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SINGAPORE-NOL
NOL CHIEF DEFENDS CONTAINER MOVE TO M'SIA'S TANJUNG PELEPAS

SINGAPORE, June 19 (Bernama) -- Flemming Jacobs, chief executive of Singapore's national shipping line, NOL Group, has defended a move by its container shipping arm, APL, to use Malaysia's Tanjung Pelepas port (PTP).

In an interview with the Business Times, Jacobs brushed aside the notion that NOL's move could trigger an exodus from the Singapore port.

"It was a commercial decision to berth our WAX service at PTP based on the opportunity to position equipment for local and other markets more economically, and take advantage of a more direct route," he said.

"PTP is well-constructed with ample space and good layout, and with excellent equipment. We expect it to be efficient and cost-effective. You are no doubt aware that other major carriers as well as terminal operators have also been looking at PTP.

"Whoever gets into Phase 1 of the Pelepas development will, of course, take business away from Singapore, particularly transshipment volume," added Jacobs.

BT reported that the move surprised many in the local shipping community and raised the question of whether other shipping lines currently using Singapore would take the cue from NOL and move to PTP.

BT said some Singapore officials were among those taken aback by NOL's decision.

APL, which signed up to berth its weekly West Asia Express (WAX) at PTP, is the third big operator snared by the Johor port after Maersk-Sealand and Mitsui OSK Line.

When asked if the decision by NOL was made because it was now run mainly by foreigners, Jacobs said, "It is the responsibility of any management to constantly seek to improve shareholder value. This includes cost efficiencies of benefit as well to its customers."

The 56-year-old Dane was brought into NOL last June to turn around the company which had a loss of S\$423 million in 1998. NOL posted net earnings of S\$156 million last year.

PTP, costing RM2.4 billion ringgit and lying just a few km from Singapore, was officially opened in March this year by Prime Minister Datuk Seri Dr Mahathir Mohamad who described it as a catalyst for Malaysia's economic growth, particularly in south Johor.

Phase one of the project, with two berths totalling 2.16 km in length started operations last October. When fully developed, it will have six berths. -- BERNAMA

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