

06/11/2000

Ferry terminals set to be privatized

Kamarul Yunus

KUAH and Kuala Perlis passenger ferry terminals, the main entry and exit points between the duty-free island of Langkawi and mainland Peninsular Malaysia, are set to become the first two jetties to be privatized.

Minister in the Prime Minister's Department Tan Sri Bernard Dompok said the two terminals are among several major projects that are currently being finalised for privatization by the Economic Planning Unit (EPU).

However, he could not ascertain when the privatization of the terminals will take off.

Besides the terminals, other major projects which are in the process of being privatized include the vehicle registration, licensing, record management and drivers' licensing services of the Road Transport Department; and the supply of chilled water to government offices in Putrajaya.

Other projects are the construction of hostels in Universiti Kebangsaan Malaysia and Universiti Malaysia Sabah; development of information technology and computerisation in the primary and secondary schools; and management of Kemaman Port.

Earlier reports said that the Langkawi Development Authority (Lada) and the Perlis State Government have submitted proposals to privatize the terminals, along with the Kuala Kedah jetty, another entry and exit point to Langkawi via Kedah.

Lada general manager Datuk Zainal Karib Abdul Rahim told Business Times that the Government has agreed in principle to privatize the management, operations and maintenance of the three ferry terminals.

"This is with the hope to upgrade the jetty services for the benefit of consumers, passengers and tourists," he said.

However, he said he could not furnish details on the proposed privatization of these jetties as the Government has yet to finalise the proposals.

Lada, through Lada Langkawi (Holdings) Sdn Bhd (LLH) is currently operating a passenger ferry service plying between Kuah and Kuala Perlis ferry terminals as well as to and from Kuala Kedah.

The Kuah terminal alone is expected to handle a total of 1.2 million passengers by year-end, an increase of 15 per cent from last year.

However, the terminal is still running at below capacity and in terms of passenger load, there is no need for an expansion in the foreseeable future. The terminal is slated to handle 2 million passengers a year.

With the impending takeover of the three ferry terminals' operations in Langkawi, Kuala Kedah and Kuala Perlis by Lada, overall services is expected to be significantly improved. There are 28 ferries belonging to five operators who provide essential transport and cargo services to the island.

It was also reported that the Transport Ministry is building a RM20 million new complex for the Marine Department in Tanjung Lembung, which is scheduled to be completed by next year.

The building will allow the local marine authorities the resources to oversee the rapid development of Langkawi's ferry terminals, yachting, port and sea cargo industries.

Established in March 15 1990, among Lada's functions are to promote, speed up and implement socio-economic development under its jurisdiction; develop the island as a tourist destination; encourage and implement

infrastructure projects for tourism and business, and streamline development activities on the island.

Lada's subsidiaries include the LLH and Lada Langkawi Consolidated Sdn Bhd.

With five catamaran boats, LLH operates the passenger ferry services in Langkawi. The company was incorporated in February 10 1992 as a wholly-owned subsidiary of Lada.

Lada Langkawi Consolidated, meanwhile, was incorporated in September 17 1997. Prime Minister Datuk Seri Dr Mahathir Mohamad had mooted the idea of its establishment to improve transportation services, especially via sea routes to promote Langkawi as a tourist' haven.

It was also set up to oversee the implementation of development and privatized projects in Langkawi.

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