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MALAYSIA-HUB

M'SIA STUDYING POSSIBILITY OF MSC-BASED VIRTUAL PORT HUB FOR ASEAN

By: Johnny Chan

PETALING JAYA, June 26 (Bernama) -- Malaysia is studying the possibility of becoming what a national freight train official has described as a virtual port hub with the aim of streamlining trade among the Asean economies and with China.

This virtual reality centre is to be an integral part of the Singapore-Kunming Rail Link (SKRL) that will be made available through Malaysia's Multimedia Super Corridor (MSC).

It will streamline SKRL member countries' trade activities, both among member countries and with China, in areas such as trade financing and customs documentation.

The virtual port hub proposal was highlighted by KTM Bhd general manager (freight services) Abdul Radzak Malek yesterday when he spoke to delegates at the June 24-25 1st Intermodal Asia Exhibition and Conference here on the progress of planning and work on the 6,709km rail link between Singapore and Kunming, southern China.

The conference was attended by about 190 delegates from 14 countries, including Malaysia. There were 28 exhibitors, including MasKargo, Northport, KTMB and Port Klang Authority.

The SKRL project is aimed at enhancing the intermodal transport movement through the various countries, including the Greater Mekong Sub-region (GSM), to promote further economic co-operation and also to tap into the sizeable export market of Yunan in southern China.

Radzak said: "Asean governments will not compete with China but work towards providing value-added services with the evolution of a new freight train service between Singapore and Kunming."

He said that one example of this is Malaysia's proposal on the virtual port hub that will offer importers and exporters in the region long-term services for customs declarations and foreign exchange transactions.

It will handle customs formalities for exporters in processing zones, he said.

The virtual port will use on-line processing trade, export tax rebates, express customs declarations, banking, insurance and shipping space reservations.

By making access to the database available on a network, the virtual port is expected to reduce cost and enhance trade efficiency, reduce smuggling, and other illegal activities will either be prevented or easily detected.

The virtual port will employ several layers of security measures to guarantee the integrity of users and guard against hackers and viruses.

The SKRL idea was first mooted by Prime Minister Datuk Seri Dr Mahathir Mohamad and agreed to by all heads of Asean governments to be adopted as an Asean project to enhance economic co-operation through trade and investment involving member countries such as Malaysia, Thailand, Myanmar, Cambodia, Laos, Vietnam and Laos that could be connected by land links.

Malaysia which took over as chairman of the special working group from Myanmar in December 2002 for a three-year period to prepare and oversee the implementation of the SKRL project is keenly looking at its speedy implementation.

Priority is being given to the immediate implementation of the 48km missing link between Poipet in Thailand and Sisophon in Cambodia with the possibility of technical assistance from the Asian Development Bank and

Asean, the official said.

He added that Malaysia is ready to supply the recovered materials (present rail tracks) from its double-tracking project within Peninsular Malaysia to close the gap.

On the progress of Malaysia's multi-billion-ringgit double-tracking project from Johor Baharu in the southernmost part of the peninsula to Padang Besar at the border with Thailand, Radzak said that the Seremban-Rawang section was completed in 1995 at a cost of RM1.4 billion.

The electrification/signalling/double-tracking of the section between Rawang and Ipoh, Perak costing RM4 billion is expected to be completed by 2004.

The double-tracking of the line between Ipoh and Padang Besar and between Seremban and Johor Baharu estimated to cost RM17 billion are expected to be completed by 2010.

Radzak said that SKRL would provide a link beyond the Asean region to Yunan.

The major goal of Asean is to tap the 1.2 billion consumers in China with rail connection via SKRL into the emerging market of China, he added.

Responding to a delegate's question, Radzak said he agreed that with the positioning and routing of the SKRL, it would give the appearance of Bangkok being the Asean gateway.

In fact, he said that Thailand's readiness to support the SKRL had also been prompted by its desire to look at the feasibility of building the Kra Canal in order to tap the huge cargo volume in Yunan province.

Given that possible scenario Malaysia had, therefore, made provision to include a spur line to Pulau Bunting, south of Kedah, from the main line to benefit for what Radzak described may be the massive spill-over with cargo shipped at Kra Canal.

He brushed aside questions on whether the proposed Kra Canal would jeopardise Port Klang and Port of Singapore Authority (PSA), saying that we can also go there to invest in the project.

Meanwhile, Radzak disclosed that cargo railed between Thailand and Malaysia via the so-called landbridge services was steadily increasing, with total volume expected to reach 60,000 twenty-foot-equivalent units (TEUs) by year-end.

Much of it was export cargo from southern Thailand going through Port Klang, he added.

Radzak said that he believed that with growing liberalisation in trade and investment policies within Asean, ports in the region could continue to grow in integrating the various economies not only to improve trade from within but also between the region and the rest of the world. -- BERNAMA

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