

05/11/1998

Incentives to encourage use of Malaysian ports

KUALA LUMPUR, Wed. - Port users will be given incentives, similar to those given to port operators and freight forwarders, to encourage them to ship goods through Malaysian ports.

This was one of the four proposals which the Cabinet agreed to implement. The others are the setting up of a national feeder company, increasing the role of the Malaysian International Shipping Corporation Bhd and also the weekly airing on television of programmes on local ports.

Transport Minister Datuk Seri Dr Ling Liong Sik disclosed this today at a Press conference before his Ministry's weekly post-Cabinet meeting.

He said these proposals were suggested during a dialogue between Prime Minister Datuk Seri Dr Mahathir Mohamad and importers and exporters last Saturday.

On the passing of some benefits to local port users, Dr Ling said importers and exporters who used local ports had said they should also be given benefits enjoyed by port operators and forwarders.

"Following that, my Ministry officials will first study how much our country loses due to transshipment through Singapore. We can then determine how much we will gain if all this went through Port Klang instead.

"The money saved could then be distributed equally between the Government and the port users."

Dr Ling said it had not been decided in what form the benefit to users would actually be, but said that it could be in the form of discounts.

He said that port users today already benefited from using Malaysian ports as it was cheaper, due to the fact that tariffs here had not been changed for the past 35 years.

On the setting up of a national feeder company, Dr Ling said the various port operators nationwide would be equity holders in that company, thereby ensuring its success by giving them a stake.

"I believe that all the local ports will agree to finance and set up this company as it will only work to their benefit," he said, adding that the details of the setting up of the company would be discussed with them later.

Dr Ling said that the national feeder company would not compete with existing private feeder companies but rather complement them.

Asked when the company would be set up, Dr Ling said "it should have been yesterday", alluding to the urgency of the matter.

On whether the existing feeder companies would be allowed to join in the national feeder company, Dr Ling said everything was possible at the moment.

He said, however, it would be preferable that the ownership of the national feeder company be open only to port operators to keep the company size small.

Dr Ling said there could also be an option for MISC to expand its functions to include feedering.

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