

FSM: Sabah can be shipping hub for the Far East



Wong: POR's entry may negate cost.

KOTA KINABALU: The entry of the Port of Rotterdam Authority (POR) of The Netherlands into Lahad Datu may mitigate some of the perennial problems of high cost of exports relating to logistics in Sabah, said Federation of Sabah Manufacturers (FSM) President, Datuk Wong Khen Thau.

He said the POR's port management expertise and global reputation would be able to attract major shippers to make Sabah their port of call.

Wong was commenting on the recent signing of a framework of agreement between POR and State-owned POIC Sabah Sdn Bhd.

POIC Sabah has developed 1,150 acres for a palm oil industrial cluster in Lahad Datu where the key thrust has been the development of a POIC port.

He was among a 28-member Sabah delegation led by Chief Minister Datuk Seri Musa Aman, which visited the POR and Sohar Port in Oman from Oct. 26 to Nov. 2.

Wong, an advocate for the abolition of the Cabotage Policy, said high shipping cost is one of the stumbling blocks to growth in Sabah's export trade, and one of the main contributors to the high cost is the fact that there have not been sufficient out-going cargo to fill up freighters which call at Sabah ports.

"Ships come in full and leave empty," he said, adding that "if we can export full, the shipping cost of export should reduce con-

siderably". He said he learnt from POR officials that one of their targets was to fill outgoing cargo vessels with biomass materials.

Wong was impressed with the efficiency of POR's hinterland distribution network, which included movement of goods by rail, barges (up river) and road.

"This is of significance to Sabah's manufactured exports, especially those destined for Europe ... the more developed and efficient the hinterland distribution network, the cheaper the distribution cost," he said.

Towards this end, Wong said Sabah exporters to Europe, thus, must first explore POR as the entry port.

Urging the State Government, particularly POIC Sabah Sdn Bhd, to aggressively pursue the partnership with POR, Wong said the potential for tripartite shipping agreements between POR, POIC and Sohar Port is potentially very important to expanding Sabah's export trade.

"Sohar aims to be the shipping gateway to the Middle East. This offers a potential for Sabah to be the hub for the Far East by exporting its palm oil and other products to Middle East markets, and vice versa, to import products from the Middle East to be re-exported to the Far East region," he said.

Sohar Port is a joint-venture between the POR and the Sultanate of Oman.