

Melaka Gateway project goes back to developer

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MELAKA: The state government has handed back to the original developer a major coastal reclamation project that had been mired in legal disputes.

"We want an amicable solution," said industrial and investment committee chairman Datuk Seri Ab Rauf Yusoh.

He was referring to the Melaka Gateway, which is expected to generate RM15bil in revenue over the next six years.

It is a mixed development project consisting of three new islands, among others.

The state government, he said, would allow KAJ Development Sdn Bhd to continue with the project as planned.

"We have no problem with KAJ Development continuing with the development," he told reporters after visiting the project site at Pulau Melaka yesterday.

KAJ Development chief executive officer Datuk Michelle Ong was also present.

Ab Rauf said the developer had

pledged to complete the RM1.5bil Melaka International Cruise Terminal within 15 months.

A RM1.5bil theme park would also be completed by 2026.

"The project is expected to attract a nett investment totalling RM46bil, including foreign direct investments," he said.

In November 2020, KAJ Development's contract was terminated by the state government after it failed to complete the work by the given date.

In response, the company highlighted how it had spent close to a

decade planning and nurturing the project, which entailed the construction of three reclaimed islands, a deep-water port, a cruise terminal, and commercial and residential properties.

'In December of that year, KAJ Development filed a judicial review to challenge the termination of the land reclamation concession notice issued by the state government.

The company had stated in its suit then that it had submitted several written requests to extend the three-year land reclamation concession which began on Oct 4, 2017, to

no avail, with the notice of termination issued claiming the company failed to complete the project.

The project also went through uncertainties following a change in the Melaka government in 2018 when Pakatan Harapan came to power.

Disputes also emerged over the freehold land status given to the developer and environmental impact issues affecting residents of the historic Portuguese Settlement.

Last month, Bernama reported that the case would likely be resolved out of court.