

14/03/2000

Challenges ahead for PTP

EVERYTHING needed to make Port of Tanjung Pelepas (PTP) a success seems to be in place. The Government has invested some RM700 million on road and rail services to support the port's infrastructure and accorded it a free zone status, exempting all activities within the port area from taxes and duties. It has also been given a licence to operate its own container haulage services.

Geographically, the port, which officially opened for business yesterday, lies in a most strategic position to challenge the even most established port in the region. As Prime Minister Datuk Seri Dr Mahathir Mohamad observes, "Generally, the port has no obstacles that could retard its growth."

But PTP is in an extremely competitive business where cut-throat means are often applied in order to get and stay ahead. Does it have what it takes to take on the others and establish itself as a major hub in the region, or the country? It has state-of-the-art infrastructure and the backing of the Government but success will not come overnight.

Strategic location and competitive rates will attract the liners and help PTP pinch some business from other ports in the region but they may not be enough to threaten their positions. Singapore, for example, is certainly aware of the competition that Malaysia's newest port could bring and has probably prepared counter measures to safeguard its position. The republic has the advantage of an international reputation and decades of lead time over the Johor port. PTP, as the new player, will have to do all the work to impress the international shipping community.

But before it even attempt to do that, it is important that PTP finds success in bringing back the cargo volume that has leaked out to Singapore for all these years. This has always been a problem to Malaysian ports and for many years these ports were clueless as to why local cargo from as far north as Penang would still be exported through Singapore. Some of the manufacturers and exporters use Port Klang as an feeder port for sending out or bringing in goods from Keppel Harbour.

There are various reasons - or excuses - for doing this, ranging from the local ports' inefficiency to the fact that Singapore boasts of a more comprehensive international shipping schedules. More recently the people operating the ports began to discover some other pertinent factors, including Singapore's free zone status and the strong support from banks in the republic with regards to payments and other credit matters.

However, with Port Klang, Penang Port and now PTP, Malaysia can quite confidently boast of an array of very modern and very efficient gateways for international as well as local manufacturers and traders. There is no reason for any shipment entering or leaving any point on the west coast of the peninsula not to pass through any of the three ports.

This can present Malaysia a formidable advantage, especially since the road, rail and air systems from the ports to any part of the country, and from Malaysia to Singapore, are excellent. But such a cooperation among the local ports does not yet exist and needs to be fostered.

It will be a great pity if PTP and Westport of Port Klang, for example, were to fight over the same small piece of cake instead of finding ways to reduce the share of their common rival in the region, which has not only been enjoying the chunk of the cake but the icing as well.

This will require a little effort on the part of the local players. As

the new kid on the block, PTP may want to take the initiative and invite the others to trash out issues affecting them and start a process whereby instead of competing, the local ports will complement one another for the larger interest of the nation.

It will require a lot of give and take, but the ideal situation is these Malaysian port operators operate as subsidiaries of Malaysia Inc and move as a unit to establish the country, not the individual ports, as a regional hub.

(END)