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Interest grows on Indon's new capital



Indonesia's major publicly listed property developer PT Bumi Serpong Damai (BSD) plans to develop residential areas in East Kalimantan to capitalize on the relocation of the nation's capital to that province, the Jakarta Post reported.

The developer is a subsidiary of Indonesia's largest property player, Sinarmas Land.

The company, in a meeting in early September, said it owned more than 500 hectares of land near the site of the new capital city, split into 270 ha in Balikpapan and 245 ha in provincial capital Samarinda.

It planned to develop most of the land into residential areas, with the rest to be developed according to the government's needs for the new capital.

"We are currently preparing the [development] plan as well. Maybe in one to two years, we can launch it."

Indonesia's new capital is targeted for realisation in 2015. It will replace long-time capital Jakarta,

which is rapidly sinking due to extensive extraction of ground water. Much of the city has already sunken to below sea level.

The move to the East Kalimantan province, just a short flight south of Sabah, is being seen as offering a range of opportunities in cross border trade and other economic sectors such as tourism.