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Make use of local ports, PM urges manufacturers

PRIME Minister Datuk Seri Dr Mahathir Mohamad yesterday called for cooperation among manufacturers to use local ports for their import and export needs, saying that they should no longer rely on foreign ports as there exists good facilities at home.

Dr Mahathir said the Government has introduced incentives to local ports such as the free zone status for the Port of Tanjung Pelepas (PTP) in Johor to enable these ports to play a role to increase the country's trade.

"The Government is constantly working towards enhancing and encouraging local port development. We are well aware that the ports play an important role towards enhancing the country's economy.

"If we look at the developed countries, the port sector contributes a huge percentage to the countries' revenues," he said when launching the RM2.28 billion PTP, the country's newest container port. He also opened the PTP 2000 Conference and Exhibition.

Dr Mahathir said the Government is willing to look into any problems hampering the development of the country's port sector, adding that sophisticated infrastructure and modern equipment alone do not ensure a port of world standards.

"A modern port raises high hopes of a good, efficient and effective level of services either from the port officials and operators or government agencies.

"I believe the services industry, if managed efficiently, will boost users' confidence, and this will ensure the success of a port," he said, adding that success is not ensured by individuals but a collective effort.

Dr Mahathir said the Government, committed to ensure the success of the port, has spent RM100 million for road infrastructure and more than RM600 million for rail development, enabling the port to have the best communications and transport link.

Later at a news conference, Dr Mahathir said the PTP will become one of the major hubs in the region.

Asked on how soon he expects the port to make an impact in the industry, Dr Mahathir said that it will take some time "but in five years we will be able to see if the port is progressing".

Speaking at the opening of the PTP 2000 Conference and Exhibition later, the Prime Minister said PTP - with its single largest container handling facilities in the region outside Singapore - is in a good position to provide a better platform for Malaysia to capture the growing markets of Vietnam, Cambodia, Myanmar and Laos.

The PTP offers a viable and alternate port of call to shipping lines in the region.

It aspires to develop into a regional transshipment hub and aims to be on par with existing international ports like Singapore and Hong Kong.

Many in the shipping industry consider PTP as the port with the geographical advantage to stop "the existing cargo leakage to Singapore".

In addition to its geographical position, it also has a huge landbank available for development, at a fraction of the price of land across the Causeway.

Upon completion of all of its five phases, the port area will stretch across an area comprising 783ha of land.

Currently Phase One of the port is nearly completed. It costs RM2.4

billion, some RM400 million lower than its initial projected cost of RM2.8 billion.

Phase One will have six berths measuring 360m each with a total linear wharf of 2,160m upon completion by the middle of next year.

With an annual capacity of 3.8 million 20-foot equivalent (TEUs) a year in its first phase, the setting up of the port comes at a time when Johor's own throughput is rising significantly.

According to statistics provided by Johor Port Bhd, container traffic has been one of the fastest growing groups of cargo, with traffic growing by 28 per cent in the first 11 months of last year to 510,216 TEUs from 398,278 TEUs in 1998.

PTP masterplan outlined that 80 per cent of its cargo volume is expected to come from transshipment activities and the remaining from the industrial hinterland of Johor.

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