

# Transportation industry urged to work closely together

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DATUK Seri Dr Mahathir Mohd, in his Budget speech, urged the transportation industry to work with concerted effort to further develop the sector.

He noted that Malaysian ports, especially the Port of Tanjung Pelepas (PTP) and Port Klang, had been recently competing with Singapore port operator PSA Corp for business.

Malaysian ports 10 years ago handled only one million containers, he said. This year, the figure was expected to reach nine million container boxes, with Port Klang handling some four million and PTP some two million.

The prime minister also said that with the implementation of double-tracking and expansion, railways services would be more efficient compared with road transport, which was becoming increasingly more congested. The express rail network, he added, would not only link Malaysia to neighbouring countries, but generate new and profitable business opportunities.

KTM Bhd's general manager for freight services, Abdul Razak Malek, said that with double tracking, which was set to be completed by 2008, efficiency and capacity would be increased five-fold. And the Trans Asia Rail Link from Kunming in China to Singapore was a high priority at the Asean level.

He added that the landbridge service linking Singapore, Kuala Lumpur and Bangkok was improving Malaysia's link to neighbours and now offered 32 services a week.

"KTM is getting more efficient, business levels are picking up. From only 6,000 TEUs (20-foot equivalent units) two years ago, we now expect to move up to 50,000 TEUs this year," he added.

The prime minister also spoke of introducing Labuan as a centre for global ship registration, a move that has been applauded by the local shipping and maritime industry.

Global Maritime Ventures Bhd (GMV) chairman Datuk Ahmad Suffian said the move was timely as Labuan was already an offshore financial centre, and the implemen-

tation of a global ship registry may increase the market for ship financing.

"It is also a good move as 60% of global shipowners are Asians, and 80% of all vessels built are constructed in Asia. We need to capture the market. We need to make it known to the shipowners, though," he said.

Suffian said the incentives for registering vessels in Labuan would have to be made clear to attract the new shipowners.

The actual incentives for registering vessels in Labuan have yet to be made known, but sources in the shipping industry hope for good tax incentives, enabling them to spend more on fleet modernisation and expansion.

Around 87% of the world's ship tonnage is currently registered in Panama, Liberia, Malta, Cyprus, Monrovia or the Bahamas due to low, or no taxation for vessel registration.

About 20% of the world's tonnage

is registered in Panama, while the Liberian International Ship and Corporate Registry rakes in some RM76 million, flagging 10% of the world's vessels.

"The same way that Singapore is viewed as a hub for any maritime-related field, Malaysia is taking steps to improve its shipping facilities. The initiation of an international registry will make Malaysia more competitive," said a shipping line official who declined to be named.

On the KL International Airport (KLIA), the prime minister said it had already been developed with all the facilities needed to act as a hub for air transport services. He urged the KLIA management to be more aggressive in marketing the airport as a hub.

The Prime Minister added that other than international courier service firm DHL, which moved its global operational centre to Malaysia, the government planned to attract more air transport companies to shift their operations here.