

**PORT SUSTAINABILITY IN A COMPETITIVE
MARKET – PORT KLANG’S PERSPECTIVE
BY**



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Important of Transportation

Ø Key element for development:

- § Highway
- § Inland waterway
- § Railway
- § Pipeline
- § Port
- § Airport
- § Warehouses

Ø Movement of goods and passengers



PORT SUSTAINABILITY IN A COMPETITIVE MARKET – PORT KLANG’S PERSPECTIVE

Malaysia - Ports

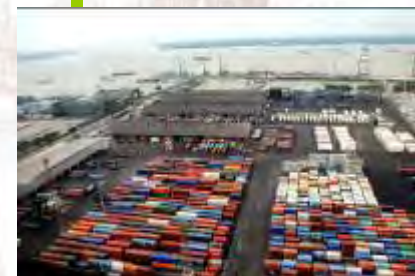
- Coastline – 8400km
- 105 landing facilities
- Major Ports:
 - § Federal Ports
 - § State Ports
- Minor Ports



PORT SUSTAINABILITY IN A COMPETITIVE MARKET – PORT KLANG’S PERSPECTIVE

Malaysia Ports

- Ports play a strategic role
- 90% trade are seaborne
- World's Top 20 largest trading Nation
- Focus to promote and enhance competitiveness



PORT SUSTAINABILITY IN A COMPETITIVE MARKET – PORT KLANG’S PERSPECTIVE

Ranking

World Ranking	Port Name	Total TEU (Million)
1	SHANGHAI	35.3
2	SINGAPORE	33.9
3	SHENZHEN	24
4	HONG KONG	22.3
5	NINGBO	19.4
6	BUSAN	18.7
7	QINGDAO	16.6
8	GUANGZHOU	16.4
9	DUBAI	15.2
10	TIANJIN	14.1
11	ROTTERDAM	12.3
12	PORT KLANG	10.9

13	KAOHSIUNG	10.6
14	DALIAN	10.1
15	HAMBURG	9.3
16	ANTWERP	8.6
17	XIAMEN	8.0
18	LOS ANGELES	7.9
19	TG. PELEPAS	7.6
20	LONG BEACH	6.7



* Port Klang ranked 12th - 2014



PORT SUSTAINABILITY IN A COMPETITIVE MARKET – PORT KLANG'S PERSPECTIVE

- Logistic Chain – competitive environment
- Need to adopt to changes
- Face challenges – pro actively
- Strategies to overcome
- Remain competitive



PORT SUSTAINABILITY IN A COMPETITIVE MARKET – PORT KLANG’S PERSPECTIVE

- Asian region trade growth area
- Positive traffic growth
- 10 Top worlds busiest ports in Asia
- 71.2% of worlds total container throughput



PORT SUSTAINABILITY IN A COMPETITIVE MARKET – PORT KLANG’S PERSPECTIVE

Challenges:

- Increase in vessel size

THE EVOLUTION OF THE CONTAINER SHIP

Half a century ago, cargo vessels and tankers were converted to hold containers. Now ships are designed to maximize capacity

Converted Cargo Vessel 1956-70

LENGTH: 443 feet CAPACITY: 500 twenty-foot equivalent container units (TEU)



Converted Tanker 1956-70

LENGTH: 656 feet CAPACITY: 800 TEU



Container Ship 1970-80

LENGTH: 705 feet CAPACITY: 1,000-2,500 TEU



Panamax 1980-88

LENGTH: 950 feet CAPACITY: 3,000-4,000 TEU



Ships in this era introduced a protruding, "bulbous" bow, cutting down fuel costs by reducing the ship's drag and wake—making it easier for plates to attach, since there's less chop.

Post-Panamax 1988-2000

LENGTH: 1,000 feet CAPACITY: 4,000-5,000 TEU



Any vessel with more than 5,000 TEUs cannot fit through the Panama Canal. The canal is currently expanding to allow a 12,000 TEU ship (see below).

Post-Panamax Plus 2000-05

LENGTH: 1,099 feet CAPACITY: 5,000-8,000 TEU



New Panamax 2006-present

LENGTH: 1,300 feet CAPACITY: 11,000-15,500 TEU



EEE-Class 2015 LENGTH: 1,312 feet CAPACITY: 18,000 TEU



On Feb. 21, 2011, Maersk ordered 111 of the largest container ships in history, for \$190 million each. Under construction in Korea, the first will launch in 2013.



PORT SUSTAINABILITY IN A COMPETITIVE MARKET – PORT KLANG’S PERSPECTIVE

Strategies:

- Ports to be attractive
 - ü Cargo Volume
 - ü Connectivity
- Technology enhancement
 - ü Facilities
 - ü Equipment
- Service
 - ü Fast turnaround of vessel
 - ü Cost effective



PORT SUSTAINABILITY IN A COMPETITIVE MARKET – PORT KLANG'S PERSPECTIVE

Challenges:

- Consolidation of carriers
 - ü Maximise ship utilization
 - ü Reduce cost
 - ü Service multiple global routes
- Six largest alliances command 70% of capacity on the major east-west routes
- 2M, 03 Ocean Three, G6, CKYHE



PORT SUSTAINABILITY IN A COMPETITIVE MARKET – PORT KLANG’S PERSPECTIVE

Strategies:

- To excel in Port Services
 - ü Supply driven facilities
 - ü Adequate capacity
 - ü Cater for huge volume – relocation of transshipment traffic



Challenges:

- Globalization of Port Operators
 - ü Privatization of Ports
 - ü Specialized interaction Port Operators (Hutchison, P&O, DP World, PSA)
 - ü Increase level of competition

Strategies

- ü Ports need to adopt and face those challenges by engaging these global network



PORT SUSTAINABILITY IN A COMPETITIVE MARKET – PORT KLANG’S PERSPECTIVE

Challenges:

- Use of ICT in logistic
 - ü Connecting logistics sector via web-base system
 - ü Integrated services to remain competitive
 - ü Close link with end-users



PORT SUSTAINABILITY IN A COMPETITIVE MARKET – PORT KLANG’S PERSPECTIVE

Strategies:

- Initiative of Port Klang Net
 - ü To commit all logistics players under one common platform
 - ü Enhance efficiency of services
 - ü Reduce operational cost



PORT SUSTAINABILITY IN A COMPETITIVE MARKET – PORT KLANG’S PERSPECTIVE

- What does all this mean for Port Klang?
- Will Port Klang be part of the future network of mega ports?



PORT SUSTAINABILITY IN A COMPETITIVE MARKET – PORT KLANG’S PERSPECTIVE

- Pro-active actions by Port Klang:
 1. Engaging the private sector through privatization to manage the ports to enable quick response to emerging trends
 2. Adopting appropriate strategies to explicit its strengths and natural advantages to develop transshipment hubs
 3. Minimum waiting time, quick turnaround, non tidal port
 4. Providing consistent world-class facilities and services by adopting a supply driven approach



PORT SUSTAINABILITY IN A COMPETITIVE MARKET – PORT KLANG’S PERSPECTIVE

5. State of the Art Quay Cranes

6. Forging global network connections through smart partnerships with global port operators such as Hutchison in Port Klang and attracting MLO's to make Port Klang as their regional hub i.e. China Shipping CMA-CGM.

7. Utilize advanced information technology in port operations to interface with the industry users efficiently and cost effectively

8. Proactive Role of the Government

9. Creating ample back up area for Free Zone activities outside the port area.



PORT SUSTAINABILITY IN A COMPETITIVE MARKET – PORT KLANG’S PERSPECTIVE

Malaysia's Port Success due to:-

1. Evolution of the National Load Centre policy to promote Port Klang's growth as the main gateway for the nation
2. Encourage private sector equity participation in the port sector as witnessed by Hutchison in Westports and Maersk- Sealand at PTP.
3. Creating Port Klang Free Zone as a backup area for logistics activity in order to generate throughput for Port Klang.



PORT SUSTAINABILITY IN A COMPETITIVE MARKET – PORT KLANG’S PERSPECTIVE



Conclusion

Port Klang sees a great market potential in the container industry in the global scene



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THANK YOU



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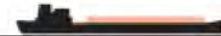
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