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Terminal operator looks ahead with optimism

WESTPORT, which turned five last month, had come a long way since it started operations with the call by the conventional vessel MV Zeno on Nov 2 1994.

Being one of the three private terminal operators in Port Klang, Westport had grown and attained in five years what other ports had achieved in 20 years, executive chairman Datuk G. Gnanalingam said.

In conjunction with the fifth anniversary, Gnanalingam credited much of the achievement to the terminal's ability to live up to its tag line of "Fastport, Flexiport and Zero Inflation."

For example, its container operations, which started in June 1996, was with the inaugural call by Maersk Colombo, which belonged to the world's largest shipping line, Maersk Sealand Group.

Westport has done well by itself. The effort put in by the port over the years is beginning to show.

Transport Minister Datuk Seri Dr Ling Liong Sik had himself ensured that the nation's newest gateway port would rise to meet national expectations.

In an earlier interview with Westport's inhouse publication, Dr Ling was quoted as saying that the plans for Westport were conceived because the other two ports in Port Klang, namely North Port and South Port, were both reaching the limit of their capacity.

He said Westport, as the main division of Port Klang, could cater for larger volumes of cargo throughput.

"As such, our plans to attract and concentrate more cargo at Port Klang is based on the fact that Westport has the capacity and can cater for this volume," the minister added.

In fact, within a span of five years, Westport has won the confidence of 12 main line operators and increased its weekly direct calls.

The Minister also pointed out that being the newest addition to Port Klang, Westport was naturally well-equipped with state-of-the-art equipment and facilities.

Indeed, Westport was working hard to realise its vision to be a transshipment hub and regional load centre and to provide effective and efficient customer services while containing its costs at the same time.

As an integral part of Port Klang, Westport was adamant to fulfil Prime Minister Datuk Seri Dr Mahathir Mohamad's belief that "Port Klang can do everything that Singapore does as it has all the necessary facilities to carry out activities found in Singapore."

While the terminal suffered a major setback in terms of earnings last year, which is mostly due to the economic crisis, things are looking up this year.

Gnanalingam, in a recent interview, expected the terminal to record its highest ever earnings this year on the back of the improved outlook of the economy.

The port is targeting revenues of RM236 million for the year, up from RM144 million in 1998.

Westport's revenues had grown steadily since it started operations in September 1994, but suffered its first decline last year as a result of the Asian economic crisis.

"The performance of container operations sustained a drop of 40 per cent for the first time since it started in 1995."

"This was due to a reduced cement and break bulk volume following a

cutback on construction, development and the general economic environment in the region," Gnanalingam said.

Westport, which recorded a profit in its first three years of operations, incurred a loss of RM32 million last year.

Westport stretched along a 6.6km coastline of Pulau Indah. Currently, there are 11 berths in operation, with a capacity standing at one million TEUs. There are four break bulk berths, two dry bulk berths, two liquid bulk terminals and three container berths.

Westport is one of the fastest growing transshipment hubs in Malaysia and the region. In the first year (July 1996-June 1997), transshipment traffic at Westport totalled 4,675 TEUs (20-foot equivalent units).

That number shot up to 65,960 TEUs between July 1997 and June 1998 and hit 331,050 TEUs in the period of July 1998-June 1999.

Westport handled 226,000 TEUs in transshipment traffic for the first seven months of this year compared with 66,833 TEUs in the same period last year.

This was a 238 per cent increase and accounted for 50 per cent of the total trans-shipment traffic at Port Klang.

Based on the forecast volume of 300,000 TEUs from transshipment traffic at Westport, added to the strong support of its 12 main line operators (MLOs), Westport expected the total container throughput to be more than 850,000 TEUs this year.

This was made possible by the additional services and vessel calls by MLOs such as Maersk-Sealand, Compagnie Maritime d'Affretement, Uniglory, Norasia and National Shipping Co of Saudi Arabia.

For the first seven months of this year, it handled a total container throughput of 441,704 TEUs (20-foot equivalent units), up 120 per cent over the 202,538 TEUs handled in the same period last year. This accounted for 33 per cent of Port Klang's total container throughput for this year.

In terms of percentage of container handled between the three terminals at Port Klang, which included the Klang Container Terminal Bhd and Klang Port Management Sdn Bhd, over the past five years, Westport market share had had increased from two per cent in 1996, seven per cent in 1997, 26 per cent last year and a projected market share of 34 per cent for 1999.

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