

## Press Clipping

Port Klang Free Zone

Publication: The Star - Colour  
StarMaritime, P. B28 (1 of 1)

Date: November 12, 2007

THE STAR, MONDAY 12 NOVEMBER 2007 **MARITIME** **B28**



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THE number of free zones in Asia is increasing at a rapid pace, according to World Free Zone Convention chairman Graham Mather.

"Asia's free zones have steadily gone up to about 1,000.

"The free zone boasts economic success as well as foreign direct investment and it has spread from Europe to Latin America, the United States, Africa, the Middle East and now Asia which is seeing enormous growth," he said at the 7th Annual World Free Zone Convention last week.

Mather said there were currently 10,489 free zones globally including export-processing zones, free ports, bonded warehouses, industrial parks and special economic zones, which employed some 61.5 million people, up 50% in four years.

"In India, 366 special economic zones (SEZ) have been approved in August and the SEZ Act 2005 has been set up for fast track approval to reduce bureaucracy and red tape.

"Last month, China announced that its State Council has approved plans for a fourth free trade port in Hynan province, with investment of US\$7bil by 2012," he said.

Mather said Gwadar Port in Pakistan was in its second phase of development alongside a special industrial zone carried out by the Singapore Port Authority.

"In Indonesia, its House of Representatives has recently agreed to enact a regulation on the establishment of free trade zones covering three islands in which all import duties, value added tax, luxury goods tax and excise duties will be eliminated," he added.

He noted that companies have started investing in a free trade zone at the South and North Korean border with more than 300 trucks crossing the demilitarised area daily.

"In Malaysia, the Port Klang Free Zone (PKFZ) has shown great progress securing over 35 investors in just nine months and targeting 80% occupancy in five years," he said, adding that there were also substantial free zone developments in Africa, Egypt, Turkey and Kosovo.

As far as Malaysia was concerned, Mather said the establishment of the PKFZ was a good decision and he was impressed by its rapid growth, organisational structure and excellent packages offered.

PKFZ provides a total of 400ha of land of

# Number of Asian free zones rising

They have gone up to about 1,000 in Asia



An aerial view of the Port Klang Free Zone. Inset is Datin Paduka O.C. Phang

which 250ha was prepared infrastructure land with facilities such as water, electricity, sewerage and broadband telecommunications.

It also offers industrial land from one acre onwards, 512 light industrial units, 500,000 sq ft of office space, a business-class hotel with 135 rooms and an exhibition centre.

PKFZ chairman Datin Paduka O.C. Phang is confident PKFZ would achieve the targeted 80% occupancy rate in five years.

She said to date, a total of 35 companies have taken up 12% of the total open land lots of 259ha, 4,155 of the 512 light industrial units and 1% of the 500,000 sq ft leased office blocks.

The 35 companies have invested about RM725mil in PKFZ.

"Based on what we have achieved in less than a year of operation, I am convinced PKFZ will hit its target within five years," she told StarBiz.

She said this was due to the options offered by PKFZ to existing customers to expand their operations within the free zone.

"Moreover, we are confident of landing another five major investors by year-end," she said.

Phang added that although there were about 37 free zones in Malaysia, PKFZ was unique as it offered an integrated commercial and industrial free zone.