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Port Klang will be promoted as the regional hub

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KUALA LUMPUR, Wed. - The Government will spearhead efforts to promote Port Klang as the region's premier shipping hub, Transport Minister Datuk Seri Dr Ling Liong Sik said today.

To realise this vision, Prime Minister Datuk Seri Dr Mahathir Mohamad would meet players from the shipping and related industries for a dialogue soon.

"We are only waiting to set the date for the dialogue," he said before chairing the Ministry's weekly post-Cabinet briefing today.

"All those involved in the industry should play a role in ensuring Port Klang's success, and this would further enhance the nation's economic growth."

Citing an example, the Minister said Rotterdam, one of the world's major ports, generated about 40 per cent of Netherlands' Gross Domestic Product.

Dr Ling said importers and exporters should be encouraged to use local ports, especially Port Klang.

"We have spoken to players in the industry and learnt that main line shipping operators would only call on a port if there was minimum sufficient cargo load," he said.

He added that lower costs, the ship's turn-around time and efficiency were other contributing factors.

"We have all this ... but the main requirement of a minimum cargo capacity."

In terms of costs, Port Klang has proven to be competitive and its facilities have improved tremendously in recent years.

"The potential is great as the catchment area for the shipping trade is vast."

Besides the potential from within the country, Dr Ling identified the potential shipping trade from Chittagong (Bangladesh), Madras and Bombay (India), and Pelawan and Tanjung Periok (Indonesia, on Straits of Malacca).

"In view of the great potential, we should encourage more shippers to use local ports," Dr Ling said.

A vibrant shipping industry in the country, he added, would have multiplier effects like banking, insurance and ship handling.

Dr Ling said prior to turning Port Klang into a growth area, transshipment containers were previously shipped from Penang to Singapore.

In 1994, there were no transshipment containers, 1995 (31,000 boxes), 1996 (146,000), 1997 (277,000) and for the first half of 1998 (217,000).

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