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LING-COOPERATION

COOPERATION MUST CONTINUE DESPITE ECONOMIC DIFFICULTIES

By: Leslean Arshad

SADAO (Southern Thailand), July 18 (Bernama) -- There should be continued economic cooperation between Malaysia and Thailand despite both countries presently facing financial difficulties, Transport Minister Datuk Seri Dr Ling Liong Sik here, today.

"Although we are now facing economic difficulties, this should not be an excuse for us not to continue with beneficial projects.

"Instead, it should spur us all to work even harder to put into place all the mechanisms so that when the turnaround comes we are in a better position," he said at the opening of KPB Sadao Inland Clearance Depot (ICD) Terminal.

The inland port, a venture between Konsortium Perkapalan Bhd and Thai investors, is the first public bonded storage facility in South Thailand and is one of the pioneer projects promoted by the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT).

Dr Ling said the economic situation should also spur both countries to strengthen regional trade in order to be more diversified and not to be too dependent on only a few markets.

"We have always believed that the IMT-GT cooperation will be private sector driven and the successful implementation of the Sadao ICD Terminal is a testament to the wisdom of this approach," he said and commended Konsortium Perkapalan and its Thai partners for their far-sightedness in seeing the potential of undertaking the project.

Dr Ling said the availability of the new ICD would further enhance the movement of cargo and trade between Malaysia and Thailand countries and it would also act as catalyst for the socio-economic development of the region.

Trade between both countries in 1997 totalled RM16.6 billion with Malaysia's exports to Thailand valued at RM7.9 billion and imports worth RM8.7 billion.

Dr Ling called on Malaysian companies to emulate Konsortium Perkapalan by beginning to think regional.

"I also hope more Thai companies will also think regional and consider Malaysia as the place to start their joint ventures," he said.

Meanwhile, Konsortium Perkapalan's group executive chairman, Mirzan Mahathir, said the KPB Sadao ICD Terminal provides alternative to traders from northern Malaysia and southern Thailand with an opportunity to enhance bilateral trades between them.

"The industries located in the northern states of Peninsular Malaysia states and provinces in southern Thailand can more easily integrate their operations as parts, components and products can move efficiently through this new facility," he said.

Located near the Malaysian-Thai border, Sadao ICD Terminal is well served by developed network of roads and rail to the major ports of entry and exit in Thailand and Malaysia. The facilities effectively linked Penang Port and Padang Besar in the south with Bangkok Port in the north.

Mirzan said based on Malaysia's experience, the concept of an inland clearance depot or inland port has proven to be beneficial for all parties, provided that it is strategically located and well managed.

The KP Sadao ICD Terminal provides facilities of a full fledged inland port with container depot, staging yard with lifting equipment for transferring containers between movers, and efficient customs clearance

operations in order to facilitate transfers between Thai and Malaysian trucks.

"The current traffic is estimated at 6,000 TEUs per month and is increasing while the estimated volume of trucks is 6,000 per month," he said.

Mirzan said since it provides a fast export route by road, the KPB Sadao ICD Terminal would serve as a viable and cost effective alternative for customers who require a longer lead time for stuffing and rail haulage.

He noted that export route by road from the terminal to Butterworth takes about three hours and eight hours to Port Klang.

"We envisage the Sadao ICD Terminal to pave the way for Thai exports to be routed through Pulau Pinang, which is the most developed port in the IMT-GT," he said.

Mirzan said the inland clearance depot and container freight station would also help the company to consolidate door-to-door haulage, which would pave the way for industrial and trade links as envisaged under the IMT-GT and Asean Free Trade Area (AFTA) schemes.

"This will be a factor for success in transforming the key economic sectors of both country to meet the challenges of the future," he added. --
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