

21/02/2003

Tremendous potential in Johor ports

Azlan Abu Bakar

PRIME Minister Datuk Seri Dr Mahathir Mohammad once said Malaysia has a bright future in the transshipment sector as its ports hold great potential.

One example are the ports under the management of Johor Corporation (JCorp), such as Johor Port and Tanjung Langsat Port, both situated in Pasir Gudang, 36km from Johor Baru, which has played a significant role in the growth of the nation's international trade and contributed significantly to Johor's economic development.

A comprehensive system of modern highways and a rail network linked to the national grid makes the ports easily accessible to other parts of the country.

The progress made by JCorp through its ports in Pasir Gudang in recent years had lent credence to the country's capabilities in expanding the cargo-handling industry.

Pasir Gudang has an industrial area of 1,461ha, which hosts light, medium and heavy industries.

One of the most notable industrial zones is the 1,845ha Tanjung Langsat industrial estate that caters to offshore and maritime-related industries and the 185ha Johor Technology Park, tailored for high-technology and research and development activities.

JCorp plans to turn Tanjung Langsat Port at Pasir Gudang into a regional centre for chemical shipments.

The Tanjung Langsat Port, to specialise in handling hazardous materials, has been ready for commercial operations since last month.

It plans to promote its services this year to Indonesia, Japan, Taiwan, the US, Singapore and Vietnam.

Representatives from some companies and potential investors have started visiting the site since January last year and many of them had promised to return.

So far, the Titan Group has acquired an 80ha site in the Tanjung Langsat Industrial Estate for its petrochemical facilities.

A number of Taiwanese companies have also registered their interest to move to Johor after hearing the success stories of their counterpart, Dairen Chemical Corp (Dairen), which has its facilities in the complex.

Tanjung Langsat Port offers a 600m-length berth and can accommodate vessels up to 50,000dwt (dead-weight tonne).

The port is not expected to challenge the entrenched position of Johor Port but to complement each other.

Also facilities to store petroleum and other hazardous goods are to be built by June.

The port authorities expect gas producers from Natuna Islands, Indonesia, to use the facilities at the new port as it will provide a storage capacity of 25,000 tonnes.

All in all the integrated complex is expected to provide strong competition to Singapore, which was developing its Jurong Island petrochemical complex because operating in Tanjung Langsat would be 60 per cent cheaper.

Demand for the port facilities and services for handling bulk cargo is expected to rise rapidly following the establishment of the Tanjung Langsat Industrial Estate integrated petrochemical complex.

Petrochemical industries will account for 60 per cent of the activities

at the complex, with gas production, steel making and marine and marine-related industries making up the remaining 40 per cent.

Several chemical companies operating in the Pasir Gudang Industrial area have opened new manufacturing facilities at Tanjung Langsat due to space constraints in Pasir Gudang.

There will be competition, as the authorities acknowledge, but they remain confident of attracting investors to the complex in the face of the competition provided by the two other integrated petrochemical complexes situated in the Eastern corridor, namely Integrated Petrochemical complex in Gebeng, Pahang and Integrated Petrochemical complex in Kertih, Terengganu.

The port's strongest selling point is the seafront location of the petrochemical complex plus the proximity of the two ports in Johor, Johor Port and Tanjung Pelepas, and an abundance of raw material for the petrochemical industry.

Cargo in the millions of tonnes have passed through its terminals to markets the world over.

Johor Port, since its inception in 1997, is today a major international maritime gateway.

With both the new Container and Multi-Purpose Terminals fully operational, the port is poised to meet present and future challenges.

The capacity is 40 million tonnes including a one million TEU dedicated container terminal.

The continuous introduction of a computer system has resulted in a near paperless operations, allowing clients to go online from anywhere around the world and receive real time data electronically.

Johor Port will continue to focus on core activities by responding efficiently to its customers' growing need and demands.

The recent move to expand container-yard capacity and leasing of additional quay cranes was in line with the port's supply-driven approach to meet increasing demand.

Average lifting of per container ship at Johor Port Container Terminal (JPCT) has risen by 19.38 per cent to 54,949 TEUs per ship during an eight-month period of 2002.

Each crane at the terminal handled in excess of 400 TEUs per day.

To cope with increasing volume of box traffic, the port leases two additional shore-site cranes from private operators. They complement the existing five post-panamax quay cranes.

With the new gantry cranes and the expanded yard area, JPCT can handle up to one million TEUs from a previous capacity of 600,000 TEUs.

Johor Port is the first facility in Malaysia to be gazetted as a free zone, giving it a distinct business advantage. This status has effectively promoted the port as an entreport centre.