

A Gallant move, south of Singapore

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SINGAPORE-LISTED Gallant Ventures is making another effort to add more buzz to its Bintan projects by announcing a slew of new investments, including infrastructure, worth some \$500 million.

This time around it's not only the well-heeled it's trying to draw to its pristine beaches, but also the middle-income investors. It has been talking to Singapore's Housing Development Board and National Trades Union Congress (NTUC) to try and get them to set up shop on the island, which is a third bigger than Singapore.

This would be to develop and sell lower-cost housing for profit.

Gallant announced that it has so far sold close to 300,000 sq m (about 300 hectares) of land on its 1,300 hectare Lagoi Bay Development for about \$45 million for a variety of resort, private residential and retail projects. The new investors range from property developers in the region to private developers looking to

ISLAND LIFE: Lagoi Beach Village, part of Gallant Ventures' Bintan project.



build their own dream homes. The company has a total land bank of 18,000 hectares – one third the size of Singapore – there.

And another three hotel groups – Alila Hotels and Resorts, which has a collection of exclusive resorts in Maldives, Bali, Thailand, Laos and Oman; the Ritz Carlton and Mandarin Oriental Hotels – have announced plans to establish their brands on the island.

"Lagoi Bay's spectacular shoreline, coupled with its growth potential arising from its strategic location from Singapore, makes it a natural choice for us when identifying the location for our next resort. With its well-maintained and comprehensive infrastructure and

secure environment, we are confident that our project in Bintan will be well-received," said Alila president and CEO Mark Edleson.

The existing resorts and golf courses in Bintan are reporting better crowds and occupancy levels. Annual visitor arrivals which slipped after Sept 11 in 2001 and the Bali bomb blasts the following year have now returned to the former level of about 340,000, and are expected to reach a million in 2012. Bintan is also riding on the success of Singapore in attracting tourists – the Republic is expecting over 17 million visitors by 2015 when its two integrated resorts are up and running.

The \$500-million infrastruc-

ture development plans include expenditure of \$150 million on the Lagoi Bay development, \$150 million on a new coal-fired power plant, \$100 million on a new airport next to the industrial park and another \$100 million on new high-speed ferries to cut the travelling time between Singapore and Bintan to less than 45 minutes from about an hour now, upgrading of the domestic and international ferry terminals, and a new education and training campus for Bintan's resorts and employees of its industrial park.

Taking a leaf from the success of Singapore's Sentosa Cove, Gallant is offering more bite-size plots ranging from 700 sq m to 2,000 sq m. Although land prices are 1 to 2 per cent of Sentosa's, total costs, including construction, will set one back about \$1 million.

But as former Singapore permanent secretary Tan Chin Nam noted: "I recently heard that a Russian paid \$21 million for a 700-sq-m plot at Sentosa. Here a similar plot costs only \$200,000 and it's less than an hour from Singapore."

Mr Tan is now a consultant to Indonesia's Salim group which owns

just over 50 per cent of Gallant.

The group's chief financial officer Choo Kok Kiong is well aware that Bintan's development depends on attracting not only the super-rich but also the middle class. He disclosed that plans are afoot to build several budget-class hotels and also more affordable housing to cater to those less well-off.

"So, we talked to the Housing Board and NTUC, and tried to get them interested in Bintan. We want to rival Phuket or Bali as the destination of choice for the beach tourist," Mr Choo said.

But Gallant is not only looking at Singaporeans to purchase its land, increasingly it has been enticing mainland Chinese, Indians and Russians. Another market it is eyeing is education. With Singapore's schools for expatriates having long waiting lists, Gallant thinks it could provide an alternative site for such institutions and is in discussions with several parties.

"The kids could go to boarding school in Bintan while the parents work in Singapore. And perhaps they could have a weekend home in Bintan as well," said Mr Choo.