

05/11/1998

National feeder company plan gets Cabinet nod

Kang Siew Li

THE Cabinet has given the green light for the formation of a national feeder company to help bring local cargo currently feedered via Singapore back to Port Klang.

"The national feeder company will involve equity participation from all terminal operators in the country," Transport Minister Datuk Seri Dr Ling Liong Sik told reporters after the weekly Cabinet meeting yesterday.

At a half-day dialogue on October 31 between representatives of shipping industry and the government, which was chaired by Prime Minister Datuk Seri Dr Mahathir Mohamad, Dr Ling had announced government plans to set up such a company.

"The purpose is to bring cargo originating from secondary ports in Penang, Pasir Gudang, Kuantan, Kota Kinabalu, Kuching, Bintulu, Tawau and Kudat to main line vessels calling at Port Klang," he said yesterday.

In line with efforts to develop Port Klang as a load centre, regional ports such as Tanjung Priok, Belawan, Madras, Bombay, Chittagong and Yangon will also be served.

As such, the new company will complement rather than compete with the existing operators, Dr Ling said, adding that the objective is to build a strong feeder network which in turn will attract more main line operators (MLOs) to Port Klang.

Asked if the company's equity structure has been agreed upon, he said: "This is a national effort... we will discuss the issue at greater length with the terminal operators soon... on the company's structure, the number of ships needed, their size, whether to buy or charter, and other things."

The Government is also open to the participation of existing private feeder operators in the company, he said.

"We are not dogmatic about this, but we don't want the company to be too big either, because then it might become too difficult to operate," he said, adding that equity participation from the terminal operators will ensure that the company is properly managed.

Dr Ling also said the Cabinet has directed the ministry to meet with Malaysia International Shipping Corp Bhd (MISC) to explore ways for MISC to play a bigger role in ensuring that the Government's load centring policy succeeds.

This was in response to a separate suggestion made at last Saturday's dialogue.

At the same time, the ministry will soon conduct a study to determine the earnings forgone by the country as a result of local importers and exporters feedering their goods to Singapore port.

Based on the findings, specific efforts will be made to draw the cargo back to Port Klang.

"The money which we save will then be distributed... half to the Government and half to local importers and exporters in the form of incentives," Dr Ling said.

Dr Ling said this represents a follow-up on a proposal by Malaysian International Chamber of Commerce and Industry deputy convenor of Infrastructure Committee, Mr Stewart Forbes, at the dialogue.

Forbes had urged the Government to look also at providing incentives to local importers and exporters who ship their goods through Port Klang, instead of just to the MLOs and feeder operators.

"The Prime Minister had lauded the suggestion (by Forbes), saying that

it was a good idea," the minister added.

Meanwhile, the Cabinet has approved another proposal made at the dialogue, which is "that local electronic media carry weekly programmes on port activities".

"This is to increase the level of public awareness about on-going improvements at Malaysian ports, be it port operations, Customs procedures, immigration or haulage and freight forwarding services," he said.

(END)