

Jafza quits managing Port Klang Free Zone

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IN A surprise move, Jafza International, the operator of Dubai's Jebel Ali Free Zone, has pulled out of a 15-year contract to manage the Port Klang Free Zone (PKFZ), citing a change in business strategy.

Jafza, in a statement yesterday, said it had given notice of termination to the Port Klang Free Zone Authority (PKFZA), the body in charge of PKFZ, 12 years short of its contract expiry.

PKFZ, a RM4 billion government initiative, is meant to be a magnet for foreign investments. It is touted as the first of its kind where investors can carry out manufacturing activities.

Free trade zones are special areas where investors are normally given

incentives such as tax breaks and undergo less red tape.

Jafza said it is now mainly interested in free zone projects in which it can retain operational control as an equity stakeholder.

PKFZ held a soft launch in November last year. An official opening was expected to be held in the first quarter of this year, but this has since been delayed.

On Tuesday, Port Klang Authority (PKA) general manager Datin O. C. Phang said the arrangement between PKA, the regulator of PKFZ, and Jafza had not changed.

This was despite the departure of Jafza representative Noel Gulliver in April, who was called back to take care of Jafza's interests elsewhere.

Sources close to the matter told >> **SEE PAGE 47, COL. 1**

CHRONOLOGY OF EVENTS

- **July 3 2004:** Inauguration of Port Klang Free Zone
- **October 2004:** Port Klang Free Zone signs management concession agreement with Jafza International
- **June 13 2006:** Port Klang Free Zone signs on first tenant, Aker Kvaerner
- **November 1 2006:** Port Klang Free Zone soft launch
- **April 2007:** Noel Gulliver vacates managing director position at Port Klang Free Zone
- **July 18 2007:** Jafza International terminates management concession agreement with Port Klang Free Zone

