

Johor Port is keeping us in limbo

JOHOR PORT SHIPPING AND FORWARDING ASSOCIATION PRESIDENT MICHAEL CHEAH

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Govt help sought to reduce port congestion

Association claims Johor Port failed to solve problems

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JOHOR BARU: The Johor Port Shipping and Forwarding Association wants the Transport Ministry to come up with solutions to reduce congestions at Johor Port.

President Michael Cheah said that despite having raised the issue with the port operator on several occasions, it had yet to come up with concrete plans to overcome the matter.

"We want a long-term solution and not something which is done on an ad-hoc basis or as and when the situation arises," he said in an interview with *StarBiz*.

Cheah said the problem had been going on for years and if the port operator could not solve the issue "once and for all," let the relevant authorities come forward.

He reiterated that the association did not mean to be a champion by bringing up the issue but wanted to work closely with all parties concerned for the benefit of the country's logistic sector.

Cheah said Johor Port should be more transparent and responsible and, as a service provider, it had a duty to explain to port users on the problem.

"The core of the problem is actually with the port, and the operator should not 'wash his hands' on the matter and blame port users," he said.

Cheah said that as a consequence



Johor Port is said to be operating at 80%-90% capacity.

of the berthing delays, the shipping lines had taken steps to protect themselves from incurring additional charges such as extra movement charges, store rent, container and change of vessel charges.

He said these charges arose due to the containers exceeding the standard opening/gate period of five days, based on the actual time of the vessel's berthing.

He said that in order to avoid these charges, the shipping lines then controlled their opening/gate period, when they were assured of the actual

besides facing misconnections of their shipments, also faced warehousing problems for their finished goods.

Cheah said manufacturers operating in the Pasir Gudang industrial area were badly affected as they depended on the port to export their products to international buyers.

He said the delays had also caused late shipments of raw materials from overseas, resulting in interruptions in production.

"Johor Port is keeping us in limbo and creates difficulties for port users. This is not good for the country's logistics sector and also sending wrong signals to investors," added Cheah.

MMC Corp Bhd, which controls Johor Port, and PTP had in 2009 proposed to the Government to consolidate and rationalise operations at the two ports, but this was rejected.

The proposal entailed container operations at Johor Port be moved to PTP in Gelang Patah which is about 80km away, turning the former into a non-containerised port.

Billionaire Tan Sri Syed Mokhtar Al-Bukhary, who controls MMC Corp, owns 100% equity in PTP and 70% in Johor Port.

Meanwhile, a Johor Port Bhd official told *StarBiz* that the port was now operating at 80%-90% capacity and with the "bunching" of vessel arrivals, the situation had worsened.

"Since last year, we have embarked on various short-term mitigation plans which can do incremental

improvements to the situation and this will continue as an ongoing practice. The establishment of our sister port at Tanjung Pelepas Sdn Bhd (PTP) was the long-term solution envisaged by the Government at that time. So we have two specialised ports — PTP to handle containers and Johor Port to handle conventional cargo," he said.

MMC Corp has 70% equity interest in PTP and wholly owns Johor Port.

In 2009, MMC had proposed to move Johor Port's container operations in Pasir Gudang to PTP. This would turn Johor Port into a non-containerised port while PTP would focus on its forte of handling containerised cargo. But, the plan was turned down by the Government.

"We should consolidate conventional cargo here at Johor Port and containers at PTP. We are ideally suited for conventional cargo, so we should leverage on this strength," said the official.

"On the other hand, PTP has ample capacity and the deep drafts required to handle container vessels. As such, customers shipping containers should use PTP. Each port should play to its strength," he said.

The official said the length of port stay depended, among others, on the number of containers handled, and would vary accordingly.

"On average, the vessel turnaround time at the port is 11 hours. The external prime movers are able to collect containers within 30 minutes," he said.

»We want a long-term solution«

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