

PRESS RELEASE

IMPLEMENTATION OF NEW FREE STORAGE PERIOD IN PORT KLANG

In line with the aspirations of the government to improve the efficiency of port operations at Port Klang, Port Klang Authority will implement the decision to reduce the free storage period for FCL containers from 5 to 3 days **effective 1st January 2010**. The decision to implement was taken after several deferments since August 2007 following objections from industry players. Subsequent consultations with the various parties identified several possible areas that may hamper the implementation and improvement measures have been put in place. However, PKA has taken into consideration some of the concerns raised by the Port Users and has directed both terminals (Northport/Westports) to take the following actions in order to facilitate the Port Users:

- i. To calculate free storage period based on hours instead of days (3 days to 72 hours).
- ii. To waive the storage charges if delays are caused by Customs, Other Government Agencies (OGA), or terminal itself subject to proper/accurate declaration.
- iii. To maintain 5 days free storage period for shipments from the ports in ASEAN countries. This facility will be extended until 31/12/2010 by which time Importers should make all necessary arrangements with their counterparts at the load ports to comply with the revised free storage period.

Besides the abovementioned exemptions, Importers/Exporters who handle large volumes of shipments are urged to negotiate for better terms with the respective terminals including extended free storage period.

In facilitating smooth implementation of the revised free storage period, PKA will carry out a pilot run of the new system for three (3) months effective from 1st January 2010. However actual billing of storage charges during this period will be based on 5 free days of storage. During the pilot run, PKA will have frequent meetings with industry players and other relevant parties to rectify, resolve and improve any shortcomings in the delivery system.

PKA believes that the commitment of every party in the logistic chain is vital and essential in order to improve the efficiency of the delivery system and comply with the new requirements.