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Towards an efficient port system

SO PORT Klang is the most popular port in Malaysia, according to a poll by Bank Negara. The Survey of the Manufacturing Companies 1996 involved 332 companies in 17 manufacturing sub-sectors, including include foreign-owned manufacturing entities in transport equipment, electronics, textile, and chemical products industries. It found that 58 per cent of the respondents preferred to export through Port Klang due to its location. Some 39 per cent of the respondents said they used Port Klang as the sole port. The Penang Port was the second most popular, with 32 per cent of the respondents preferring it to other ports, including Port Klang.

While this is good news for the authorities of the country's premier port, other findings of the survey are not too encouraging. For example, about a quarter of the local manufacturers surveyed still preferred to use Singapore because it was more efficient. While the survey underlined that Singapore was popular mainly among manufacturing firms in the South, it is not a consolation at all for the Pasir Gudang port in Johor, which was ranked behind Singapore as the fourth most popular port in the survey. Another disturbing finding is that out of 206 firms, 45 per cent admitted using local ports as feeder ports. Two-thirds of those that used Port Klang as the sole port were in the Klang Valley, meaning that manufacturers outside the Klang Valley may have found it inconvenient to export via Port Klang. In contrast, companies as far as Penang and Selangor admitted using Singapore port to export their products. The survey even concluded that the reason for the high usage of local ports as feeder rather than sole ports was probably due to the shortcomings of the local ports.

The main shortcoming, based on feedback from the firms, is the slow turnaround time. Some 79 per cent of the respondents said so. With the just-in-time concept, fast clearance and delivery of goods has become an important factor influencing selection of ports and models of delivery. Other weaknesses include congestion at ports, manpower shortages at the port authorities, and higher costs compared with Singapore. The Customs Department and hauliers, which are part of the process in shipping out and importing goods, were also ticked off for inefficiency. Some respondents complained that the Malaysian Customs authorities had to take more than two days to clear goods when their counterparts in Singapore only needed one day.

The findings of the Bank Negara survey must be viewed very objectively by the local port authorities and the other parties involved, especially the hauliers and the Customs Department. While Port Klang and Penang Port are preferred ports, the fact that Singapore figured prominently in the list of preference by local manufacturers must convey the clear message that more efforts need to be undertaken to improve the appeal of local ports to locals. Local ports need to win over port users. The relevant authorities, particularly the Customs Department, need to join in these efforts.

There is so much the prime minister and his ministers, the media, and port authorities themselves could do to "sell" the services provided by the local ports to potential users. Sooner or later, those using the ports will discover for themselves if there are serious shortcomings. Their consignments would be late or held up at the ports and other checkpoints, and they will lose business and revenue because of these delays. When

Datuk Seri Dr Mahathir Mohamad was in Bahrain recently, businessmen complained to him that it was cheaper to ship via Singapore than Port Klang, and the Prime Minister said there was no reason why this should have been. The local ports will have to address these shortcomings more seriously and come up with regular progress reports to keep local manufacturers and other users updated. The Transport Ministry, through existing monitoring committees or by establishing a fresh one, should list out the shortcomings and ensure that they are attacked directly and overcome soonest. Certainly, nobody wants to see a Bank Negara survey in years to come where Singapore port will rank as the most popular port in Malaysia.

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