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MASA-SHIPPING

MASA WANTS CONSULTATION ON NATIONAL FEEDER COMPANY

KUALA LUMPUR, Dec 10 (Bernama) -- Malaysian shipowners today urged the government to consider the views of industry players in the establishment of the National Feeder Company and Centralised Shipping Agency.

"We are sure that shipping associations will welcome the opportunity to put forward their suggestions to the Ministry of Transport on these matters," said Malaysian Shipowners' Association (MASA) chairman Mirzan Mahathir.

He said the interests of shareholders, particularly port operators who are keen in bringing more cargo to their ports, have to weigh against the interest of the proposed company to ensure that it will be viable.

Speaking to reporters, Mirzan said at this point in time, it is still unclear what the proposed company will do although MASA supports the idea in principle.

He said the associations to be invited for their views should include MASA, the Federation of Forwarding Agents, Port Klang Shipping Agencies Association, Container Hauliers Association of Malaysia and International Shipowners' Association of Malaysia.

He added that shippers' associations, namely the Federation of Malaysian Manufacturers, the Malaysian International Chambers of Commerce and Industry, and the National Chamber of Commerce and Industry of Malaysia, should also be invited for their suggestions.

The government cannot afford to ignore their valuable input to ensure the success of the new set-ups, he said after launching MASA's quarterly bulletin, the Ship Monitor.

Although MASA has a close relationship with the respective government bodies, Mirzan lamented that it is not always consulted on new issues by the government.

"There had been instances in which policies failed because they were drawn up without references being made to industry participants and were not practical due to a lack of understanding of the workings of the industry," he added.

On the prospects for the shipping industry, he said the expected recovery of the economy in 1999, with growth forecast at about 0.7-1.7 percent, bodes well for the shipping sector as it is dependent on trade.

He added that in 1998, the shipping industry, like other sectors, has not been spared the adverse effects of the economic slowdown, which has now spread globally.

Mirzan also said a decline in cargo volume has resulted in overcapacity leading to lower freight rates for the year while the US dollar-denominated ship operational costs have escalated due to the weak ringgit.

In addition, shipowners who are involved in cross trading and those who take overseas loans face problems in exchange and translation losses.

He said they are forced to review expansion plans due to the tight cash flow and some have sold off their vessels to cut costs while others are pooling their resources to be more efficient. -- BERNAMA

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