

Little benefit from partial easing of cabotage policy

By Nancy Lai

KOTA KINABALU: The Federal Government has been urged to introduce greater liberalization of the cabotage policy so that foreign registered vessels are permitted to ship Malaysia-made goods between Peninsular Malaysia and East Malaysia.

Federation of Sabah Manufacturers President Datuk Wong Ken Thau in making the request said the partial liberalization of the cabotage policy will not bring about much benefit to Sabah and Sarawak.

"We don't think it is going to benefit us at this point of time because the number of containerized goods coming to Sabah is very limited... less than 200 containers a month," Wong told a press conference yesterday.

Because of the low volume of containerized goods from Sabah ports, the chances of lowering the freight between East and Peninsular Malaysia would take a longer time, he said.

"Of course we thank the Government for taking the first step by allowing a partial liberalization of the cabotage policy but allowing foreign registered vessels to ship locally manufactured goods to and from Peninsular Malaysia and East Malaysia would create the volume needed," he stressed.

FSM, he added, understands that the Government needs to look after the welfare of the shipping industry but it should also at the same time not forget the plight of the people and industries in Sabah.

"There must be another formula to make Sabah more conducive for investment and if the Government feels that it is very difficult to ease the policy, then maybe it can consider some suggestions from FSM," Wong said after chairing a meeting with representatives from the various Chambers of Commerce and Industry as well as industry players here.

One of the proposals they would like the Federal Government to consider is to make Sepanggar port an international hub port so that it can attract more cargo and containers to Sabah.

Those at the meeting also urged the Sabah Government to start a container service via Sabah Foundation which



Wong Ken Thau

should be a proper mechanism on how the charges are set.

"We hope that shipping companies can invest in new vessels so that their service can be more effective," he said, adding that the best would be for the Government to review the cabotage policy once and for all so that it not only benefits the shipping industry but all other sectors.

Wong said FSM is grateful to those who have been instrumental in bringing about the partial liberalization of the cabotage policy.

"We would like to thank all of them including Transport Minister Datuk Seri Ong Tee Keat, Minister in the Prime Minister's Department Datuk VK Liew, Plantation Industries and Commodities Minister Tan Sri Bernard Dompok, Foreign Minister Datuk Anifah Aman, Assistant Minister to the Chief Minister Datuk Edward Khoo, Datuk Raymond Tan, Datuk Dr Marcus Mojigoh, Datuk Ewon Ebin, Datuk Lajim Ukin, Datuk Maijol Mahap, Datuk Yong Teck Lee,

Datuk Eric Majimbun, Datuk Chua Soon Bui, all the Chambers of Commerce and Industry as well as associations for initiating the liberalization and we hope that more will come," he said.

It was reported last week that the Federal Government had agreed to liberalise the cabotage policy for containerised transshipment cargo for the sectors between the Port of Sepangar, Port of Bintulu, Port of Kuching with Port Klang and the Port of Tanjung Pelepas and vice versa effective June 3.

According to the Transport Ministry, the selective liberalisation allows foreign vessels to carry containerised transshipment cargo within the above sectors without a need for a domestic shipping licence.

The liberalisation, it said, gives an opportunity for importers and exporters in Sabah and Sarawak as well as the industries to enjoy a lower freight cost due to competition in the shipping transportation sector, which can be translated into lower price of consumer goods and industrial needs.



Sabah

Those at the meeting also urged the Sabah Government to start a container service via Sabah Foundation which already has its own shipping line to compete with the "so-called" Malaysian shipping "cartel".

The State Government has also been urged to offer matching grants to importers and exporters as an incentive, Wong said, adding that this would stabilize prices of goods as well as freight charges in Sabah.

He said that the Government must also look into setting up a monitoring body to ensure the transparency of the "so-called" freight charges as there