

Port of Tanjung Pelepas eyes 9m TEUs this year

BY V. RAGANANTHINI

sunbiz@thesundaily.com

TANJUNG PELEPAS: The consolidation of international shipping lines will help Port of Tanjung Pelepas Sdn Bhd (PTP) achieve a 5% increase in total throughput volume to 9 million twenty-foot equivalent units (TEUs) from the 8.4 million registered last year.

When asked about the recent wave of the consolidation of shipping lines, with Maersk Line buying out Hamburg Sud, the trans-shipment port's CEO Marco Neelsen said it has resulted in movement of operation hubs from East Asia to PTP.

"At the moment it is positive but on the other hand my customers' landscape is changing, so I have to be always alert and watch how it continues ... but we cannot be complacent. We are watching the entire industry," he added.

As at end of September, PTP's total container throughput stood at 6.6 million TEUs. Neelsen is confident that the 9 million TEUs will be achievable given the fourth quarter of the year being the busiest of the year, predominantly due to the Christmas season which will see cargo moving to Europe.

On another note, PTP, which is a unit of MMC Group, has obtained approvals to develop the third phase of its Free Zone which will cover 168 acres and is expected to start physical works in 2½ years' time.

Neelsen said PTP is actively working on the development given the increased demand.

Thus far, RM2.4 billion has been invested in the free zone which has warehousing and logistics facilities and export-driven light to medium manufacturing hubs. The free zone covers 1,586 acres.

One of the prominent occupants of the free zone is Volkswagen which has its regional parts and distribution centre there.

PTP is also optimising its efficiency by purchasing new equipment and system.



Container vessels loading and unloading at Port of Tanjung Pelepas.

On the neighbouring Singapore port, Neelsen said while the island's port is a competition on the seafront, it works as a complement when it comes to land given the scarcity of it in Singapore.

He was referring to free zone, logistics and warehousing facilities.

"The idea is to say when companies have to leave Singapore for various reasons and predominantly space. We rather have them in Johor than elsewhere because that still gives opportunity for companies to (let their) regional headquarters and research and development stay in Singapore and the

production in Johor, which can be reached by car in one hour," he explained, adding that PTP has been engaging with counterparts across the straits.

Meanwhile, Neelsen noted that the US-China trade war has its benefits on Malaysia with it being a logistics hub while for PTP the challenges are limited because transit is limited.

"I don't think cargo will be re-routed away from Malaysia because of trade war. It could be the other way, where cargo can be re-routed into Malaysia because of circumstances," he added.