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Philip Morris explains why it picks Port Klang

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PHILIP Morris has chosen Port Klang as its transshipment and re-exportation centre for several reasons, the general manager of Philip Morris Malaysia Sdn Bhd, Mr Ricardo Cergneux, said.

The company has established its South-East Asia operations in Malaysia for "many good reasons, in particular, it has a diverse population along with an extremely progressive infrastructure programme," he told reporters after a signing ceremony of an agreement between Westport Distripark (M) Sdn Bhd and Philip Morris (Malaysia) Sdn Bhd in Shah Alam yesterday.

Westport Distripark, a modern and extensive logistics park located in Port Klang, will provide 15, 793 sq metres of warehousing space to Philip Morris for regional storage and distribution of tobacco.

The contract to provide warehousing and logistics services for six years, is worth about RM5 million yearly.

Benefits of using Westport Distripark include the exemption of goods such as tobacco from approved permit requirements as the distripark is located within a Free Commercial Zone.

As of April this year, all goods under schedule 2 and 3 of the Malaysian Customs Act - including imported vehicles and tobacco - are exempted from such requirements.

Westport Distripark clients now no longer need apply for the approved permits anymore.

Cergneux said this has considerably hastened cargo movements as it allows cargo to move directly into the distripark without approvals. Approvals are only required once the cargo is moved out of the distripark.

The distripark also offers Philip Morris simple and swift documentation procedures, including fewer restrictions on transshipment and re-exportation.

Philip Morris Malaysia has established the corporation's main facility in the Asian region. The factory facility is located in Seremban and is designed to handle current and future export volumes along with its own growing domestic market requirements.

The facility will enable Philip Morris to further increase accessibility to its stock as a result of the just-in-time practice, which allows the company to customise their own delivery and retrieval schedule.

"We have worked hard to develop the facilities of the distripark so as to meet the needs of the most challenging businesses," said Enick Mirzan Mahathir, the group executive chairman of KPB.

"By providing complete logistics services, we can assist organisations such as Philip Morris in ensuring full customer satisfaction. This excellence in logistics services is measured in our ability to deliver goods to its final destination as timely, smoothly and cost-effectively as possible."

Mirzan, who signed on behalf of Westport Distripark, said the transaction was valued not only for its business relationship but also because "it establishes Westport Distripark as a service facility within Westport, which is a fast growing and well established port in Malaysia."

"The distripark is one example of infrastructure required for Westport and Port Klang to become a successful transshipment hub centre in this region, the other factors being the cost differential and its scope for expansion."

He added that it is imperative for Malaysia to have the necessary

infrastructure, especially in the area of logistics, to meet the demand stemming from growing international trade. Westport Distripark, he said, recognises the importance of providing the necessary facilities and logistics services in this region.

Asked if the company will be looking to sign up with other clients, Mirzan said: "We are working on a number of other contracts to fill up the warehouse space. It is something we are pursuing very vigorously."

Mirzan added that development on phase two and three of the distripark, catering to specialised logistics features such as dangerous cargo and vehicle refurbishment, will start next year.

Westport Distripark has a warehouse capacity of 670,000 sq ft. It consists of four warehouses, one of which is 70 per cent occupied and the other three, about 50 per cent occupied.

The park is 80 per cent owned by Konsortium Perkapalan Bhd, with Kelang Multi Terminal (KMT) Sdn Bhd holding the balance equity.

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