

GOVERNMENT AND PKA LOOKING TO GROW PKFZ REVENUE

SHAH ALAM : Both the Government and Port Klang Authority (PKA) are looking to grow the revenue of Port Klang Free Trade Zone (PKFZ) with aims to settle its debts early.

Transport Minister Anthony Loke said the first challenge for PKFZ was to figure out how to utilise the land at a higher value.

"Currently, the revenue of PKFZ is still not at the satisfactory level because the federal government took a heavy loan to build PKFZ." The Government, via PKA, is repaying the debts and we want to increase the revenue of PKFZ (to support the loan repayment), " he said.

Though there are no revenue targets set for PKFZ, Loke said the government must yield some positive results before the end of the five-year term, to show the public that the government is able to deliver in all areas and industries.

"The performance (of PKFZ) must be increased, and that is why we hired a professional to be the chairman of PKFZ. The biggest issue for PKFZ is its RM3.8 bil loan, and that it is not achieving sustainable revenue levels to pay off the loan. "We will leave it to the professionals to run it.As far as the Transport Ministry is concerned, we will ensure that there will be no political interference in PKFZ's management and operations, " added Loke.

It was previously reported that PKA obtained the loan from Finance Ministry back in 2013 to develop PKFZ.

Apart from that, the Transport Ministry is working on streamlining and integrating its regulatory agencies like Royal Malaysian Customs Department, in order to provide better services and ensure a faster turnaround for ports like PKFZ.

"The government has to help in terms of facilitating and making the whole process easier and more efficient."

This is not just the efficiency of the ports in terms of clearance process and productivity, but also the the efficiencies of government agencies and all other regulatory agencies – they must be on par.

"If the port is efficient but the government agencies are not able to support that, then it will not be profitable, " said Loke.

Loke was speaking at launch ceremony of global container shipping company Ocean Network Express (ONE) main Malaysia office.

ONE was established on July 7, 2017, following the merger of three Japanese Shipping companies, Namely "K" Line, MOL and NYK.

Its operations will be performed through a fleet of 240 vessels, including 31 super – large ships, in a service network covering over 90 countries around the world.

ONE (Malaysia) Sdn Bhd managing director Justin Chuo said as a result of the integration, ONE's fleet size will be 1.44 million twenty-foot equivalent unit (TEU), making it sixth largest in the world, as of June last year.

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