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OPP3 a shot in the arm for shipping sector: Officials

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SHIPPING, freight forwarding and port officials have lauded the Government's move to continue providing adequate supply and efficient infrastructure and transport services during the third Outline Perspective Plan (OPP3) period (2001-2010).

Shipowner Tan Sri Halim Mohammad welcomed the Government's move to enhance the Malaysian merchant fleet under the OPP3 tabled by Prime Minister Datuk Seri Dr Mahathir Mohamad on Tuesday.

"We and other Malaysian shipowners have definite plans to go global to partake in the worldwide and cross-trades routes," said Halim, who is the executive chairman of Halim Mazmin Bhd.

"I believe the economic slowdown in the US is temporary and we, at Halim Mazmin have taken measures to deploy our vessels in other cross-trades and not rely on trading with the US," Halim pointed out.

He said as Malaysia continues to be one of the largest and important trading nations in the world, it will definitely need to expand its merchant fleet to compete and not overly rely on foreign shipping to carry the country's exports which have been growing strongly over the years.

He said country's increasing deficit in freight and services amounted to RM12.8 billion in 2000 from the RM9.4 billion in 1999 shows that more can be done to increase the Malaysian fleet to help alleviate the situation.

Among the measures proposed in a move to broaden the base of Malaysia's economy under the OPP3 is to increase the capacity and enhance the growth of the shipping services.

The Malaysian fleet will be expanded through leasing, chartering and purchasing of ships as well as forging strategic alliances such as integration, acquisition and joint ventures between local and foreign shipping companies.

It said the shipping operations will be upgraded through the wider use of computerisation, automation and the continuous improvement of the core competencies and skills of personnel.

In this context, Halim said it was vital that the financial institutions provide loans at competitive rates to Malaysian shipowners to expand their fleet.

Meanwhile, the Port of Tanjung Pelepas (PTP) said: "To promote Malaysia as a regional distribution and warehousing centre is timely."

The PTP has been strategising on this since beginning operations and has now managed to attract regional players to set up world distribution centres around the port," said PTP chief executive officer Mohd Sidik Shaik Osman.

"The Government's emphasis on this area of logistics seeks to ensure that we, as a major economy, are able to benchmark what potential users need from Malaysia, including the streamlining of government procedures, fast clearance of documentation and simplifying clearance of cargo."

Once users recognise and believe in the efficiency of our third-party services, the marketing efforts of Malaysian ports and distriparks will be made much easier, he said.

The PTP, he said, also welcomes the Government's focus on the area of supply-chain efficiency. The possible upgrade of railway tracks and the TransAsia link will be of direct benefit to the PTP's plans in attracting Southern Thailand cargo.

"Again, by emphasising each area of the supply-chain, we can determine

where our weaknesses are and how we can improve. A concerted effort by all parties is now needed to ensure the implementation of the OPP3," Sidik said.

Malaysian ports, including the PTP, will also continue to strive to ensure continuous productivity increases, expansion of facilities to cater to future demand and increased efforts to attract local cargo, he said.

"It is something we have been waiting for as the shipping lines are introducing new and bigger ships into their services. We must be ready to receive and accommodate these vessels and new logistics players," said Association of Forwarding Agents Port Klang president Datuk Jason Goh.

The infrastructure and transport services is one of the sectoral strategies and programmes earmarked by the Government towards achieving a broad-based, globally competitive and resilient economy.

The emphasis for the infrastructure and transport services sector is to provide adequate supply, enhance efficiency and cost-effective multimodal transport.

Under the OPP3, emphasis will be given on the expansion, upgrading and integration of roads and highways, railway, ports, airports as well as telecommunications which will be undertaken in a more coordinated and integrated approach.

"We have to put in place a complete and efficient multimodal transport system to attract the shipping lines, international logistics and distribution services provider which can bring in a lot of cargo business to the country," Goh said.

The OPP3 report said the speedy movement of passengers will entail a seamless transfer among various transport modes while ensuring convenience, comfort and safety.

In the case of cargo, carriage will increasingly be on a single liability basis, although a combination of modes is used.

The development of roads will continue to focus on increasing accessibility which will facilitate the establishment of new growth centres as well as reduce travel time and costs. Higher standards will be applied in the construction of new roads, especially those which link the industrial areas to the ports and airports.

To increase the efficiency of cargo movement, shippers, including exporters, importers and freight forwarders, will be encouraged to use multimodal transportation to reduce the need for long distance road haulage.

In this context, the movement of cargo from seaports to inland ports will be by rail transportation and the distribution of goods from inland ports to the customers will be by road haulage carriers, thereby reducing the maintenance cost of roads and releasing more road space for other vehicles. Emphasis will also be given to the provision of an efficient and safe containerised road haulage.

Port development will continue to focus on improving capacity, enhancing the efficiency and productivity of related services as well as the forging of strategic alliances.

Continuous efforts will be undertaken to attract more exporters, importers and shipping community to use local ports.

In line with this, a single port authority will be established which, inter alia, will perform regulatory functions to ensure that port operators meet the performance standards stipulated as well as comply with the terms and conditions of the licences issued.

In addition, the authority will facilitate an orderly and integrated development of ports and port-related services based on their respective strengths, uniqueness and specialisation.

Besides Port Klang, PTP will also be developed as a cargo transshipment centre. Ancillary services such as distriparks, warehousing, bunkering, shipbuilding and repairing will also be encouraged to increase their capacity and productivity to support port development.

Railway infrastructure development will focus on capacity expansion and the upgrading of the rail network to provide integrated rail transport services as well as the enhancement of safety and maintenance standards.

Railway links to the ports, airports, industrial zones and high-density corridors will be enhanced to enable greater accessibility and competitive pricing for the production, transportation and distribution of goods. Haulage and passenger capacity will be further increased by the phased double-tracking and electrification of the railway network beginning with the Rawang to Ipoh segment.

The phased double-tracking and electrification of the national railway network are part of the planned Trans-Asian Railway link between Kunming, China and Singapore. This regional rail project will greatly improve cross-border rail links, especially for freight transportation.

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