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DPW may consider Malaysian ports

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DUBAI — DP World may consider taking a stake in one of the Malaysian ports, including Port Klang, whose free zone once fully operational by the end of this year, will be managed by Jafza International — the international arm of Jebel Ali Free Zone, according to industry sources.

Chan Kong Choy, Malaysian Minister of Transport, who is currently visiting the UAE, yesterday declined to comment on that, but said that Malaysian ports are open for foreign investments.

He told Khaleej Times: "All major ports are owned by private sector in Malaysia although there is some foreign participation in some of them. Hutchinson has 30 per cent stake in Westports, while PTP has foreign participation of 30 per cent from Maersk-Sealand.

Foreign investors are most welcome to talk to our port operators. We have no restrictions for them in dealing with foreign operators."

However, G. Gnanalingam, executive chairman of Westports, told this paper: "We prefer to manage our ports by ourselves." He said that port fees in Malaysia were the cheapest in the world. Container terminal handling charges for 20-foot boxes currently stand at \$60, while for 40-foot it is \$90. Transshipment rate is \$36 for a 20-foot container and \$55 for a 40-foot container. Freight to the Middle East region is currently quoted at \$700, he said.

The Minister was in Dubai to speak at a seminar jointly organised by Jafza with Port Klang Free Zone (PKFZ) and Westports from Malaysia titled "Logistics Opportunities in Westports and PKFZ in Port Klang, Malaysia."

Trade between Malaysia and West Asia is on the upward trend. The country's trade with OIC countries has expanded significantly over the last decade, increasing by more than four fold from \$4.1 billion in 1995 to \$18.4 billion in 2005. During the same period, exports increased from \$2.8 billion to \$10.05 billion, while imports grew from \$1.3 billion to \$8.39 billion, he said during his presentation.

Exports to West Asia amounted to 1.65 billion Malaysian Ringgits in March this year, a surge of 51.7 per cent from 1.09 billion Malaysian Ringgits in February. All the markets in this region recorded increases in exports, with the UAE, Saudi Arabia, Turkey, Yemen and Iran registering the most significant growth.

He also said that PKFZ would be mirroring as closely as possible Jafza's incentives and privileges, adding that a plan formulating those policies will be submitted to the Prime Minister.

According to Noel Gulliver, managing director of PKFZ, some 10 per cent of land in PKFZ has been already booked by UAE-based companies, which are planning to invest in total \$200 million in the zone.

Developed in an area of 405 hectares within Port Klang, PKFZ is Malaysia's first fully integrated free commercial and industrial zone. Being adjacent to Westports and close to Kuala Lumpur International Airport (KLIA), investors in the free zone will be able to conveniently connect to sea or air transportation to or from any **destination** in the world.

Malaysia, as one of the biggest trading nations in the Muslim world, is widely recognised and acknowledged for its certification standard for Halal food. It also has a highly developed logistics network including ports, airports, rail and road connections, and is fast becoming a hub for Islamic financing as well.