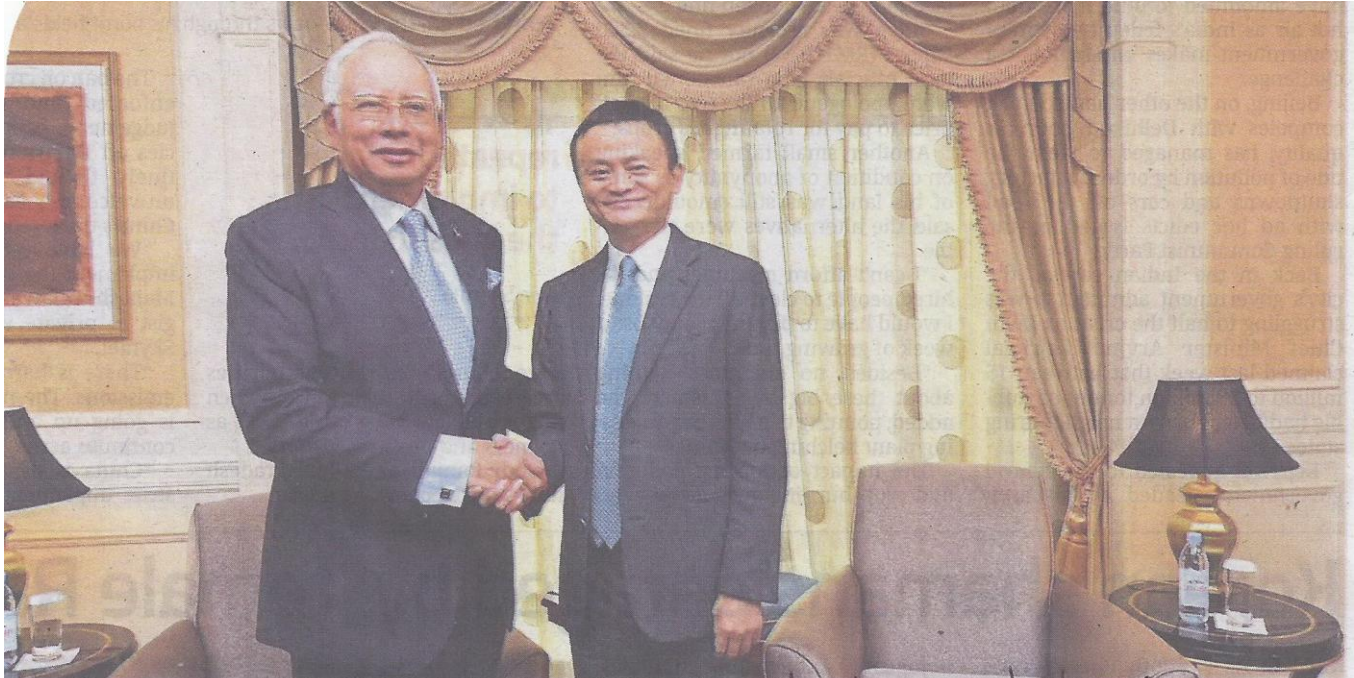


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## Digital free trade zone makes much sense

I MUST applaud Prime Minister Datuk Seri Najib Tun Razak for his initiative and foresight to introduce an e-free trade zone (e-FTZ) in the country which he will be launching in March next year. It will be the first in the world.

The proposed e-FTZ will be a boon for entrepreneurs, especially those who sell all or most of their products overseas online and the e-entrepreneurs who embrace the new digital economy and who mostly are in the SME category. Those who, like me, import raw materials to make our products will be able to realise lower production costs as we do not have to pay import duties, among others. This will reduce our overall costs and increase our profits.

At present, manufacturers who wish to enjoy that privilege need to locate their factories or assembly plants in FTZs throughout the country.

They can also locate their factories in seaports or airport compounds, which are normally "bonded", in bonded areas, in warehouses located in bonded areas, in inland clearance depots (ICD), or apply for LMW (Licensed Manufacturing Warehouse) status.

I hope the proposed new e-FTZ will offer us something new, better and one that is more convenient than what's available now.

It must be one that suits the new digital economy concept.

Some things that we e-entrepreneurs look for are low rental rates and land, facilities or buildings assigned as e-FTZ which are located near cities and commercial areas.

Not many may want to have their factories in e-FTZ areas which are too far away from the cities, like where most of the FTZs are now.

Areas designated as e-FTZs must also have complete infrastructure that will allow small, three-quarter tonne vans to very large 42-tonne container trucks to operate.

Of course, e-FTZs must also have uninterrupted high speed Internet connection and one must also be aware that selling online is a 24/7 affair.

The e-FTZ can be in multi-storey complexes or buildings where 40-foot containers, not just three-quarter-tonne vans, can have access to all levels to deliver or collect cargo. They need not be glass-walled buildings that look like another Trump signature tower but having state-of-the-art cutting edge technology is a must.

Excellent logistics support is very important for businesses in e-FTZ to function efficiently.

Customs clearing needs to be systematic, preferably fully computerised, and there must be ample space to avoid congestion and long waiting times for import and export activities.

There must also be enough car and vehicle parking space as an e-FTZ, when fully operational, is expected to be very busy and crowded.

The launching of the e-FTZ is timely especially for us and it makes a lot of sense for us e-entrepreneurs but we still have to wait for the details before deciding on our next move.

We look forward to the arrival of Ma Yun or Jack Ma as he is more popularly known, the founder and executive chairman of Alibaba Group and digital economic advisor to the Government of Malaysia, and Najib to launch the e-FTZ in March next year.

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