

3.0 STATEMENT OF NEED

The economic growth rate for Melaka was recorded at 8.1% in 2017 which was more than the national Growth Domestic Product (GDP) of 5.9%. In line with the economic growth, demand for mixed developments in Melaka is expected to be robust, underpinned by new township developments. To meet the demand for sea front land for commercial and tourism development, the Melaka coastline has been extensively reclaimed in a belt from Tanjung Kling in the north to Kg. Portugis in the south of the city centre primarily around Melaka City and its northern fringes (up to Sg. Lereh).

The southern fringes of the city beyond Padang Temu, however, have not enjoyed a similar development scenario and remain largely rural. Thus, the communities have not seen the same level of economic development as in the north of Melaka City. Given the continuing demand for sea front land for tourism and commercial activity, it is inevitable that much of this would now have to be on the southern fringes of Melaka City. Demand for sea front land on the southern stretches of the Melaka City is expected to be driven by:

- The Melaka Gateway project, the southern-most fringe of which is only about 500 m from the project site.
- A 450-acre reclamation to be undertaken by PKNM which is less than 1 km south of the project site. Part of the reclamation is expected to be done for industry to support the Elkay Industrial Estate in Jasin.

The reclamation is expected to spur development areas in the southern fringes of the Melaka Tengah district, which is currently primarily rural. In addition to spurring the economy of the State, the proposed project is expected to generate more business opportunities which will enhance the economic value of the State and will benefit the local populace. The proposed project has been conceived to achieve the following objectives :-

- a) To provide a new additional land for the purpose of development;
- b) To create employment opportunities which will benefit the local populace;
- c) To generate higher income to the State.