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PNSL aims to be region's major shipping company

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PNSL Holdings Bhd, the shipping arm of Konsortium Perkapalan Bhd, has set its sights on becoming a major shipping company in Asia.

Konsortium Perkapalan chairman Mirzan Mahathir said the orders for two 73,000 deadweight tonnes (dwt) Panamax bulk carriers by PNSL Bhd is the first step in a new phase of growth in fleet expansion to provide better services to its clients.

PNSL ordered the two ships from Hyundai Heavy Industries of South Korea at a cost of RM134 million yesterday. PNSL Bhd is the wholly-owned subsidiary of Konsortium Perkapalan.

Mirzan, in an interview with Business Times, said the two new vessels represent Konsortium Perkapalan's continued efforts to build up an effective shipping fleet in the region.

The PNSL group fleet comprises 58 modern, upgraded vessels with a combined capacity of 1.58 million dwt.

"The purchase is important to us and is a clear response to our national aspiration to develop a Malaysian Flag fleet capable of providing first class shipping services to Malaysian industry and the power generation companies," he said.

The two bulkers ordered by PNSL, which will be used to ship coal, will be upgraded from the standard shipyard specifications and delivered in June and August 1999.

Each carrier, with an overall length of 225 metres, has seven cargo holds and capacity (grains) of 86,000 cu m. The ships will be built at Hyundai's shipyard in Ulsan.

PNSL currently has a significant interest in the transportation of coal.

PNSL's long-term clients include Tenaga Nasional Bhd, Petronas and Malaysia LNG Sdn Bhd.

Under the Seventh Malaysia Plan, the total Malaysian merchant fleet is expected to increase from 600 ships totalling 3.9 million dwt to some 900 vessels with a total seven million dwt by the year 2000.

For 1996 and 1997, however, the total Malaysian merchant fleet reached 885 ships, an indication of accelerated growth which augurs well for the shipping industry as a whole.

"PNSL is certainly poised to play a major role in this industry as the company is strengthened by the synergy offered by Konsortium at the group level," Mirzan said.

Konsortium Perkapalan, which is gearing itself as one of the region's total logistics solution provider, is listed on the main board of the Kuala Lumpur Stock Exchange.

It has two shipping units, PNSL Bhd and Pacific Basin Group, which it acquired in 1995 and 1996 respectively.

PNSL's core business is shipowning, chartering and shipmanagement.

Mirzan said Konsortium Perkapalan has secured the approval of the Securities Commission for the consolidation of its shipping interest into its subsidiary Diperdana Corp Bhd.

"We intend to change the name of our shipping arm to PNSL Holdings Bhd."

Commenting on PNSL's role in providing another link in the total logistics concept development of Konsortium Perkapalan as a logistic provider, Mirzan said there are thrilling times ahead.

"The realisation of Konsortium Perkapalan's shipping interest into a regional significant shipowners company affirms our commitment to provide

total logistics and infrastructure for our clients," he said.

A significant number of PNSL's vessels are under long-term contracts ranging from 15 years to 20 years, thus ensuring meaningful growth and sustainable earnings for the company, Mirzan said.

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