

BIMP-EAGA MARITIME 2023

MALAYSIA'S PERSPECTIVE ON COLLABORATIVE CONSUMPTION AND INTRA-REGIONAL CONTAINER SHIPPING

Sabah Ports' Perspective

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SABAHPORTS
YOUR PORTS OF PREFERENCE

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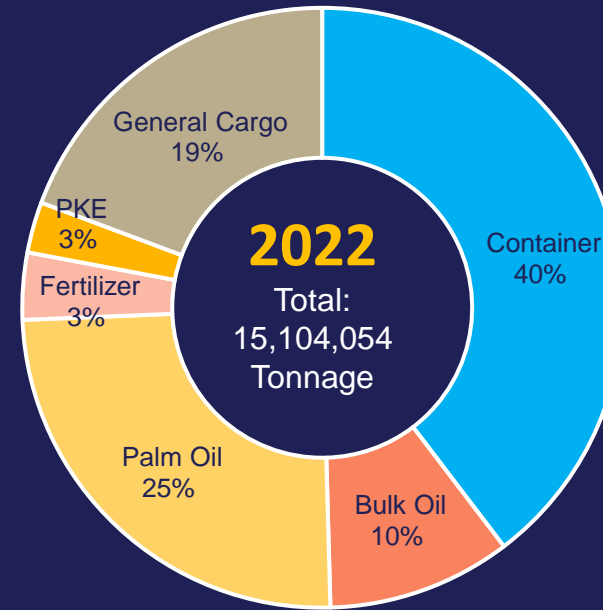
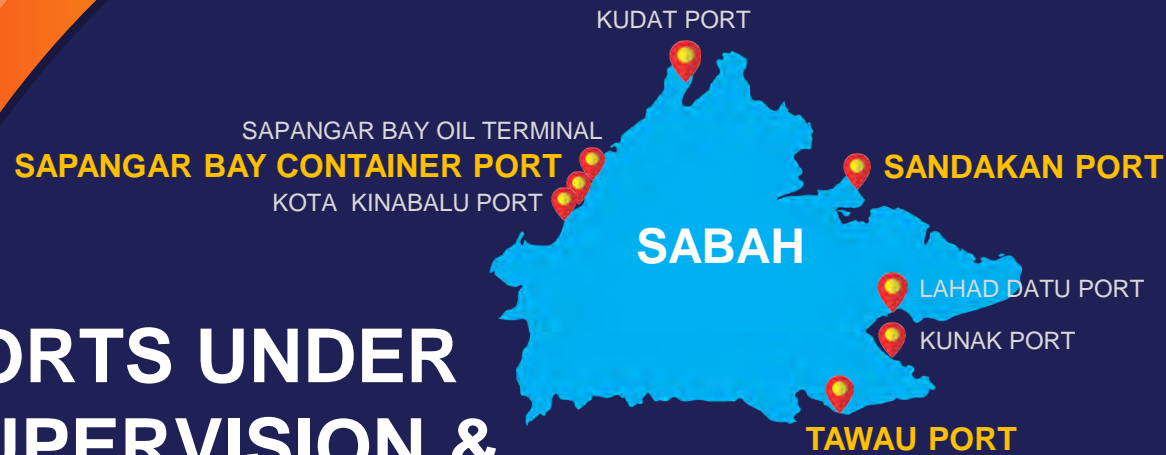
Corporate Introduction

PORTS UNDER SUPERVISION &

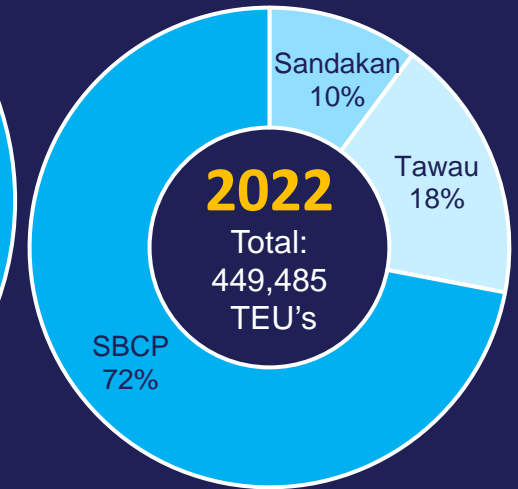
PORTS HANDLED CONTAINER OPERATIONS

Type Of Cargos Handled

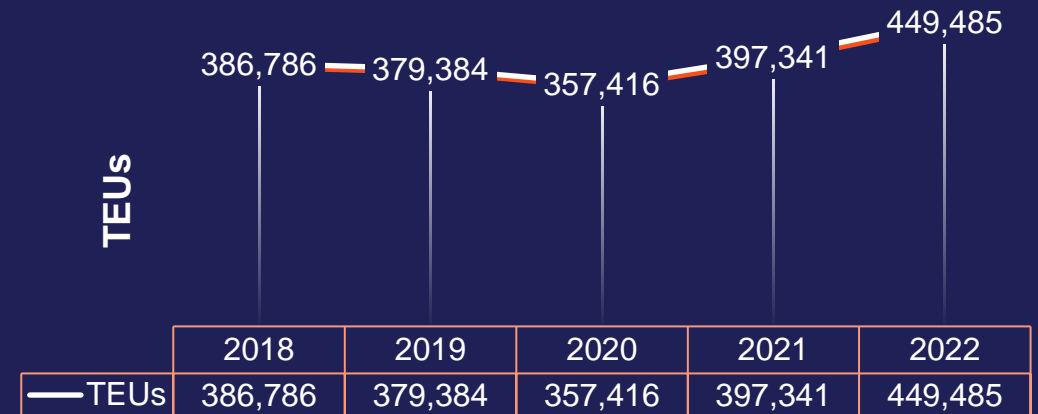
- Container
- Break Bulk
- Dry Bulk
- Oil & Gas
- Ro-Ro
- Liquid Bulk
- Cruise/Ferry Passengers



Cargo Throughput Compositions



Container Throughput By Port



SPSB's Total Annual Container Volume through SBCP, Sandakan and Tawau



The Impact of Collaborative Consumption

Potential Benefits of Collaborative Consumption

Global sharing economy is expected to reach \$335 billion by 2025.
Impact: Will reduce waste and lower carbon emission by **30 - 40%**.

Report by PwC

Survey by Shareable

Intentions to participate in the Sharing Economy

50% To save money **38%** Environmentally Friendly

60% Of global consumers *Study by Nielsen* are willing to pay more for products and services that come from sustainable and environmentally responsible companies.

Report by World Economic Forum

Sharing Logistics Asset

↓ **\$2 trillion by 2025**
Reduce global logistics cost

↑ **33% VSAs**

Increased of vessel-sharing agreements (VSAs) in the global container shipping industry between 2014-2018.

Report by Drewry

Survey by DHL

Sharing economy in the logistics sector

↓ **25%**
Reduction in delivery vehicle traffic

↓ **40%**
Reduction in delivery-related emissions

Global Shippers Forum (NGO) launched **Digital Platforms** to share information about their cargo and find opportunities to share shipping space with other companies.

Development of collaborative initiatives to reduce emissions.

Cost Saving



Environmental Sustainability

Improved Logistics Supply Chain Efficiency



Challenges Faced by the BIMP-EAGA

1. **Lack Of Containership Connectivity**

- There is on-going historical trade that still uses small barges/kumpits
- Increasing demand from traders but there is inadequate sea-trade connectivity between members countries despite being close proximity to each other

2. **High Cost of Logistics**

Inadequate logistic infrastructure and sea connectivity leads to high logistic cost

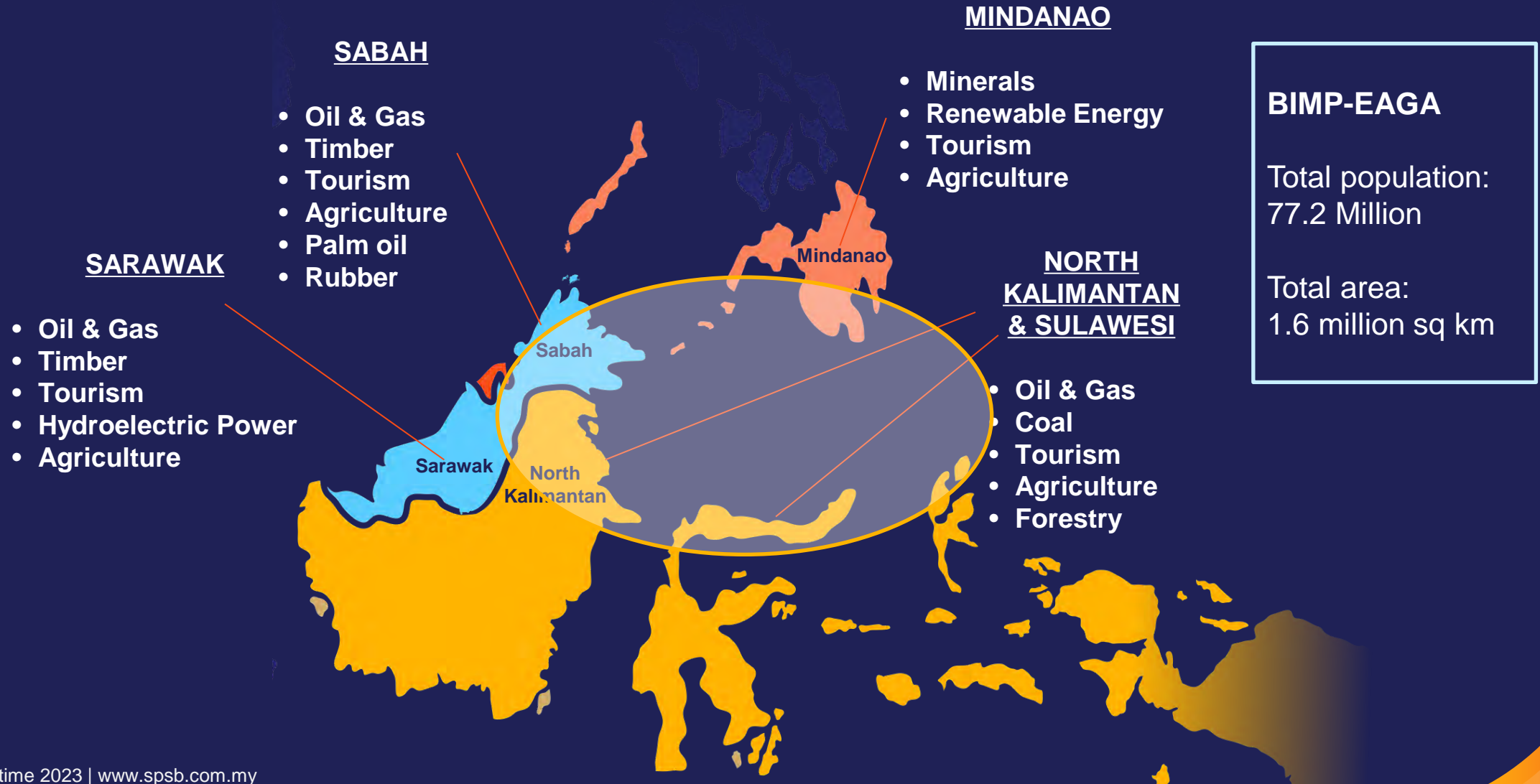
3. **Extended Transit Times**

Infrequent ship calls which leads to lack of sea linkages and hence, extended lead times for shipment.

4. **Lack of Common Regulatory Framework**

- Inadequate measures of control for cargo movement between regions
- Trade leakages that leads to revenue leakages
- Challenges in developing infrastructure

Resources in the Sub-Regions





Sabah's Perspective

Collaborative consumption existed in Sabah's economy through its historical trade with neighbouring regions of Indonesia and Philippines.



Trading (exchange of goods) between Sabah and neighboring regions of Indonesia & Philippines began in late 1940s. This form of trade was officially coined as “barter trade” in 1993.



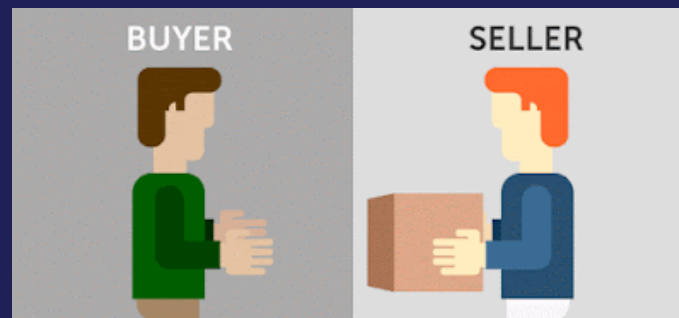
Over the years, trade has evolved due to the development of Sabah. With containerisation introduced in 1970s (in Sabah), this catalysed the evolution into cross border trade.



Barter trade in its ‘traditional’ aspect is non-existent today, as it has transformed itself into **container transloading activities** through Tawau and Sandakan, **promoting intra-regional shipping** between the regions.



Resources, goods, or services are shared by a group through bartering, lending, trading, renting, gifting, and swapping.



Buyer/seller roles are interchangeable

Non-conventional ships is still widely used in the region due to port facilities at the port destination.

Type Of Vessels



Size of Destination Port





COMMODITY	DESTINATION COUNTRY
Palm Oil Products: Crude, Refined	China/India/ Philippines
Palm Kernel Products: Crude, Refined, PKS, PKE	China/Korea/Japan
Rubber	Singapore/Port Klang
Plywood	Port Klang/China/Korea
Sea Products: Shrimp, Crab	Port Klang/Hong Kong/Taiwan

Ports Handling Barter Trade in Sabah

Palawan
Total population: 939,594
Total area: 14,649.73 sq km

Mindanao
Total population: 27,021,036
Total area: 97,530 sq km

Type of goods:
FMCG, tobacco,
building materials,
machinery/spare
parts, etc.

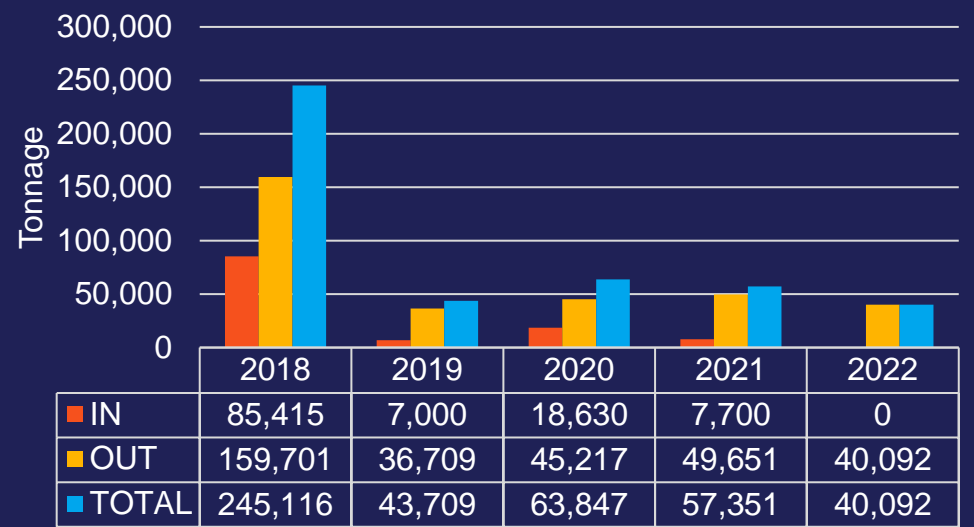


Kalimantan
Total population: 16,625,796
Total area: 539,237.77 sq km

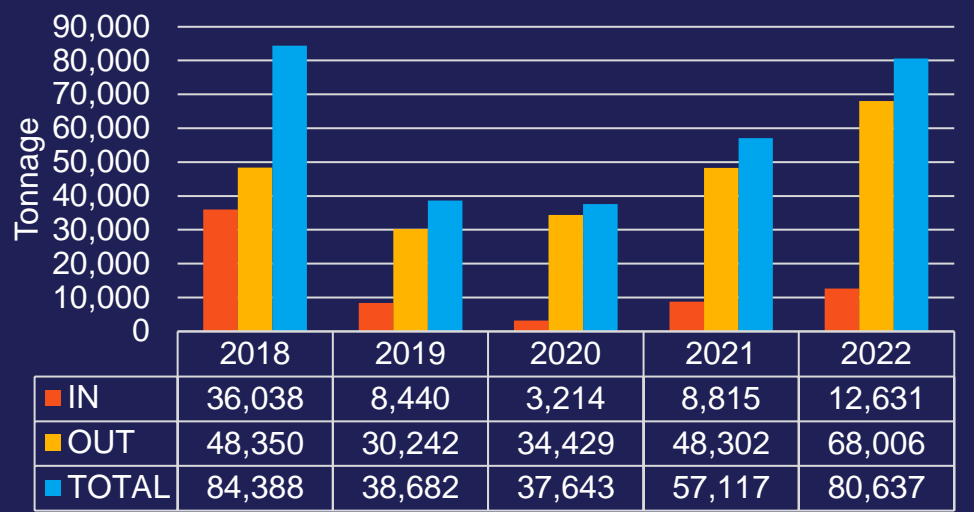
Tg. Silopo - passengers

Transloading from 2018-2022

SANDAKAN



TAWAU



2. However, the lack of containership connectivity and limitation of suitable infrastructure limits trade potentials.

3. This causes longer lead times and higher logistics cost to the region.

4. Potential to export local produce is affected due to connectivity.

5. Consolidation of other consumption goods and imports from Sabah builds up volume to the POD

1. Existing demand from communities in Southern Philippines, Mindanao, North Kalimantan and Sulawesi.

Sabah's East Coast Ports play an important role to serve the logistics needs of Southern Philippines, Mindanao, North Kalimantan and Sulawesi. **WHY?**

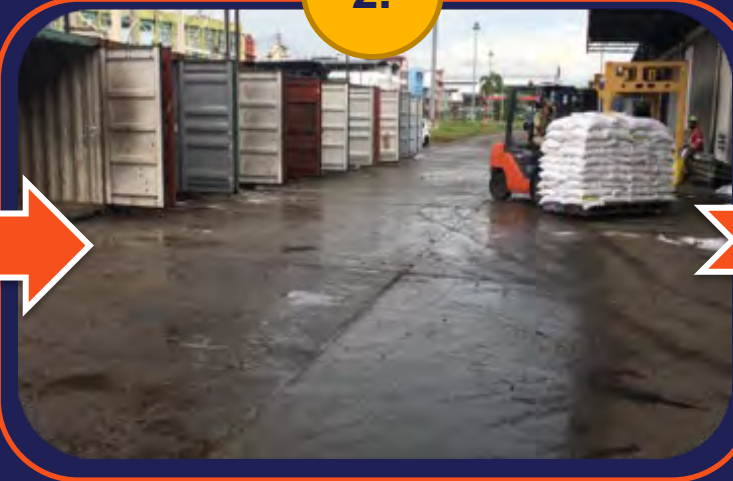
Transloading Activities in Our Ports

1.



Goods are imported (container) from Vietnam/Thailand and other countries.

2.



Containers are unstuffed and goods are stored in Port Godown.

3.



Goods are loaded unto 'kumpits' bound for Indonesia/Philippines.



The Role of Sabah Ports

LEVERAGING ON SABAH PORTS' STRATEGIC LOCATION



Sabah is geographically located right at the center of ASEAN and easily accessed by air & sea from 13 Global destinations making Sabah an ideal location for trade facilitation in the region especially to the untapped economics in East ASEAN and BIMP-EAGA Sub-Region.






REGIONAL HUB & SPOKE POTENTIAL FOR BIMP-EAGA



Reducing distances between transshipment load centers to feeder ports in BIMP-EAGA ultimately results in:

- Enhanced sea connectivity through shorter transit times/steaming times
- Reduced freight as fuel/bunker cost is reduced
- Relieves congestion from national load centers and transshipment is diverted to SBCP
- Creates reliability and resilient shipping services in BIMP-EAGA
- Facilitates bilateral trade and economic development in BIMP-EAGA

EXISTING INTRA REGIONAL CALL TO KOTA KINABALU / SAPANGAR BAY CONTAINER PORT

NO.	SHIPPING LINES	AGENT	VESSEL	ROUTING	FREQUENCY	DAY
1.	 EVERGREEN LINE		Vladivostok Stride	Shekou, Hong Kong, Kaohsiung, SBCP	Weekly	Monday
2.		HUBline	Harbour Star/ Harbour Galaxy	Nansha/Hong Kong, SBCP	Weekly	Saturday
4.	 MAERSK		MICCSeoul, Torres Straits, MCC Dhaka, MAERSK Wiesbaden, MAERSK Warsaw, Trieste Trader, Cape NASSAU	Muara, SBCP, Sandakan, Davao, Mindanao, Shanghai, Mindong, Beilun, TP, Thilawa, TMT Port, Singapore	Weekly	Sunday

SAPANGAR BAY CONTAINER PORT EXPANSION

EXISTING



EXPANSION



Enhanced
Competitiveness



**BUSINESS
BENEFITS**



Increase
economic
activities

Export in
Efficient Manner



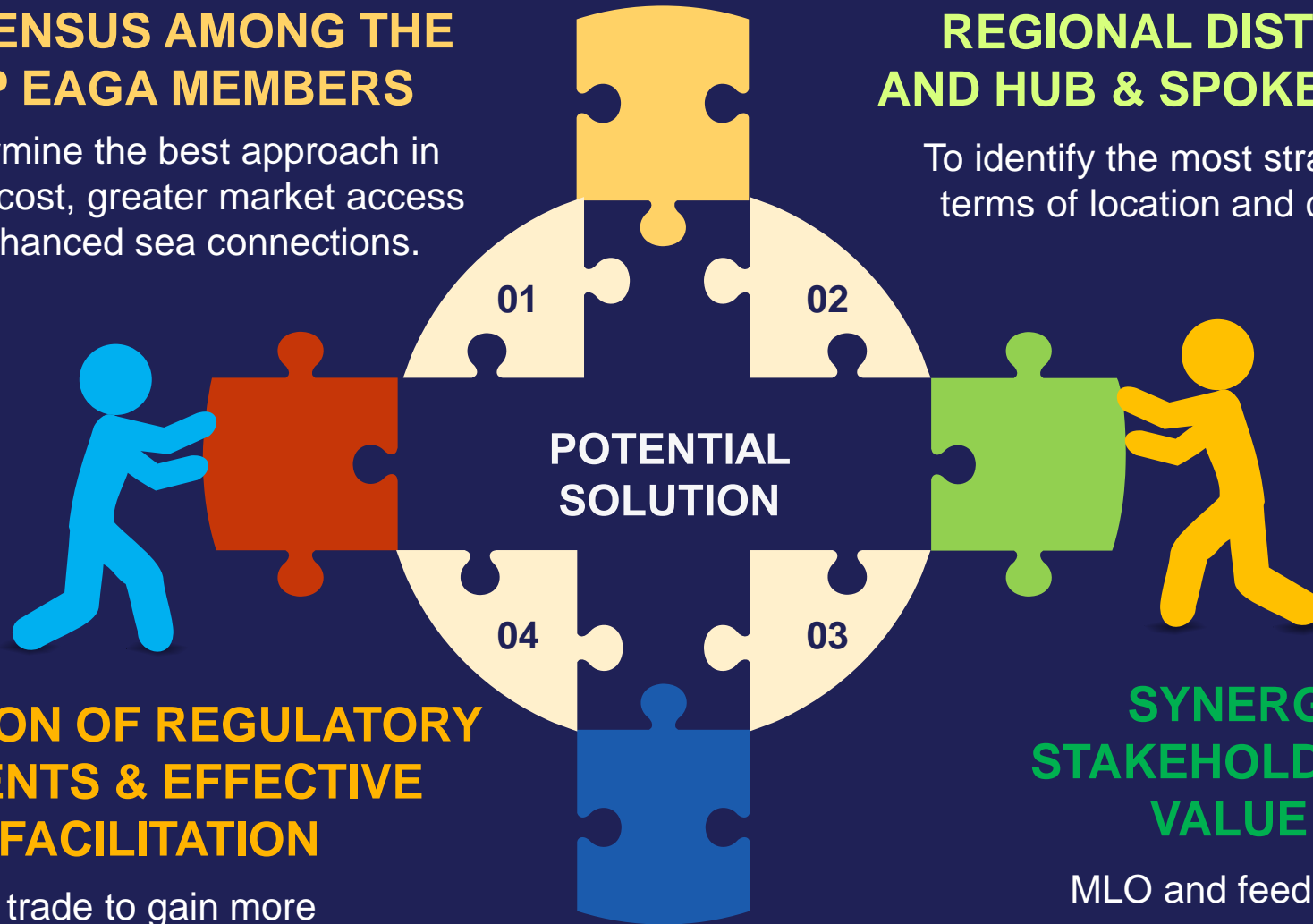
Sustainable
Development

CONSENSUS AMONG THE BIMP EAGA MEMBERS

To determine the best approach in reducing cost, greater market access and enhanced sea connections.

REGIONAL DISTRIBUTION AND HUB & SPOKE STRATEGY

To identify the most strategic Port in terms of location and connectivity.



HARMONISATION OF REGULATORY REQUIREMENTS & EFFECTIVE TRADE FACILITATION

To facilitate trade to gain more market access for all stakeholders.
eg. Single window

SYNERGY WITH STAKEHOLDERS IN THE VALUE CHAIN

MLO and feeder vessel, port operators.



THANK
YOU