

Press Clipping

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BIZ FOCUS

RIGHT: The Port Klang Free Zone, to be officially opened in the first quarter of next year, is the only free zone in Malaysia that combines commercial and manufacturing facilities under one roof
FAR RIGHT: PKFZ's eight-storey office complex



PORT KLANG FREE ZONE

Global logistics hub in the making



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THE Port Klang Free Zone (PKFZ) is set to emulate the achievements of Dubai's Jebel Ali Free Zone, reputedly the world's most successful free zone.

Jafza International, which has been awarded a management contract to operate and market PKFZ, plans to make it South-East Asia's trading and logistics hub and is taking on multiple roles to make this happen.

Instead of being only the authority in the free zone, Jafza sees itself as its facility planner and manager, business facilitator, operations manager, security manager, supervisor and enforcer.

“At Jafza-run free zones we see our role very differently. All of the elements are brought together, and this way we control the activity, quality of business and the impact on local and regional economies,” said PKFZ managing director Noel Gulliver, an Australian logistics executive with 14 years' experience in Asia.

“That is really the way Jafza brings serious value to what it has done in the past,” Gulliver said.

Jafza will be managing PKFZ for 15 years for the Port Klang Authority which wholly owns it. The job is expected to be later handed over to locals.

PKFZ is a 400-hectare area adjacent to Westports and located near Northport. It is the only free zone in Malaysia that combines commercial and manufacturing facilities under one roof.

PKFZ had a soft launch early this month to mark the completion of phase one of the development with basic amenities like water and electricity in place.

The first major tenant is Norway's Aker Kvaerner, which makes subsea equipment used to pump oil and gas.

The investor chose PKFZ to be the home of its manufacturing centre after 18 years of operating in Malaysia.

“Malaysia's well-developed infrastructure and the support extended by the authorities for such high-technology developments in the country were other important factors,” Aker

Freight Forwarders Association president Tan Ah Beng said that PKFZ is a good beginning to boost activity at Port Klang.

He said the frequency of vessels in Port Klang makes it the perfect choice for such an integrated zone, as importers can ship out to various countries in one go.

“A general view on PKFZ is that it has to be successful, but how soon depends on the players,” Tan said.

The success of PKFZ as a global logistics centre will be dependent on both Westports and Northport terminals, as logistics connects mainly to sea transport and others such as rail and air.

For Northport and Westports, meanwhile, the PKFZ development will also help spur the growth of their own distribution parks or districts.

Westports executive chairman Tan

Carlson said recently.

PKFZ is targeting logistics companies to take up 50 per cent of available facilities, manufacturing 25 per cent, value-added activities 15 per cent and commercial activities 10 per cent.

The free zone is to officially open in the first quarter of next year. PKFZ is a strategic national project designed to generate cargo throughput for Port Klang.

“We plan to make the PKFZ an extension of our Northport District in the near future,” the spokesperson said.

He said Northport, PKFZ and Westports are important entities in Port Klang which have a role in ensuring the success of the port.

“Each entity to a certain extent will be inter-dependent,” the spokesperson said, adding that in creating a seamless environment within the free zone, the Government's support in taking away bureaucratic procedures is vital.

“Besides facilitating hassle-free documentation, there is also a need to facilitate easy and free flow of cargo and customer movements between PKFZ and the two terminals.”

PKFZ on its own will not be able to do it, not only due to lack of resources, but also the ability to execute the plans independently. The Government, therefore, has a key role to play in trade facilitation,” the spokesperson said.

Sri G. Ganalingam told Business Times that he hopes the PKFZ will emulate the Jebel Ali Free Zone which has around 3,500 enterprises.

A spokesperson from Northport also said it plans to capitalise on PKFZ by creating a seamless environment within Port Klang for the establishment of a cargo distribution hub by global logistics operators.

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INVESTMENT CATALYST

- Port Klang Free Zone operated by Jafza International
- A 400-hectare site adjacent to Westports and located near Northport
- Only free zone in Malaysia that combines commercial and manufacturing facilities under one roof
- First major tenant is Norway's Aker Kvaerner
- Targets logistics, manufacturing companies and aims to attract value-added and commercial activities
- To officially open in first quarter of 2007
- Strategic national project designed to generate cargo throughput for Port Klang