

## Press Clipping

Port Klang Free Zone

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# Port Klang Free Zone in talks with 55 firms

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PORT Klang Free Zone (PKFZ) is in talks with 55 companies that are interested in operating at its free zone area in Pulau Indah, involving investments worth RM610 million, Transport Minister Datuk Seri Chan Kong Choy says.

He said most of the negotiations are close to being finalised with four companies expected to start operations within the next two months, while the rest are expected to come in some time in early 2008.

"The new investments at PKFZ will be able to create 20,000 new jobs for both locals and foreigners," he said.

Speaking to reporters after officiating at the Seventh World Free Zone Convention in Kuala Lumpur yesterday, Chan said 35 companies have started operations at the RM4.6 billion free zone with total investments of RM725.29 million, creating 850 jobs in the process.

A total of 890 million twenty-foot-equivalent unit containers

were handled by the port as of October 31 2007.

PKFZ aims to have an 80 per cent occupancy rate, equivalent to housing between 650 and 700 companies, by 2012.

"We have so far invested up to RM2.9 billion in infrastructure and hope to conclude everything by next year," he said.

Earlier, Chan said in his speech that developments in the world trade environment have continued to impose increasing pressure on ports to respond to the demand

of business.

"As competition intensifies and to add value to port facilities, port operators have to continually focus not only on achieving cost reduction for shippers and providing value-added services, but also to facilitate smooth intermodal movement of goods," he said.

On the other end, Chan said, manufacturing firms are taking greater interest in managing the total supply chain from the multiple sourcing of raw materials to the production and the final distribution of the finished products.

"They are establishing regional logistics and distribution centres,

especially around the ports, to improve their competitiveness by reducing inventory and raw material procurement costs and providing fast services and value-added logistics services," he said.

There are 10,489 free zones employing some 63.5 million people around the world.



FREE ZONE PLAYERS: Chan (second, right) greeting a foreign participant after opening the convention. Looking on is Mather (right). — Bernama picture

## KL, S'pore may sign air pact by end-November

MALAYSIA expects to sign a bilateral agreement with Singapore by the end of this month to allow budget airlines, AirAsia Bhd and Tiger Airways, to start flying between the two countries.

Transport Minister Datuk Seri Chan Kong Choy said an official proposal has been submitted to the Singapore government.

He said officials from both countries are scheduled to meet in Singapore by the middle

of this month to finalise details of the agreement.

Speaking to reporters at a press conference after officiating at the Seventh World Free Zone Convention in Kuala Lumpur yesterday, Chan expects the agreement to be sealed successfully. "It (the agreement) should be straight forward," he said.

On October 24, the Cabinet decided to allow AirAsia to ply the lucrative Kuala Lumpur-

Singapore route, with reciprocal services by a Singaporean budget airline.

AirAsia, Southeast Asia's largest budget airline, was reported last week as saying that they are ready to start flying the Kuala Lumpur-Singapore route once an agreement has been sealed.

At present, the route is serviced exclusively by Malaysia Airlines and Singapore Airlines 13 times daily. — By Azlan Abu Bakar