. For plants, the germplasm may be stored as a seed collection or, for trees, in a nursery. Most of these germplasm materials are now conserved at the Rubber Research Institute of Malaysia (RRIM), which is part of the MRB).

Why did MRB agree to monetise the land?

We feel that we have come to a new era in the rubber industry and



there is now a need for the industry to move up to a new level. We tend to think of the rubber industry as a poor man's crop.

In line with the aspiration of the Government to move Malaysia to become a high income society, the MRB, as custodian of the rubber

industry, would like to move the industry to a new level, as a high-value engineering product.

But in order to do that, we will need new facilities and the Government promised to continue to support MRB. This could be additional funding for the construction of

the new facilities on the 535 acres.

We intend to build five new facilities. We will be able to provide better services if we are centralised.

The five facilities will include a research centre, our headquarters, a commodity college, a museum and some business clusters.

The business clusters are something like an incubator centre. We want people to come in and test their products with the objective to commercialise it. The proceeds we receive from the Government (from the monetisation of the land) will be used to buy other land and do more upstream research.

Why is MRB selling this land?

Please do not use the word "sell". It is monetisation of assets.

This piece of land is of very high value. MRB will not get the equivalent value if we were to continue to do what we have been doing, that is plantation.

MRB have to realise its value. So we sell some of the land to realise its value. We cannot sustain a plantation within a forest of bricks and cement.

Therefore, it is better for MRB to use the money (from EPF) and to buy new land in order to do our research, which is our core activity. There will be other spin-offs.

What will MRB get in exchange

for this land?

We will get a fixed price for this land and we will continue to get our development and management funding from the Government.

Will development of the land take place concurrently with the construction of the five facilities?

We will have to synchronise our plans with Kwasa Land Sdn Bhd (a wholly-owned subsidiary of EPF) charged to lead the development of the land. We want to use the basic infrastructure for example, utilities. We also would like green lungs around the area.

There has to be some natural environment about the place. We want to work closely with Kwasa Land. It has presented its master plan to the Government but we have not prepared ours.

Are you excited by this development?

The facilities will stand the test of time. It will be good for MRB to be given the freedom and liberty on the 535 acres.

We are subject to certain procedures and sometimes these procedures can be inhibitive. We want to be creative, innovative and progressive because we want to ensure that the rubber industry continues to be relevant when we reach high-income economy status.