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Cham softens stand on entry of new players

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THE Container Hauliers Association of Malaysia (Cham) has softened its stand on the entry of the 15 new players by opening the membership door to these new hauliers.

In an about-turn to their strong stand against the Government's move to liberalise the container haulage market just four months ago, the five-member association at an extraordinary general meeting and 10th annual general meeting in Kuala Lumpur yesterday passed a resolution to amend the association's constitution to allow the entry of the 15 new hauliers as principal and associate members.

Cham president Mirzan Mahathir at a news conference later said the decision to open up the membership was to ensure that the association continue to represent the new players' interest.

"We have served the industry in the past very well and will continue to look at doing various things so that we can represent their interest," he explained.

"Cham believes the industry needs to liberalise in an orderly manner so that the Government's objective of raising the service standards and meeting market demand can be fulfilled," he pointed out.

In February this year, Cham came out with a strong statement pertaining to the Government's move to liberalise the industry for the second time when the impact of the first round liberalisation in October last year has not been settled.

The association, which groups Kontena Nasional Bhd, MISC Haulage Services, Konsortium Logistik Bhd, Diperdana and Multimodal Freight, had then said that the Cabinet's decision to open up the haulage industry was based on "faulty reasoning" and could lead to poor service and a waste of funds.

They said the "sudden addition" of 15 new hauliers will increase competition in terms of pricing to the detriment of service and runs counter to the consolidation taking place in other economic sectors.

"It is difficult to see the rationale of deciding on another eight hauliers when the result of the first round of liberalisation (the Government approved seven new players last October) has not been observed," it said.

At the news conference Mirzan later explained that Cham's earlier contention on the move to liberalise the industry.

"The problems that exist may continue to be there and in fact made worse with the intensive competition in this high capital-intensive industry," he pointed out.

"The question is by having so many players, can the service level improve or not?"

"That is more the issue rather than whether the industry should be liberalised or not, because if we go through this whole exercise (liberalisation) and that (service levels) did not improve, then it is a wasteful exercise," he said. Mirzan said the new hauliers can join the association as principal or associate members. Principal members can vote and hold office in the association.

The decision in having associate members is to accommodate some of the new players in regards to the principal membership and annual fee which amounts to RM20,000 (RM10,000 for membership fee and RM10,000 for annual fee).

Associate members pay half of the fee but are not allowed to hold office and vote.

In an immediate response to the move by Cham's gesture into its fold, Guguh Peremba Sdn Bhd executive director Ibrahim Ahmad said one of the new hauliers said his company welcomed the move. "It is a good intention and we see no reason of not joining Cham," he told Business Times.

"The 15 new container hauliers will not jeopardise the business of the big five, rather we will complement their services to cater mainly to the small and medium industries," he said.

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