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PSA should listen to its clients or risk losing them

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THE Port of Singapore Authority (PSA) may lose more clients to Port of Tanjung Pelepas (PTP).

Sources said the refusal to reduce rates will definitely see Singapore jeopardise its position as a transshipment hub of the region.

"The refusal to change with the times can be catastrophic, PSA should never discount a new threat to its dominance.

"If the established port can lose two of its largest customers and did nothing about its pricing, there will be more shifts to PTP," an official from an international shipping line told Business Times yesterday.

PTP chief executive officer Mohd Sidik Shaik Osman had set a target for the port at between 2.5 and 2.8 million container boxes, up from the 2.05 million handled last year.

The capacity at the port, after the first phase of expansion plan which costs some RM2.4 billion, is in the region of five million TEUs (20-foot equivalent units).

"What PSA has to understand is that PTP is only part of the big picture, the entire piece involves the whole of Johor state becoming the regional transshipment hub," he added.

Prime Minister Datuk Seri Dr Mahathir Mohamad had mentioned in the national budget last year the intention of making Johor the regional transshipment hub.

Johor has a plan for an entire integrated transportation system surrounding PTP, however, the finer points of the plan have yet to be announced.

Among the improvements to facilitate the transshipment hub dream is the improvement of the railway transport system in the state.

The link to the national grid from Gelang Patah Railway Station, which costs some RM460 million, is ready and expected to increase in prominence once more containers are carried from PTP to the rest of the region.

The current plan for a power plant, a bunkering zone and a petrochemical industrial park in Pontian will augur well for PTP.

There are plans to link freight operations between Senai Airport and Kuala Lumpur International Airport (KLIA), and between PTP and Johor Port in Pasir Gudang, these plans, which will cost some RM800 million, will only materialise in 2006.

The plans include the construction of freight facilities, road and rail connections with the aim of increasing airfreight traffic at Senai Airport.

Sources said the aim will involve increasing the cargo at Senai airport from the current 7,000 tonnes to 100,000 tonnes by 2008.

The various plans by the local Government to increase PTP's importance as an international transshipment hub and the many offers to draw Evergreen Marine Corp to PTP are evidence of its intention.

To lure over Evergreen, the giant Taiwanese shipping line was given several incentives, including haulage licences and special rights to Eva Air, a subsidiary of the shipping company.

"The efficiency level at PTP is very high, it is of international standard, maybe even an average of 30 moves per hour. Efficiency-wise, PTP can take on PSA."

"With the Government assisting PTP in such an aggressive manner, and with all the many qualities the port possesses, such as natural depth and

a long linear wharf, PSA better starts taking notice."

"Instead of making snide remarks and elaborating on why the republic need not offer discounts, PSA should seriously start taking heed or at least listen to its customers," the official said.

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