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Cham to clear the air at meeting

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THE Container Hauliers Association of Malaysia (Cham) president Mirzan Mahathir is expected to address various allegations thrown against the association at its annual general meeting later today.

In the past, the Cham members were accused of being inefficient and said to be the stumbling block in the smooth flow of cargo from the ports to other regions of the country.

The association was blamed on various occasions for the backlog in goods being distributed during the festive seasons and had been made the scapegoat on many occasions when the transportaion industry came under fire.

Due to the outcry from the affected parties, the Government some time last year decided to open the once closed market to new players, 50 in all, to break the single association dominance by the Cham members.

Cham members, Kontena Nasional Bhd, Konsortium Logistik Bhd, Diperdana Hldgs Bhd, MISC Haulage Sdn Bhd and Multimodal Freight Sdn Bhd, to their credit, have been very silent and refrained from throwing accusations at other organisations which perhaps were more to be blamed than themselves.

Cham members have been visibly slow to defend themselves, and sources in the industry believe the silence is not due to a lack of being able to contradict the allegations, but rather fear of stepping on the authorities' toes.

Certain quarters who wanted to remain anonymous, and are not Cham members, told Business Times of the occasions when Cham members applied for up to 600 prime mover licences to boost up fleets, but only obtained 50 of such vehicle licences.

When the association remains silent, it is taken as a sign of weakness and further allegations are thrown at them.

The current favourite in the industry is that banks have stopped giving out loans because Cham came out with a statement saying that the haulage market was saturated. When contacted by Business Times, the banks termed the allegations as an insult to the banking industry as banks do not give out loans based on the opinions of an association consisting five players when there are 55 in the market.

Whether the Cham members will join in the price war game due to the smaller hauliers offering discounts to survive is yet to be seen. The smaller hauliers it seems, found out the hard way that each prime mover requires earnings of around RM1,000 a day to break even, after spending around RM500,000 for each prime mover and the seven allocated trailer ratio.

What is hoped for is that the Cham members, who have been silent since the opening of the haulage market, shed some light on the real picture behind the allegations and accusations thrown at the association.

Perhaps with the truth being revealed, the idiocy of introducing 50 new players and then expecting them to merge to form consortiums may be explained.

Hopefully the mistakes of the past, like issuing licences to uninterested parties and parties who lack the means, will be made again by the authorities.

Cham, to make matters easy, should come out and explain the flaw to the governing body, the six-month to one-year wait for the approval of simple prime mover licences and the long wait to receive only one tenth of what

is due to these needy companies.

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