

## **Volcano chaos a 'nightmare' for M'sian economy**

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Malaysia's exports have been paralysed by the "nightmare" chaos caused by the European volcanic ash cloud and would hurt the nation's economic recovery, a hauliers' spokesman said Wednesday.

Southeast Asia's third largest economy, which relies heavily on exports, is tentatively emerging from the global downturn as global trade picks up.

But Walter Culas, chairman of the airfreight forwarders association of Malaysia, told AFP that with the ash cloud forcing the closure of European airspace for almost a week hundreds of tonnes of cargo are not being delivered.

"As of today about 400 tonnes of cargo are stranded at the airport. The volcanic ash has paralysed valuable cargo movement to Europe from Malaysia," he said.

"The total losses could snowball to billions of ringgit," Culas said.

He added that a sizeable portion of the cargo holed up were electrical and electronics products, which as a sector contributes significantly to the economy in terms of export earnings, manufacturing output and employment.

"The stranded cargo will hurt the Malaysian economy which is coming out of a recession. We just came out of a steep hill and run into a ditch," he said.

Mukhriz Mahathir, deputy minister of international trade and industry said the government would try to find a quick solution to resolve the backlog cargo.

Culas described the shutdown across Europe as "my worst logistic nightmare in my 39-year career as a haulier".

"Most of the logistics hubbing for global trade are based in Europe -- London, Paris, Frankfurt and Amsterdam. The airtraffic shutdown has crippled the logistics industry," he said.

He hit out at Malaysia Airlines Cargo (MASkargo), the air cargo subsidiary of Malaysia Airlines, for a lack of leadership in dealing the crisis.

"MASkargo, the terminal operator which handles cargo to Europe has not communicated with hauliers. The situation is worsening by day with no solution in sight. The terminal operator is not providing any leadership," he said.

Culas said some urgent goods were transported to Singapore by road Tuesday before being flown to Lisbon -- which has avoided the ash cloud -- and then driven to their final destination.

However, Culas said it could take up to a month to clear the backlog of cargo.

- AFP

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