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LOWER BINTULU PORT CHARGES A BIG TEST FOR TRANSPORT MINISTER

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KUALA LUMPUR, May 7 (Bernama) -- Over the past several years, Transport Minister Datuk Seri Dr Ling Liong Sik's vigorous efforts to get shipping lines to use Malaysian ports have produced some phenomenal results.

Arguably Malaysia's No.1 "Port Salesman", Dr Ling's vision of making Port Klang (Westport and North Port combined) as one of the top 10 ports in the world is well on the way of being realised.

And so is the success notched up by Port of Tanjung Pelepas in Johor in luring more ships, which has even caused both the concern and envy of the neighbouring more established Port of Singapore Authority, the world's second largest container port.

Now, Dr Ling's mettle is being put to a big test not by a foreign port user but by Petroliam Nasional Bhd (Petronas) which is unhappy about Bintulu Port in Sarawak "over-charging" its liquefied natural gas (LNG) tankers.

The point is the bulk of Bintulu Port's revenue comes from LNG shipments, mainly to Japan, South Korea and Taiwan. It is produced by the Petronas' MLNG (Malaysia LNG) plants in Bintulu.

The berthing charge for an LNG tanker of RM800,000 has been described by Petronas President and Chief Executive Oficer Tan Sri Hassan Marican as the highest in the world, which is not a good selling point and certainly something which Dr Ling doesn't like to hear.

MLNG executives in Bintulu would not hesitate to tell journalists the story about Bintulu Port doing "the easiest RM800,000 job" in Malaysia.

It is believed to be the most cash-rich port in the country.

What they imply is that each tanker takes less than 24 hours to load the LNG on board in a highly automated operation largely done by MLNG employees themselves.

With at least 400 shipments a year, Bintulu Port rakes in RM320 million annually from Petronas alone for a port which was built for RM558 million and which began operations about 10 years ago.

Hassan, in a media briefing held in Bintulu itself on April 21, was making a case for lower port charges because it does not make much business sense that they are much higher than Tokyo Harbour's charge of US$100,000 (RM380,000) per vessel.

He said prices of LNG were falling not only with new LNG producers coming into the market, notably Qatar and Australia, but new technologies had also resulted in lower production costs.

It could also mean that the competitiveness of Malaysia's LNG exports could be undermined by such high port charges.

Malaysia started producing LNG 20 years ago and from just one plant, MLNG now has three, with the third plant to be officially opened by Prime Minister Datuk Seri Dr Mahathir Mohamad tomorrow.

According to Dr Ling, the berthing charge was set by the Asian Development Bank (ADB) as part of the conditions for its loans to build some of the port's facilities.

But industry sources told Bernama that Bintulu Port, a privatised entity with equity majority owned by the federal government, was missing the point if it did not start to lower its charges to the LNG tankers.

Talks between the port and Petronas for lower charges had been going on for sometime, but according to Hassan, " it will take time but we are going for a win-win situation".

Dr Ling's intervention in the matter is seen as increasing Petronas' chances of getting lower charges.

"If the charges really make Petronas' LNG uncompetitive, that it cannot sell because it is too expensive, then we are willing to listen," he told reporters in response to Hassan's remarks.

As he rightly put it: "We don't want to kill the goose the lays the golden egg".

LNG is definitely Malaysia's golden egg.

The project is undoubtedly the biggest success story in the country's industrialisation drive with exports last year of 16.5 million tonnes worth RM12.4 billion, which alone makes up 5.6 percent of the gross national product.

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