

## Press Clipping

# 28 Logistics

Maritime

JAFZA will apply the same marketing technique and network in wooing investors to PKFZ - Chuck Heath

MONDAY 12 December 2005

# PKFZ to begin operations in June

BY K. RUKA

THE Port Klang Free Zone (PKFZ), modelled after the Dubai's thriving Jebel Ali Free Zone will accept clients to operate from its premises from June.

The PKFZ is expected to be Malaysia's first fully integrated free commercial and industrial zone and the pioneer Free Zone in the Asia Pacific to be designed and managed by JAFZA International, the consulting and management division of Jebel Ali Free Zone Authority (JAFZA) on a 15-year contract.

JAFZA International has over 20 years of experience in port and free zone management.

JAFZA international operations director Chuck Heath said the PKFZ would among others, offer investment opportunities for multinational companies, small and medium-size industries and distribution.

"It would also offer value-added and logistics services from a strategic location with a potential to reach a vast market covering the ASEAN countries and the regions beyond," he said.

Heath added that PKFZ would provide the same high standards of management, service, convenience, opportunity and support that were presently enjoyed in Dubai.

The PKFZ, owned by the Port Klang Authority (PKA), is in line with the government's objective of making Port Klang a regional distribution base as well as a trade and logistics centre.

The project is a mixed development comprising manufacturing activities complemented by facilities designed to facilitate the growth of regional distribution centres or inter-

national procurement centres.

Heath said covering 405 hectares, the PKFZ business complex would have within its premises, prepared industrial sites (open land), light industrial units (LIUs) for factories and warehouses and office space.

"The project is 74% completed overall and we are slightly ahead of schedule," Heath said.

Heath said while Jebel Ali Free Zone had only 50 companies after five years of operating, there were presently 5,000 companies from 120 countries.

Following this success, he said JAFZA International would apply the same marketing technique and network in wooing investors to PKFZ.

"There were enquiries on PKFZ from 57 companies in the Dubai Free Zone, of which 33 of them are in serious discussions with us," he said, adding that several of them are in the final stages of discussion.

He also disclosed that JAFZA was hoping to sign on a European multinational soon.

Heath said upon operation in June, close to about 2.3 million sq ft of PKFZ would already be occupied.

The PKFZ's open land offers 298.4 ha of prepared sites for long-term lease for heavy or medium industries where tenants could design and build their own.

Aside from this, light industrial units (LIUS) for factories and warehouses comprise 512 units at 5,487 sq ft each with a tenancy of one to three years.

The office space at PKFZ business complex has four blocks of eight storeys each, with full amenities and a flexible tenancy of one to three years.

Other facilities to make it a self-



The project is 74% completed overall and we are slightly ahead of schedule, says Heath



contained community include banks, post office, food court, parking complex as well as on-site customs and immigration facilities.

Heath said PKFZ had the trademarks of a successful Free Zone, namely

- Strategic location of being within the National Load Centre of Port Klang, right next to West Port

- Global links with international connections to 500 ports around the world

- Close to Kuala Lumpur International Airport and national highway networks

- Optimal environment to facilitate business and commerce
- Wide choice of built factories or

warehouses, office complex or open land in prepared industrial lots

- State-of-the-art infrastructure with electricity, water and broadband connections

- Wide choice of leasing options at competitive rates and tenure

- One-stop centre as a single window of contact to serve all customers

## JAFZA's 15-year contract to design and manage PKFZ

WORLD'S leading free zone operator JAFZA International, has 20 years of experience in port and free zone management, and has helped governments develop free zones in Morocco and Djibouti, East Africa.

It is the consulting and management division of the Jebel Ali Free Zone Authority (JAFZA), which has currently been offered a 15-year contract to design and manage the first Free Zone Asia Pacific- Port Klang Free Zone (PKFZ).

JAFZA international operations director Chuck Heath said the base of JAFZA's knowledge came from Dubai's Jebel Ali Free Zone.

Established in 1985, it is internationally recognised as the most successful and fastest growing free zone operation in the world, he said.

JAFZA International was created in 2000 to meet the requirements of

overseas governments or private investors seeking to establish a free trade zone, or any other type of Special Economic Zone, within their own territorial borders.

"We have over 20 years of experience in the development, management, administration, IT and logistical operations of free zones, as well as expertise in proven codes and procedures," he said.

Heath said requests by trade missions from emerging and developing markets to train their people to run free zones was what prompted the start of the international division.

"Setting up a free zone is time consuming. There are many things in Jebel Ali Free Zone that cannot be transferred here because of local legislations.

"Dubai is completely tax free but

here you have a tax environment. So we have to send teams that would understand what the international client requires," he said, adding that it took time to figure out how to adapt their system for the local needs.

Apart from the PKFZ, JAFZA International is also the manager and port owner of Free Zone in Djibouti and they have a 10-year management contract to develop the Free Zone in Tangier-Mediterranean, Morocco.

The organisation is currently evaluating 22 locations for Free Zones worldwide, prioritising them as resources are available.

The booming Jebel Ali Free Zone has close to 5,000 companies today, with the average growth of 1.74 new companies every day in a week.

JAFZA International takes on man-

agement contracts for nothing less than 10 years.

"We won't do a management contract for less than 10, primarily because 10 years is generally what it takes to get it globally recognised and it is the period taken for self sustainability," he said, adding that taking on the project for three years for example would not yield the expected results.

Heath also disclosed that JAFZA was embarking on a free zone information system next year, to enable easier information flow.

"Evaluating our information technology processes, we entered into a contract with Oracle to design a software to revolutionise the information system for free zones," he said, adding that the system would be eventually adaptable in all its global ventures.