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Govt bent on making P. Klang load centre

Kang Siew Li

LOCAL importers and exporters can continue to ship their goods through Singapore, provided there is no desired connectivity to the main lines calling at Port Klang, Transport Minister Datuk Seri Dr Ling Liong Sik said.

"Because of 'just-in-time' companies' contractual obligation to deliver their goods in time, sometimes they may have no alternative but to ship their goods through Singapore since the connectivity is not available yet in Port Klang," he said.

He was speaking to reporters at the half-day dialogue between representatives of shipping industry and government circles chaired by Prime Minister Datuk Seri Dr Mahathir Mohamad in Kuala Lumpur on Saturday.

"We (the Government) can agree on this since nobody is in the business of losing money and the connectivity demands that local importers and exporters concerned ship through Singapore port for the time-being - at least until we can bring the desired main lines to call at Port Klang," he said.

However, he urged representatives of shipping industry to help the Government identify local importers and exporters who are ignorant of the developments of ports in the country, and encourage them to use Port Klang.

"We particularly want to change the mindset of importers and exporters who still regard Malaysian ports as not efficient enough compared with other ports in the region," he added.

Up to today, he said there is still a lack of awareness among people in the shipping industry on the possibilities and capabilities of local ports.

Ling also said the Government is in favour of setting up a task force to oversee the problems faced by players of shipping industry in their effort to ship their goods through Port Klang.

"The proposed task force will comprise officials from the Transport and International Trade and Industry Ministries as well as other relevant bodies involved in the shipping industry," he said.

He was responding to a suggestion by the Associated Chinese Chambers of Commerce and Industry of Malaysia secretary-general, Tan Sri Soong Siew Hoong, who proposed the creation of a task force to deal with the problems associated with the use of Port Klang.

Ling also said the Government is currently looking into the setting up a national feeder company aimed at ensuring all cargoes meant for Malaysia are shipped through Port Klang rather than neighbouring ports.

He said a proposal will be presented to the respective terminal operators in the country soon in the hope of obtaining funds for the proposed company.

"The proposal will then be tabled to the Cabinet for approval," he added.

"We will decide on the structure of the proposed company later because firstly, we want to make sure all ports play a role since they will have their money invested in the proposed company," he said.

He added that at the moment, the number of local feeder operators in the country is still small, "but there is a lot of foreign feeder operators and they transhipped their cargo to Singapore".

Meanwhile, Fasas Freight Synergy Sdn Bhd chief executive officer Yee Poh

Tak told Business Times that he, acting on behalf of the SMI Association Malaysia, had proposed at Saturday's dialogue that the Royal Customs Department further rationalised the number of steps of clearance at the various entry seaports in Malaysia.

"While the Customs has rationalised many procedures and come up with the facilities of pre-clearance, it is not a secret that importation via the Johor Causeway is still generally faster and with less hassle.

"This could be due to the single stage clearance at the Johor Causeway compared with those at the seaport entry," he added.

Yee said Malaysia's Customs tariff classification is too complicated not only to the importers and exporters, but also to the officers concerned and that it was not feasible to refer every item to the central classification body.

"In view of the approaching 2003 Asean Free Trade Area and 2010 World Trade Organisation, we also proposed that the Customs tariff classification be simplified.

"This is so that grey areas are removed to avoid use of discretion in deciding duty or tax, reducing incident of tariff dispute resulting in a speedier clearance and a more transparent system of clearance," he added.

Yee said the SMI Association Malaysia will be presenting a total of five written proposals to Dr Ling soon with regards to the matter.

Also present was Malaysian International Chamber of Commerce and Industry deputy convenor of Infrastructure Committee, Mr Stewart Forbes, who proposed that the Government look at providing incentives such as tax exemption on cargo shipped directly through Port Klang to local importers and exporters.

"To date, we only see incentives given by the Government to main line operators and feeder operators to attract them to call at Port Klang.

"However, I am suggesting that perhaps the Government can consider giving incentives to local importers and exporters as well so that they are in favour of using Port Klang over other ports in the region," Forbes said.

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