

21/07/1998

Sadao terminal set to be economic catalyst

Zuraimi Abdullah in Sadao, Thailand

KONSORTIUM Perkapalan Bhd's partly-owned Sadao ICD Terminal in southern Thailand is expected to be a catalyst for stronger industrial and trade links as envisaged under the Indonesia-Malaysia-Thailand Growth Triangle and Asean Free Trade Area schemes.

This is because of, among others, the terminal's strategic location and the convenience offered. The terminal is located 11km from Bukit Kayu Hitam in Kedah, 14km from Padang Besar in Perlis, and 40km from Haadyai in Thailand.

The full-service inland depot terminal, also known as an inland clearance depot terminal, was officially opened jointly by Transport Minister Datuk Seri Dr Ling Liong Sik and Thailand's President of the Parliament Wan Muhammad Noor Matha on Saturday.

The RM26-million terminal is owned and managed by KPB Sadao ICD Terminal Co Ltd, a 40:60 partnership capitalised at 60 million baht (RM6 million) between KPB and Malee Wanasook and her family.

The development includes a container depot capable of handling reefer containers, a warehouse and container freight station, as well as a "dangerous" cargo area and two weighbridges.

KPB group executive chairman Mirzan Mahathir said Sadao ICD Terminal, the fourth such depot terminal in Thailand, was one of the pioneer projects promoted by the IMT-GT Joint Business Council.

"The terminal will boost the regionalisation drive, thus opening up the markets and integrating the economies of Thailand and Malaysia, in particular.

"It will also boost bilateral trade in industrial components, food and consumer products.

"This will be a factor for success in transforming the key economic sectors in Thailand and Malaysia to meet future challenges and for healthy growth."

He noted that the IMT-GT - covering northern Sumatra in Indonesia, northern Malaysia and southern Thailand - had a population of 23 million, half of whom are living in the southern Thailand provinces of Yala, Songkhla, Narathiwat, Pattani and Satun.

Mirzan, who is KPB Sadao ICD Terminal vice-chairman, said Sadao ICD Terminal had the potential to become the major terminal in Thailand for imports and exports given its close proximity to major ports in Malaysia and Thailand.

Another crucial factor is the convenience provided by it as imports coming in by road from Malaysian and Singapore ports can be stored in transit or consolidated and ungrouped for transfer to bonded facilities elsewhere in Thailand.

"The terminal allows containers cleared at the facilities to be exported via Butterworth in Penang, and Port Klang, Selangor, quickly.

"Transit times by road to these are three and eight hours respectively. This presents viable alternative routes for shippers now experiencing long load time due to container stuffing and double-handling."

Mirzan said the terminal had experienced good business since operations began on June 19.

The current traffic was estimated at 6,000 twenty-foot equivalent units, and the volume of trucks was about 6,000 per month, he said, noting that KPB Sadao ICD Terminal expected to register a turnover of RM7 million this

year.

On expansion of the terminal, Mirzan said: "There is much room as the terminal's total area of 34 hectares is still not fully utilised."

Essential expansion would be done once present capacity could no longer cope with demand, he said, without elaborating.

Of KPB's operations, Mirzan said: "The company will remain committed to being market-driven, more specifically in terms of providing customers confidence towards sustained service standards and assured capacity for growth."

KPB is as concerned with the alignment of its services towards "assisting our clients meet their own business targets".

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