

## Press Clipping

# Port Klang is in the Zone

**The soon-to-be opened Port Klang Free Zone, based on the Jebel Ali Free Zone in Dubai and recognised as the most successful free zone in the world, will boost Westports' volume growth. CHONG POOI KOON writes.**

WESTPORTS executive chairman Tan Sri G. Gnanalingam is optimistic that the group will gain from the soon-to-be opened Port Klang Free Zone (PKFZ), which will help Port Klang to double its volume growth from six million to 12 million TEUs in the next five years.

This is in line with the government's call for the growth of containers from 12 million TEUs to 18 million under the 9th Malaysian Plan.

The zone, a 405ha international cargo distribution and consolidation centre adjacent to Westports, will be fully operational by year-end.

Owned by Port Klang Authority, the free zone is modelled on Jebel Ali Free Zone in Dubai, recognised as the most successful free zone in the world and home to over 5,000 companies from over 120 countries.

PKFZ is managed and marketed by Jafza International, the manager of Jebel Ali Free Zone.

PKFZ is the government's second biggest investment in the port industry since 1990s and is developed as the country's first fully-integrated free commercial and industrial zone.

Transport Minister Dauk Sri Chan Kong Choy said during a roadshow in Dubai recently: "PKFZ will be the Jebel Ali Free Zone of Malaysia and Southeast Asia as it is the only one being designed and developed with the expertise of Jafza International."

He was leading a mission to Dubai earlier this month to promote logistic opportunities in Westports and PKFZ. The function was attended by over 400 shipping and maritime industry lead-

ers there, including Salma Hareb, chief executive officer of Jafza.

Other members of the mission included Gnanalingam, Port Klang Authority (PKA) chairman Dauk Yoo Pichan Hon, PKA general manager Datin Paduka O.C. Piang and PKFZ managing director Noel Gulliver William.

The aim of this mission was to attract investors, manufacturers and shipping liners to come to Port Klang and be a part of PKFZ as well as participate in Malaysia's halal initiatives in Port Klang and other parts of the country.

Abdullah Ahmad Badawi had committed to formulating policies to ensure the most competitive business environment existed for PKFZ, and this meant PKFZ would mirror the incentives and privileges of Jebel Ali as closely as possible.

The government recognised that the success of Jebel Ali Free Trade Area was due to the fact that it had autonomous power in all areas and aspects of operating the zone, including approvals concerning investors' business operations.

He said the government had agreed to explore the possibilities of replicat-

ing the system of the Jebel Ali One Stop Agency model for seamless trade facilitation.

Chan said: "If we have to relook at certain aspects of the service delivery system within the Government, we will do it. If we have to amend laws to realise this objective, we will make this happen."

"We are working in a whole new range of incentives and privileges to raise PKFZ to a level unseen before in Malaysia."

The government wants to simplify and speed up business procedures at the zone for a more efficient and seamless trade facilitation.

"Making a fast decision is vital," he said.

"If foreign investors want to come in and they have to go to one department, waiting for an approval for three months and then go to another department for two months, that is frustrating."

"Making a fast decision is one area we are looking at seriously."

"We want to make sure PKFZ will be a new free zone experience for investors, both local and foreign, and we will make sure the public delivery



(from left) Hareb, Chan and Gnanalingam want to raise PKFZ to a level unseen before in Malaysia.

mechanism lives up to these new expectations and standards.

He said as PKFZ was a project of national interest, it had been given top priority by the Government and Selangor Government.

He said the Government was exploring the possibility of creating a one-stop agency, replicating Jebel Ali's model, for seamless trade facilitation.

However, this did not mean that foreign companies coming to PKFZ could skip approvals from the Malaysian Industrial Development Authority for Foreign Investment Committee.

"PKFZ will not be identical to Jebel

Ali, but will be as closely as possible. Today, we have with us here officials from the company registrar office, MIDA, and Matrade. They have all been given a briefing and this information will be taken back to Malaysia and to the Prime Minister on how Jebel Ali is operated."

"We won't change things for the sake of changing. Some of our incentives for Foreign Direct Investment under MIDA, for example, are competitive and we will keep those."

PKFZ's William said PKFZ had promoted the area, having signed a Norwegian firm and putting over 40 others

on hold to deliberate on some issues. He said PKFZ was competing on localisation. "Company tax is not the real incentive here. It's the location that makes sense."

The zone aims to have 500 to 600 companies within seven to 10 years, creating 20,000 to 25,000 jobs.

Meanwhile, Jafza's Hareb said the company would sell PKFZ to its over 3,000 customers.

"The partnership with PKFZ completes our network around the globe. The customers trust us and we in turn trust our partner to take good care of the customers."