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## Budget 2001 - a boon for shipping industry

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MOST Malaysians had something to rejoice over the Budget 2001 as announced by the Finance Minister Tun Daim Zainuddin last Friday. The rakyat, from all social strata, applauded it as people's budget.

I must commend the Government in outlining a five-pronged strategy to stimulate the economic growth:

- \* identifying new growth sector;
- \* continuing fiscal and monetary policies to support the growth;
- \* strengthening national competitiveness;
- \* stimulating the nation's economic growth; and
- \* enhancing the quality of life for the rakyat.

The focus of the budget was to indentify the factors that would assist the growth of the nation's economy to a higher level in form of investments, consumption and services.

There was something in the Budget 2001 for the shipping and forwarding community too.

The good news for us, in the forwarding, haulage and shipping industry, is the exemption on import tax and sales duty on prime movers and trailers. This will give us a headstart as it helps to reduce our fleet purchase price substantially.

The 5 per cent service tax rationalisation to cover all forwarding agents and the abolishment of the RM150,000 threshold which we have been pushing for is good news for the industry.

This will help make the playing field level. The Malaysian shipowners can also look forward to an additional RM1 billion to shipping fund.

As I mentioned earlier, one of the key points largely practised by many countries in boosting their economies is to raise the domestic consumption level.

In order for people to spend more, goods have to be better "priced" and be more competitive. What does that mean? As far as the Association of Forwarding Agents Port Klang (AFAPK) is concerned, lowering the import tax will surely increase the consumption level.

Why are the local cars manufactured by Perusahaan Otomobil Nasional Bhd (such as Iswara, Satria and Wira) and Perusahaan Otomobil Kedua Sdn Bhd (such as Kancil, Kenari and Kembara) are selling so well? It is because their prices are reasonable and affordable for the average Malaysian.

The same goes for houses or apartments priced below RM100,000. I am sure the public still have money but are very cautious in buying or purchasing items.

It is not wrong to say that many quarters certainly hope that import duties on consumer items will be reduced whenever the Government tables the budget.

There is a chain reaction when import volume increases; the forwarders and other logistics players which include shipping agents, hauliers and liners will definitely benefit from the increase in demand and eventually Port Klang - our premier port in Malaysia - will also reap from the handling of more goods.

In saying that, we must understand that "no one economy in the world is perfect".

As pointed by Prime Minister Datuk Seri Dr Mahathir Mohamad, all Malaysians should have confidence in our country and help with the national economic recovery process.

On another note, I would encourage small forwarders to merge instead of being a local agent, forever. We have to start the process of being a Multimodal Transport Operator (MTO) before the Asean Framework Agreement is signed next year.

Once this agreement is in place, freight forwarders from neighbouring countries such as Thailand, the Philippines and Indonesia will start operating their businesses in Malaysia. Japan is one country the economy of which is big but it only has a handful of big forwarders and MTOs. Compare this with some 4,500 forwarding players and the size of our economy.

Banks and insurance companies have taken the initiative to merge and sooner or later we have to follow suit or find ourselves out of business. Of course, there are several issues that need to be addressed such as increasing the number of skilled and trained personnel in the forwarding industry.

This is where the association comes in by organising monthly seminars and courses to equip the next generation of forwarders with professional skills. Gone are the days when you can operate your business just locally. You need to equip your staff with knowledge in information technology to attract foreign business and help increase the turnover and profit for the company.

The association, together with the Selangor Customs Department and other authorities, will be setting up a "crisis centre" at Wisma Kastam Selangor. This centre will help all parties sort out their problems or difficulties when dealing with Customs procedures and at the same time help to improve efficiency and eradicate corruption.

As the president of AFAPK, I fully support the formation of this crisis centre which will open for 24 hours and 7 days. This is another commitment by the Customs Department in helping their clients and the public expedite with the clearance procedures in Port Klang.

I was told if no Customs officials can decide on an inquiry, they are free to contact the Selangor Customs chief, Datuk Wazir Muaz, himself. This is a very much welcomed gesture from Wazir and augurs well for the long-term relationship with all parties and will surely improve Malaysia's trade as a whole.