

## MEDIA STATEMENT ON DIGITAL FREE TRADE ZONE

MEDIA STATEMENT BY  
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MINISTER OF TRANSPORT, MALAYSIA AND  
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ON DIGITAL FREE TRADE ZONE LAUNCHING

The launching of Digital Free Trade Zone (DFTZ) in KLIA Aeropolis by Prime Minister Y. A. B. Dato' Sri Mohd Najib bin Tun Abdul Razak and Alibaba Group founder and executive chairman Jack Ma on 22 Mac 2017 laid the foundation for Malaysia to serve as a regional e-fulfillment hub. The partnership approach in rolling out the initial phase before the end of 2017 by Alibaba Cainiao, Lazada and Pos Malaysia is an example of good cooperation between companies from China and Malaysia.

The initial outfit will be located on the 17.5ha site of the former Low-Cost Carrier Terminal (LCCT). It will have a centralised customs clearance, warehousing and e-fulfillment facility. It will later lead to the launch of Alibaba's regional e-fulfillment centre at the end of 2019.

Transport Minister and Chairman of National Logistics Task Force Dato' Sri Liow Tiong Lai said this marked a new exciting phase and milestone for the implementation of Logistics and Trade Facilitation Masterplan 2015-2020. The implementation of e-commerce under the Masterplan has been brought forward from 2020 and beyond to 2017. This will boost the local e-Commerce sector as one of the main catalysts for the digital economy and increase gross domestic product (GDP) contribution.

DFTZ will be a regional logistics hub to cater for the e-commerce business. When DFTZ is fully developed by 2025, the e-fulfillment hub is anticipated to handle and move up to US\$65 billion worth of goods around the ASEAN region. It will facilitate cross-border movement of goods as well as ensure seamless air connectivity. It could deliver packages within 72 hours to ASEAN countries through the good air connectivity at KLIA and sea connectivity via Port Klang. Additionally, DFTZ is expected to create 60,000 jobs.