

21/08/2000

Efforts to promote our ports bear fruit

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LAST Thursday, the Minister of Transport officiated at a ceremony to mark the maiden call of the vessel OOCL Malaysia, a new container ship owned by the Hong Kong-based Oriental Overseas Container Line. Many will recall that the event was held at the very same venue where just three-and-a-half years ago the Prime Minister Datuk Seri Dr Mahathir Mohamad was the guest of honour on board the OOCL California, the vessel of the same company that inaugurated the direct service to the North American West Coast.

It was therefore most fitting that the success of the service that was inaugurated in 1997 was cemented by OOCL naming their latest pride after Malaysia. The decision by OOCL, which was christened by Dr Ling's wife, to name her as patron will further strengthen the strong bond between the company and Malaysia. The Minister was visibly happy talking about how Port Klang has arrived and how we are enjoying the fruits of our past efforts.

Last Thursday's event readily brings back memories of our one and a half-decades of progress in promoting Malaysian ports to the world. I can vividly recall the first series of promotion efforts Klang Container Terminal (KCT) undertook soon after its privatization. It became clear to us then that apart from the concern towards Port Klang's operational capability, there was a real possibility that Port Klang's rather obscure identity in the world had been caused by lack of clarity in its efforts to move forward.

KCT's earliest destinations were the hub cities where decision-makers in shipping and cargo businesses are based. Included in these rounds were Rotterdam, London and Hamburg. The focus then moved to Bremen and Bremerhaven, then Antwerp and eventually Copenhagen where shipping giants like Maersk and the East Asiatic Company are based.

I used to joke about how we had to drop our heads and literally stare at our shoes when our initial contacts with customers told us that Port Klang is a pale shadow of Singapore. In fact in the London office of the then Trio Tonnage Centre we were shown photographs of heaps of metal on the wharf that was once a quay crane that was knocked down by a berthing ship. There were also pictures of the greasy-looking surface of the container yard, made so by the leaking oil from the earlier-generation straddle carriers.

As we saw some improvements in terms of awareness, we turned our attention to cargo owners and freight arrangers and managers. With the assistance of the Trade Commissioner based in the Malaysian embassy in Brussels, KCT put together a one-day seminar in Antwerp on opportunities and prospects that can be made available to shipping services that call at Port Klang. The large gathering of cargo owners, freight arrangers, shipping agents, etc turned out to be unclear in the knowledge about Malaysia as an economic unit. What was readily known was the fact that Malaysia was a former colony of Britain and not much more.

Nearer home, our rounds took us to Japan, Taiwan and Hong Kong. The Japanese hosts were clearly about what their shipping ventures can achieve in Malaysia, given the fact that Japanese manufacturers have already selected Malaysia as a base for their global manufacturing activities. So were the Hong Kong shipping lines. The efforts to woo US-based shipping lines took us to Seattle and San Francisco. What was clear from these visits was the fact that Malaysia was readily known as a source country

for imports.

Attempts to woo support of shipping services to and from the southerly regions of Australia and New Zealand produced only mild response. This was in part caused by the fact that sea-borne trade in this direction did not provide the crucial base load around which strong shipping services could be built. However, KCT management benefitted in other forms. Australia was definitely a good case study model for matters like transformation and reforms in port management, and dealing with issues of over-capacity in port investment arising out of excessive proliferation of ports.

The Indian sub-continent and the Bay of Bengal regions were also a key focus of our efforts. Madras, Calcutta and Chittagong have a long tradition of providing strong volume support for Singapore in the form of transshipment traffic. The arrangement has a very long history with many of the dominant players having been in business since the early part of the twentieth century. We were particularly interested in the arrangement in which trade for this region to and from Europe was being relayed via Singapore.

It was felt that if Port Klang, being at least a day's sailing nearer to the Bay region could get a breakthrough as a main-haul port of call for the domestic trade, then it could also double as a relay port for the transshipment activities related to cargo associated with the Bay of Bengal ports.

Accordingly, Port Klang also failed to gain acceptance as a potential relay port for national trade emanating from other ports of the country, like Penang and the ports of Sabah and Sarawak. What many did not anticipate was that this very down-side could become a winning point some years later. With the growth in the scale of national imports and exports driven primarily by industrial development, the volume of trade so generated succeeded in drawing support from the world's leading shipping lines.

With much pushing by all quarters, the Government, the port authority, the port operators, shipping companies and other players in international trade, Port Klang began to give meaning to the concept of load-centring for Malaysian cargo.

Followed closely behind was its success in becoming a transshipment port for the immediate neighbouring regions. Today, Port Klang has gone places in terms of developing itself as a relay port of considerable standing. It is a record of sorts that the port has risen from an obscure transshipment port handling less than 50,000 TEUs (20-foot equivalent units) of transshipment containers to become one credited with close to one million TEUs of such traffic in the span of just five years, a record not many other ports can claim.

Port Klang is certainly well-poised to further leverage on this creditable track record, in particular in the area of regional warehousing and distribution.

Alongside the breakthroughs achieved by Port Klang in its role as a national gateway port and relay port, there has also been positive developments in terms of the land-bridge involving rail services. While we have not entered the league of the cross-continent land-bridge concept common in the US, we have nevertheless made progress, small as it may be.

I can vividly recall the joy we derived when member companies of the then Scan-Dutch ship grouping agreed to try out the landing of Penang-bound containers in Port Klang and railing them north to the final destination. I can recall the multitude of impediments we had, starting with general opposition to the idea because it was against traditional practice.

Of course the system was also not ready because the laws and rules have

never been written to accommodate such a possibility. Then there were the physical limitations in terms of availability of rolling stock and the difficulty of keeping to promised transit times, etc.

Some years later, a Secretary-General of the Ministry of Transport invited KCT to make a presentation to a meeting of government transport officials from Malaysia and Thailand. This presentation was to expound the idea that the railway services between Port Klang and Bangkok can come as a saviour to the critical problem of capacity and service standards then being faced by Bangkok Port.

The idea was considered mutually beneficial to both Malaysia and Thailand and can be a feather in the cap in terms of bilateral co-operation between two member nations of Association of South-East Asian Nations (Asean). As history would have it, the idea died almost instantly upon its revelation. It was indicated that border-crossing formalities will be cumbersome and clearance procedures would require three days, at least.

At the launching of the first direct shipping service between Port Klang and West Coast US in 1997, the Prime Minister expressed a real concern that transport journalism was sadly lacking as the non-physical infrastructure for the nation's trading activities.

I am reminded of the Prime Minister's reference to the fact that the prefix SIN featured too prominently when these business pages publish the shipping itinerary and schedules. This, he felt, may have contributed to the low confidence level of Malaysian businessmen for the option of using Malaysian ports. He made an indirect tongue-in-cheek reference to the fact that allowing for this big void to continue for so long could be Malaysia's greatest sin, going by the over-prominence of the acronym SIN.

We must be pleased to note that the Prime Minister's remarks did not go unheeded. We have made real progress in terms of creating our own dedicated business-support pages in our local dailies. The Star and The New Straits Times are some of the notable good case studies. Business Times too added new depth and breadth to what they already had at the time of the Prime Minister's remarks.

The Minister of Transport was vivid in his remarks at the OOCL Malaysia event regarding the need for service providers to ensure that new customers are attracted to this place and existing customers are reassured they have made a right choice and will continue to remain in good hands.

As the country's first privatized port operating company, KCT can remember the days when we tried to do a myriad of things to win in this highly competitive business, which is not made any easier with the presence of a world giant just at our door-step. But the resilience and constant belief in ourselves has taken the country's ports to where they are - at a station within the world ranking where the international audience takes notice and at any time even want to emulate us.

We salute all the players that have had a hand in achieving this and the Minister of Transport occupies a special place here. There is admittedly much more ground to cover but if we say we enjoy achieving success and can bear the cuts and bruises that go with it, we must still be hungry for more success. The challenges continue and so will success, for the willing.