

## PKA still in talks with MoF to restructure its PKFZ loan



Klang Authority, is still in talks with the Ministry of Finance to restructure repayment of RM3.8 billion loan to develop the Port Klang Free Zone.[NSTP/MOHD YUSNI ARIFFIN]

By **[Ooi Tee Ching](#)** - May 3, 2019 @ 7:46pm

PORT KLANG, Selangor: The Port Klang Authority (PKA) is still in talks with the Ministry of Finance (MoF) to restructure the repayment of a RM3.8 billion loan taken to develop the Port Klang Free Zone (PKFZ), said Transport Minister Anthony Loke.

"PKA is repaying MoF according to schedule. As of todate, PKA's reserves is healthy. It has close to RM400 million.

"As PKA repays, it is still in discussion with MoF on restructuring the loan repayment," Loke told reporters at the launch of C. Steinweg's Natural Resources & Commodities Hub in PKFZ today.

In 2013, PKA borrowed RM3.8 billion from MoF and promised to repay the loan over 19 years, starting from 2018.

Before PKA had even started to repay MoF, it restructured the loan. In 2017, the repayment amount was lowered and the duration of the loan was stretched to 29 years from 19 years.

Under the deal, PKA is scheduled to make an annual payment of principal plus interest of RM222 million.

The repayment is at an interest rate of 4 per cent per year — plus 2 per cent for any outstanding payment from the scheduled timeline.

PKA and PKFZ Sdn Bhd mainly generate revenue from the leasing of port facilities in the two ports — Westports and Northport — in Port Klang, as well as the Port Klang Free Zone.

PKA general manager K Subramaniam said the lease terms for Westports, Northport and the Port Klang Free Zone are revised every three years.

After the change of government in the 14th General Elections, Tan Sri Kong Cho Ha, a former Malaysian Chinese Association president and Transport Minister, resigned as PKA chairman.

Since then, that decision-making position is vacant.

When asked for an update, Loke said: "We'll make an announcement soon."

He added that the appointment was awaiting the Yang di-Pertuan Agong's assent.