



SESSION 2

SAPANGAR BAY CONTAINER PORT THE PROMISING GATEWAY FOR BIMP-EAGA

Strait of Malacca

MALAYSIA

SBCP

SABAH

ZAMBOANGA

NUNUKAN

TARAKAN



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General Manager (Corporate Services)
Sabah Ports Sdn Bhd



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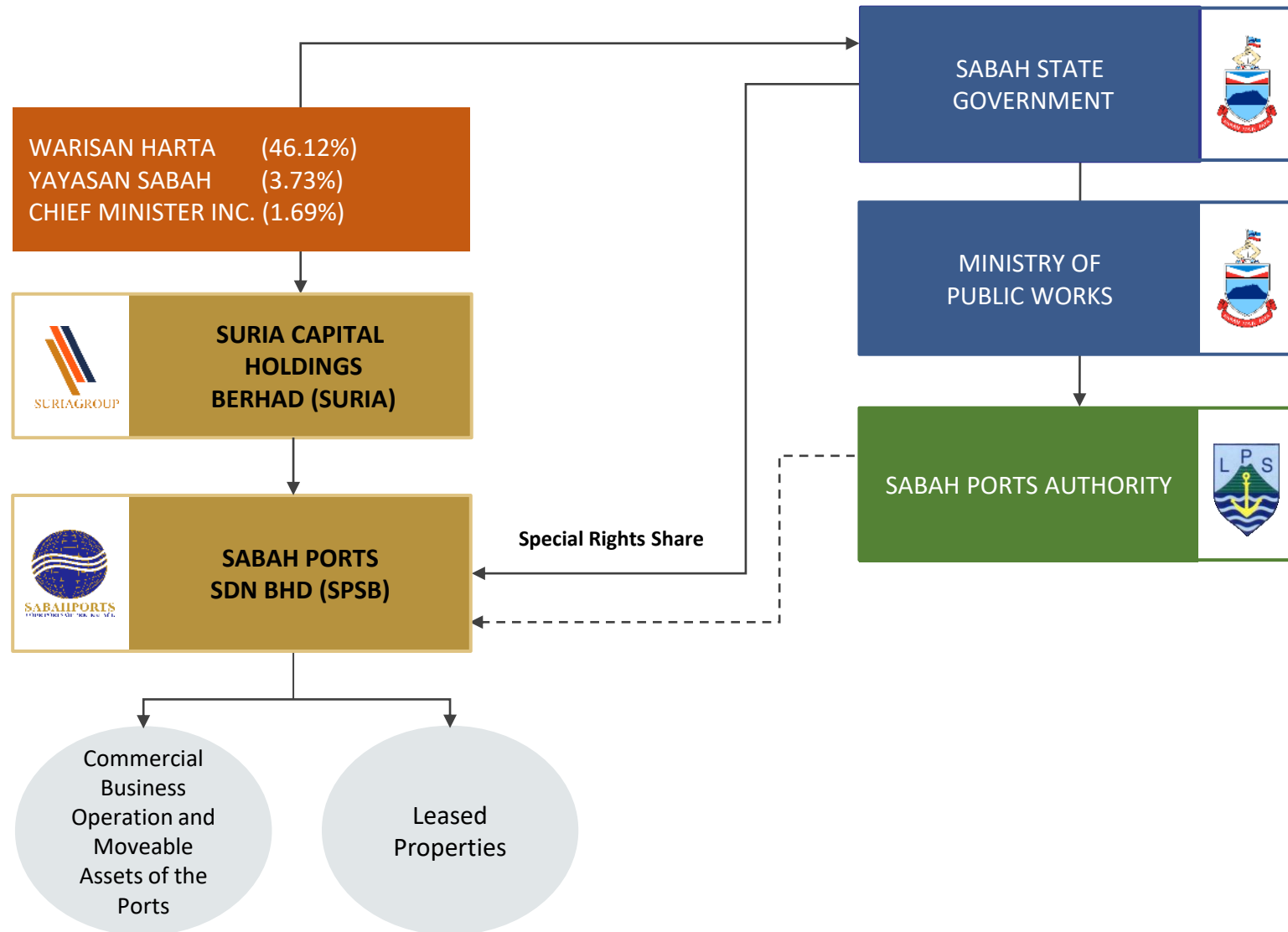


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CORPORATE INTRODUCTION

THE PRIVATISATION





SURIA CAPITAL HOLDINGS BERHAD
Investment Holding and Property Development

100%



SABAH PORTS SDN BHD
Port Operations

100%



SCHB ENGINEERING SERVICES SDN BHD
Contract & Engineering, Ferry Terminal Operation

100%



S.P. SATRIA SDN BHD
Equipment Supply & Maintenance

100%



SP MARINE SERVICES SDN BHD
Bunkering & Ancillary Services

GROUP CORPORATE STRUCTURE

Suria Capital Holdings Berhad (SURIA) was incorporated in 1983 and listed on the Main Market of Bursa Malaysia Securities Berhad since 1996.



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PORT LOCATIONS

3. SAPANGAR BAY OIL TERMINAL

Cargo type : Liquid refined petroleum products & chemical cargo



4. KUDAT PORT

Cargo type : Break bulk



5. SANDAKAN PORT

Cargo type : Break bulk, dry bulk, bulk oil, palm oil, passenger ferry & container



6. LAHAD DATU PORT

Cargo type : Break bulk, dry bulk & palm oil



2. SAPANGAR BAY CONTAINER PORT

Cargo type : Container & ro-ro



7. KUNAK PORT

Cargo type : Palm oil & PKE



1. KOTA KINABALU PORT

Cargo type : Break bulk, dry bulk & cruise

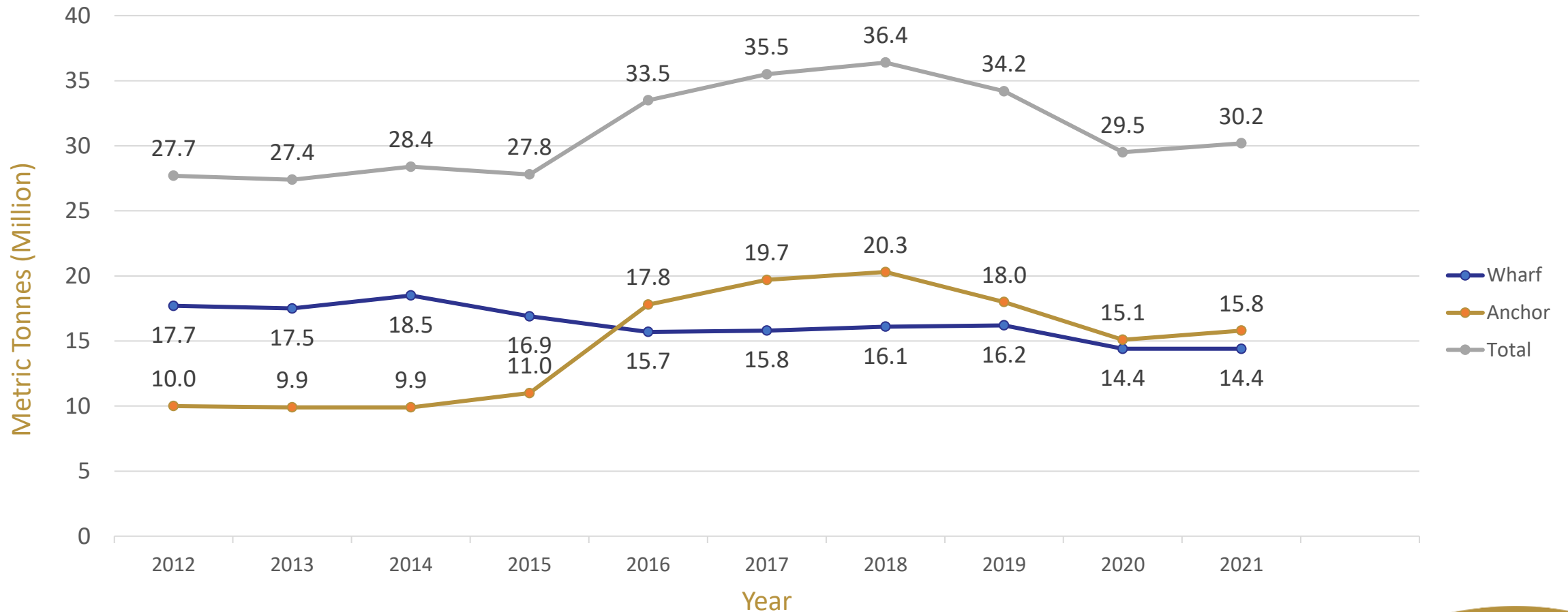


8. TAWAU PORT

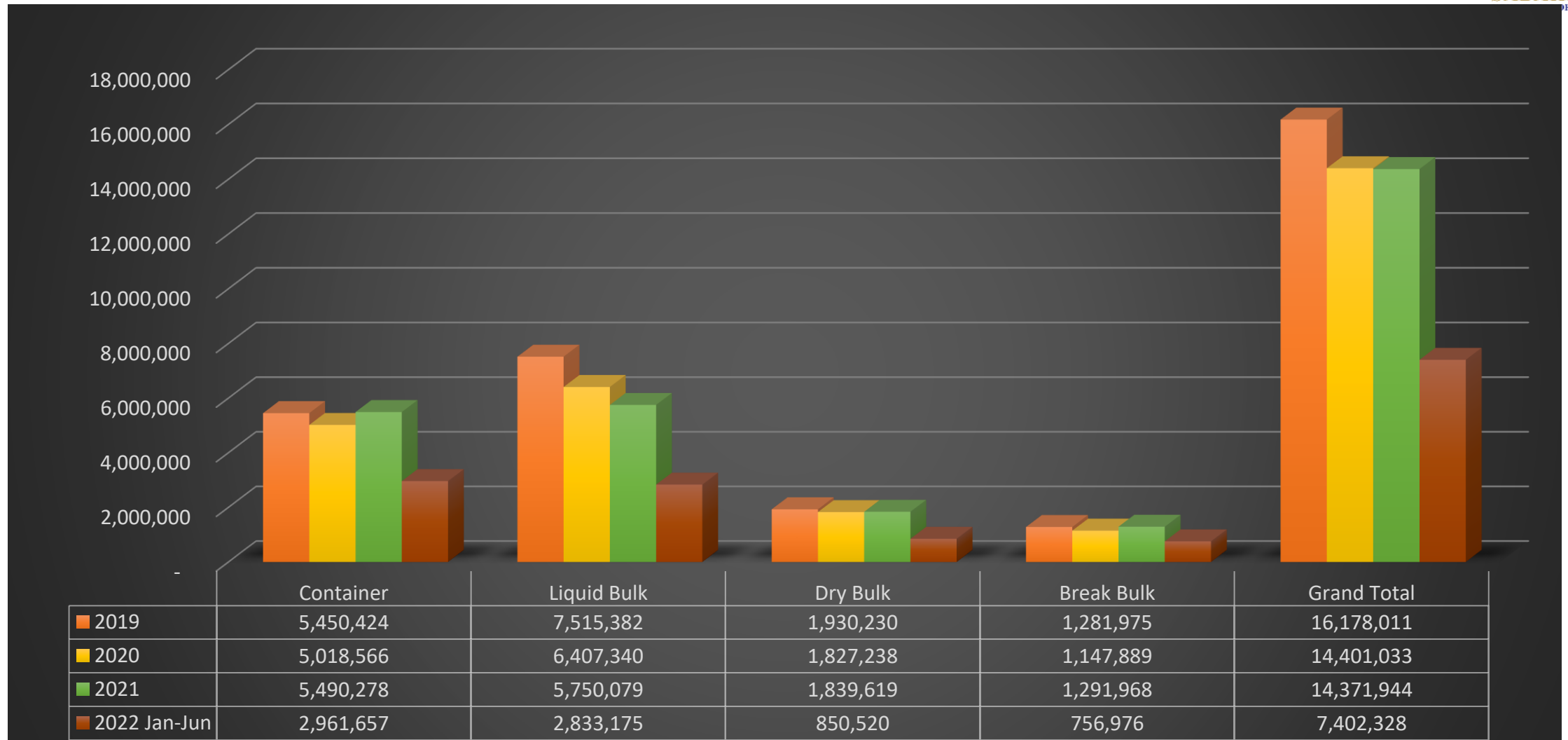
Cargo type : Break bulk, dry bulk, bulk oil, palm oil & container



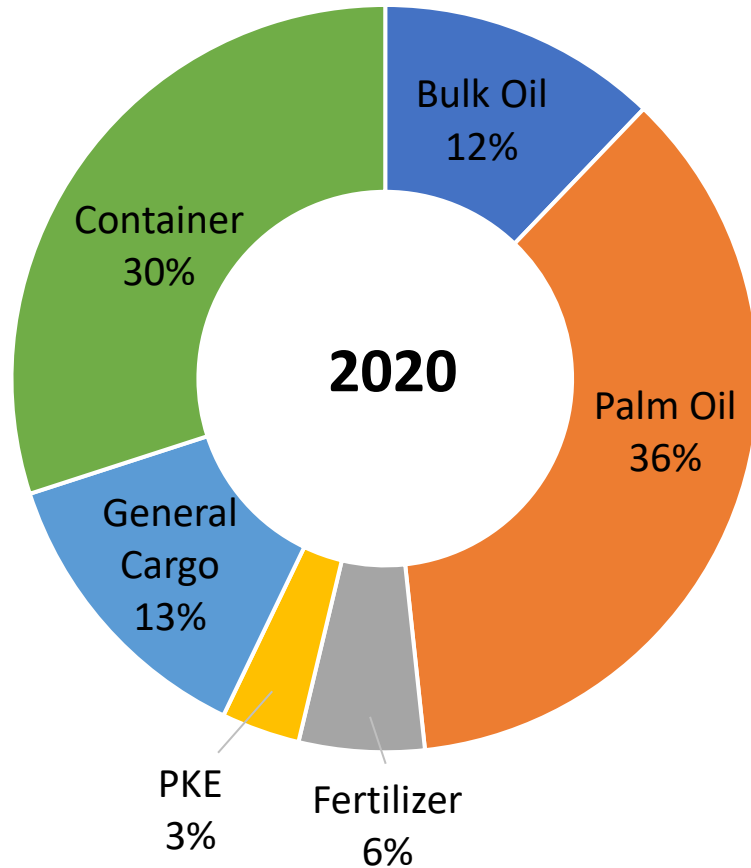
ANNUAL CARGO THROUGHPUT (2012–2021)



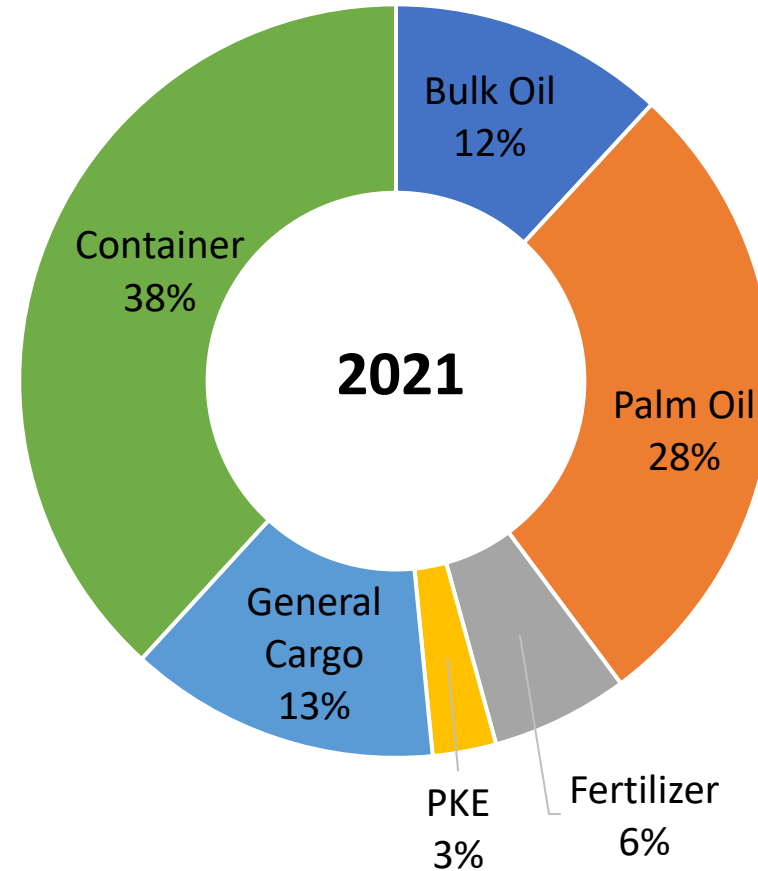
TOTAL TONNAGE HANDLE AT SPSB 2019-2022



CARGO THROUGHPUT AT ALL PORTS

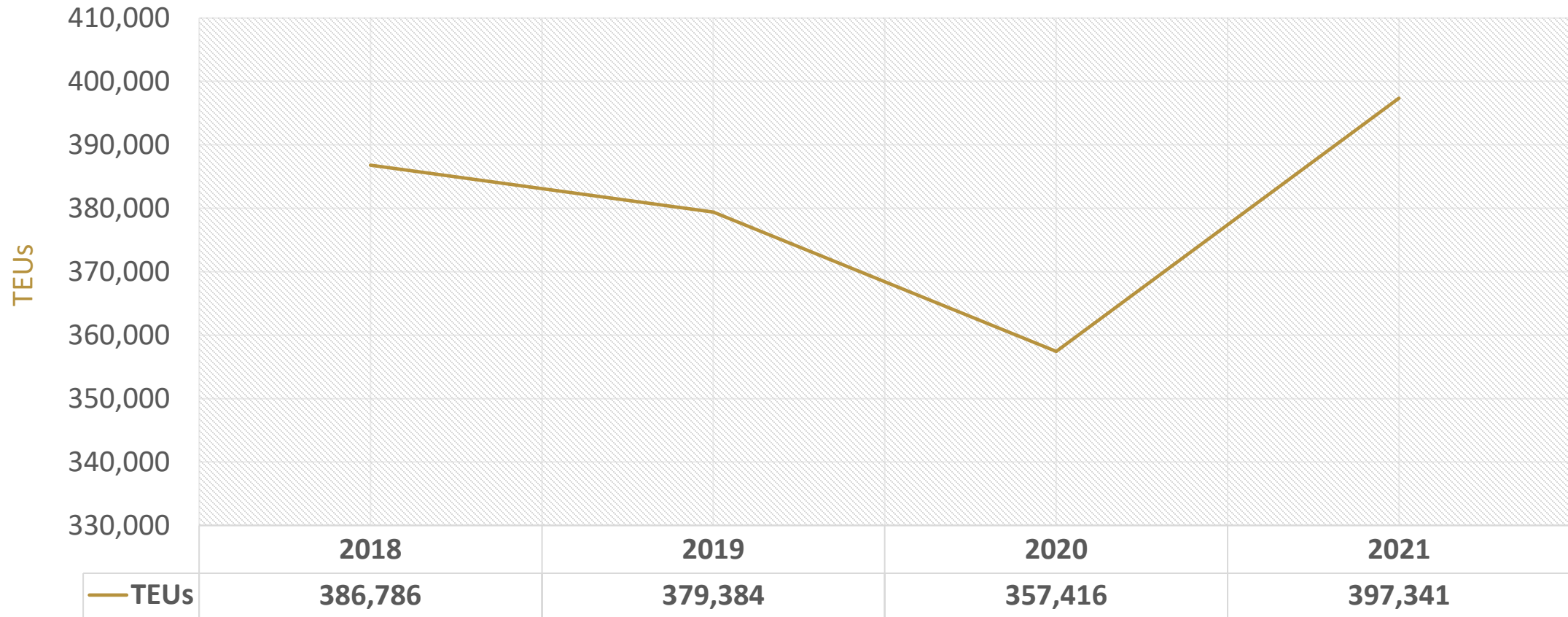


Total: 13,401 MT'000



Total: 14,372 MT'000

SABAH PORTS TOTAL ANNUAL CONTAINER VOLUME (SBCP, Sandakan & Tawau Port)



OUR ACHIEVEMENTS IN 2019 - 2021



**APEC Green Port Award
2019**



**Asia Sustainability
Reporting Rating (ASSRAT)
Award 2019**



**Women of the Year in
Port/Terminal Industry
2020**



**South East Asia's Terminal
Of The Year 2020**



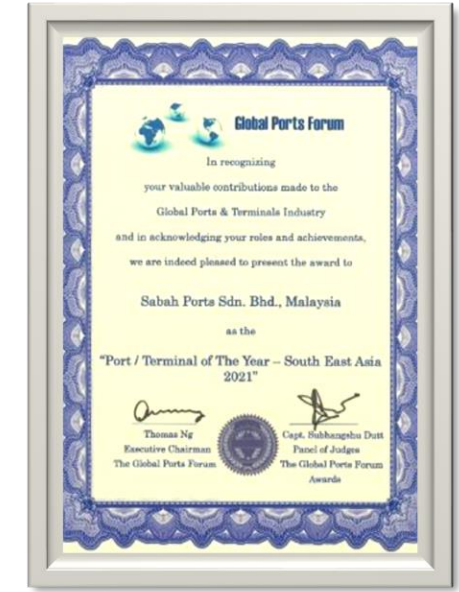
**ACES 2020: Winner of
Green Initiative Award
category 2020**



**MSWG-ASEAN Corporate
Governance Award 2020:
Merit Award for Most
Improved CG Disclosure**



**Emerging
Port/Terminal of
The Year 2021**



**Port/Terminal of
The Year – South
East Asia 2021**



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BUSINESS CHALLENGES



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BIMP-EAGA



What is BIMP-EAGA?

Stands for Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area, established in 1994.

PURPOSE

To accelerate the socioeconomic development of less developed, marginalized, and geographically remote areas in the 4 countries as a broader goal to narrow development gaps.

AS OF 2021,

Existing Trade

Recorded to be US\$95.3 billion and accounted for 19.1% of BIMP's trade in goods

GDP

At 2021 prices, BIMP-EAGA GDP was at US\$323.1 billion and accounted for 17.9% of BIMP's GDP

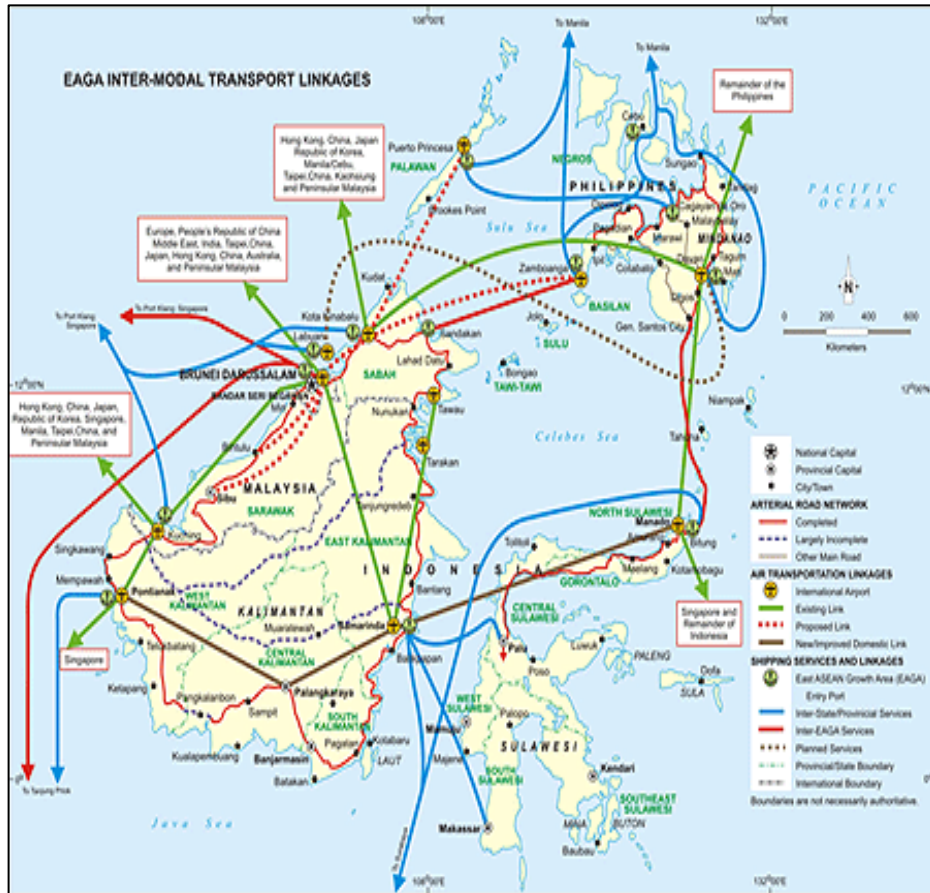
Labor Force

Total labor force found in BIMP-EAGA makes up 18.2% of BIMP's Labor Force



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THE CHALLENGES



- BIMP EAGA comprise of smaller islands and remote areas
- Ports at the BIMP EAGA depend on their National hub port as their gateway port resulting in high cost of logistics
- Hampered the economic development compared to other parts in their country.

BUSINESS CHALLENGES WITHIN BIMP-EAGA

1.

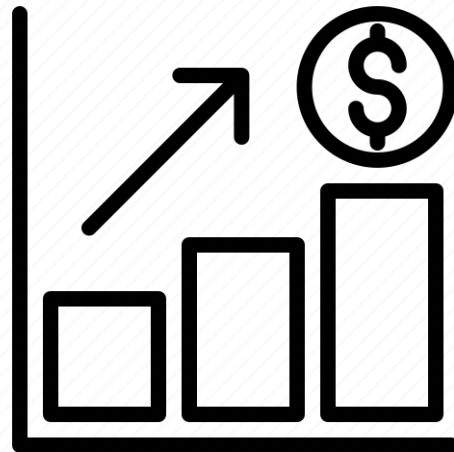


LAGGING BEHIND IN ECONOMIC DEVELOPMENT

- The region experiences slow economic development resulting in stagnant trade volumes.
- Relies on smaller ports and inadequate transportation infrastructure.
- Inability to achieve economies of scales as trade is dependant on small local crafts.

2.

HIGH LOGISTIC COST & EXTENDED TRANSIT TIMES

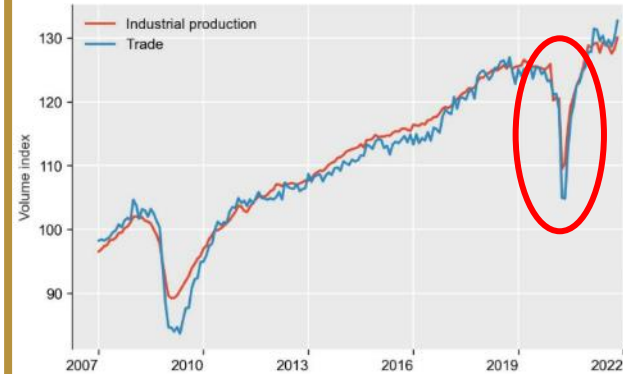


- Trade routes not optimized
- Low containerised trade volumes for MLOs
- Dependence of feeder ports on transshipment load centres
- Limited port infrastructure & capacities
- Rising fuel prices

3.

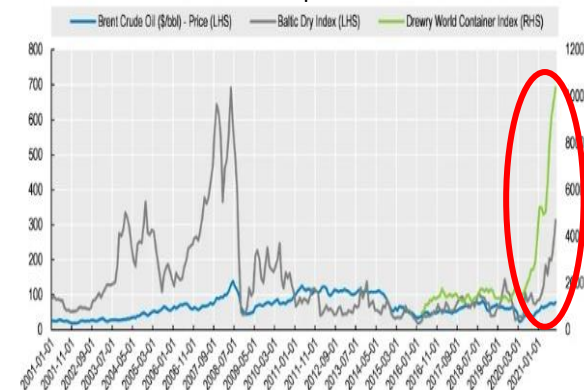
POST COVID-19 DEVELOPMENT

Volume of World Trade and Industrial Production



Source: OECD (2022)

Cost of Maritime Transport



- High sea freight rates
- Global supply chain disruption
- Backlog of cargo distribution

BUSINESS CHALLENGES WITHIN SABAH

1.



TRADE IMBALANCE

- Lack of downstream activities
- 70%-80% of containers handled are imports.

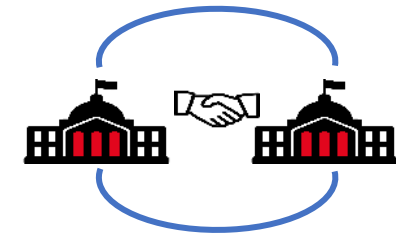
2.



HIGH COST OF LOGISTIC

- Lack of direct shipping line calls.
- No economy of scale
- Trade leakages

3.



FOREIGN TRADE POLICIES & INFRASTRUCTURE

- Government to spearhead trade facilitation through policies
- Inadequate support and facilitation for private sectors
- Trade policies to enhance and promote cross border trades within BIMF-EAGA
- Lack of infrastructure at the cross border strategic location especially in Borneo



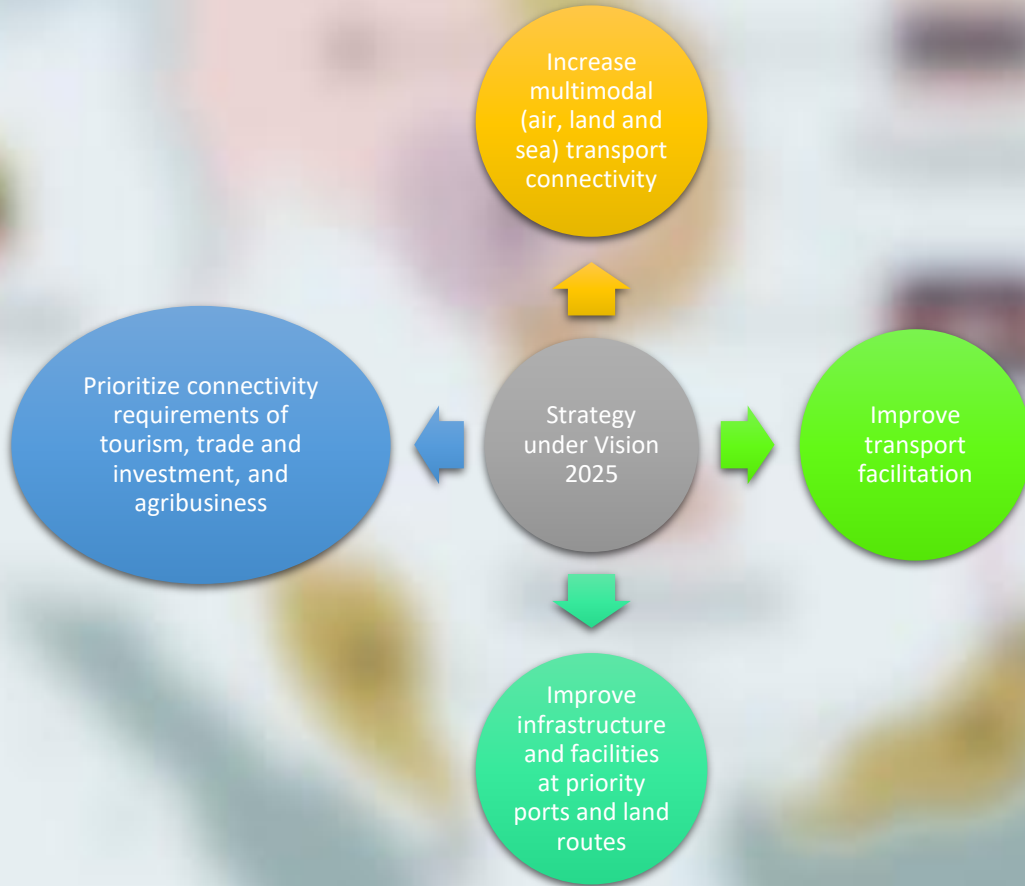
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THE OPPORTUNITIES



- With abundant of natural resources in terms of agriculture, aquaculture, minerals, eco-tourism
- Trade opportunities, potential investments are waiting to be enhanced and explored.

ALIGNING TO THE BIMP EAGA SEA LINKAGES



Increased movement of goods and people in the subregion via:

- 5 new intra-EAGA air routes
- 2 new ferry (including roll-on, roll-off) service within the sub-region
- Roads built or upgraded
- 12 airports upgraded



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SBCP ROLE IN BIMP EAGA

HOW SBCP CAN PLAY A ROLE IN IMPROVING THE RESILIENCE IN SUPPLY CHAIN OF BIMP-EAGA

1 STRATEGIC LOCATION – Located close to the busiest shipping lanes between Far East & Singapore



The strategic location of SBCP with minimum diversion from the main route.

Difference in steaming time ~ only 9hrs in total @ 20knots (~180n.m difference in distance)

- SBCP to BIMP-EAGA Ports
- Reduced distance between transshipment load centres to BIMP-EAGA feeder ports compared to BIMP countries' national transshipment centres.
 - Reduced distance would lead to shorter transit time
 - Reduced fuel cost
 - Ultimately, reducing freight while improving connectivity within BIMP-EAGA

Singapore – Hong Kong Direct= 1909nm
Singapore – HK via SBCP = 2089nm
Deviation – 180nm / 9 Hours @ 20 knots



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1 STRATEGIC LOCATION - Competitive Advantages of SBCP

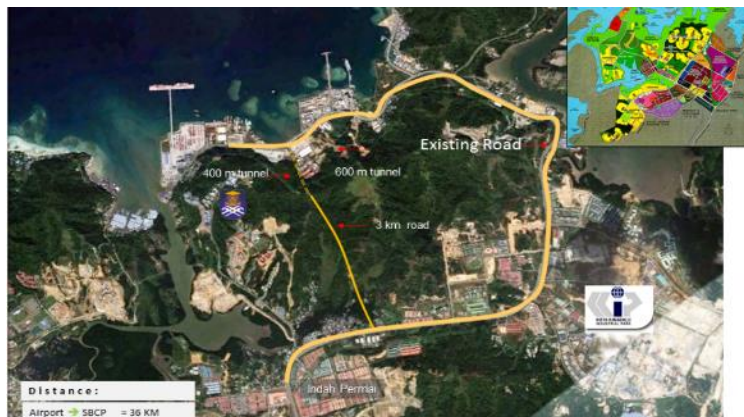
1. Strategically located near the busiest shipping lanes between Far East & Singapore



2. SBCP lies at the Centre of the BIMF-EAGA Region



3. Adjacent to Industrial area KKIP



4. Existing Port with Sheltered deep draft (12 m) and wide access channel



SAPANGAR BAY CONTAINER PORT OFFERS COST-EFFECTIVE LOGISTICS SOLUTION FOR BIMP-EAGA

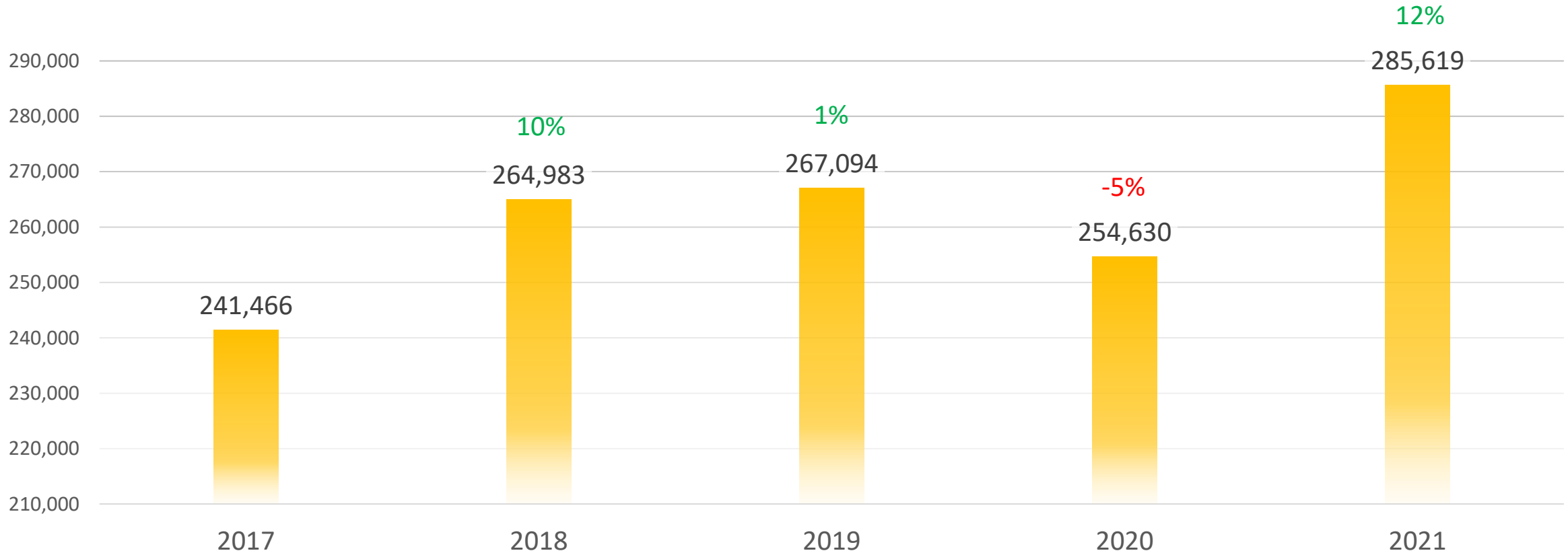


1. Strategic Location: ASEAN & BIMP-EAGA
2. Improving the connectivity by positioning SBCP as the Regional Hub Potential for BIMP-EAGA
3. Improvement Initiatives: Increasing port capacity and Efficiency with the expansion of SBCP

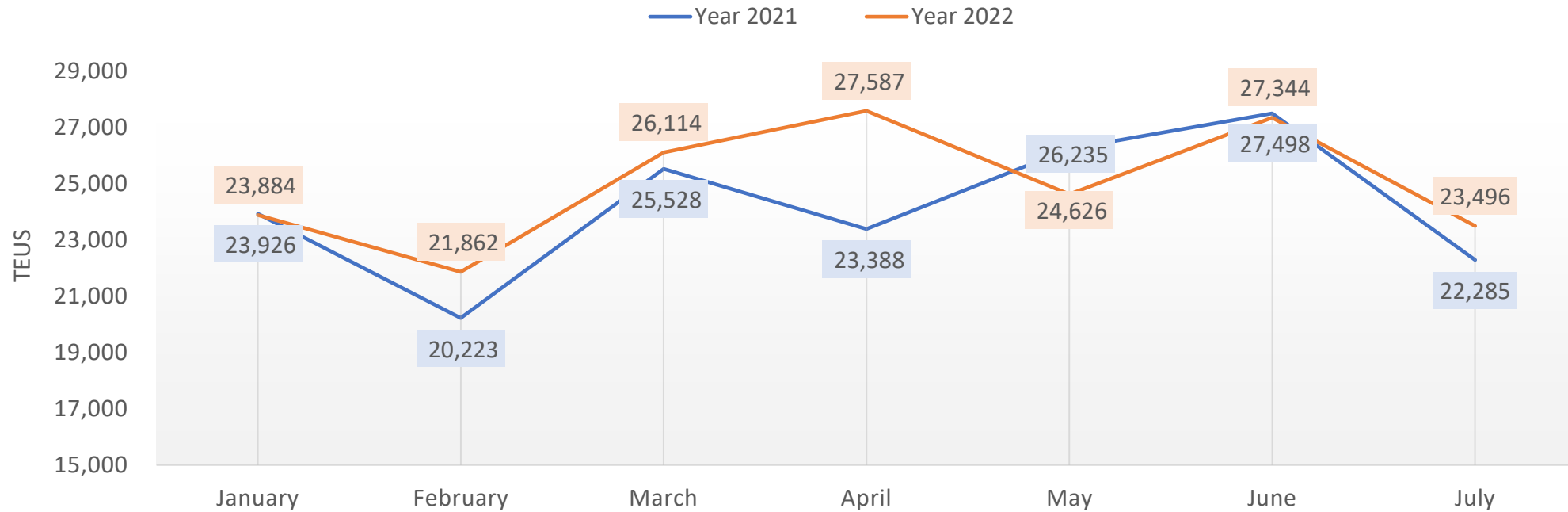


5-YEARS T/PUT PERFORMANCE (TEU)

ANNUAL CONTAINERS HANDLED IN SBCP
2017 TO 2021



MTD COMPARISON (2022 vs 2021 in TEU)

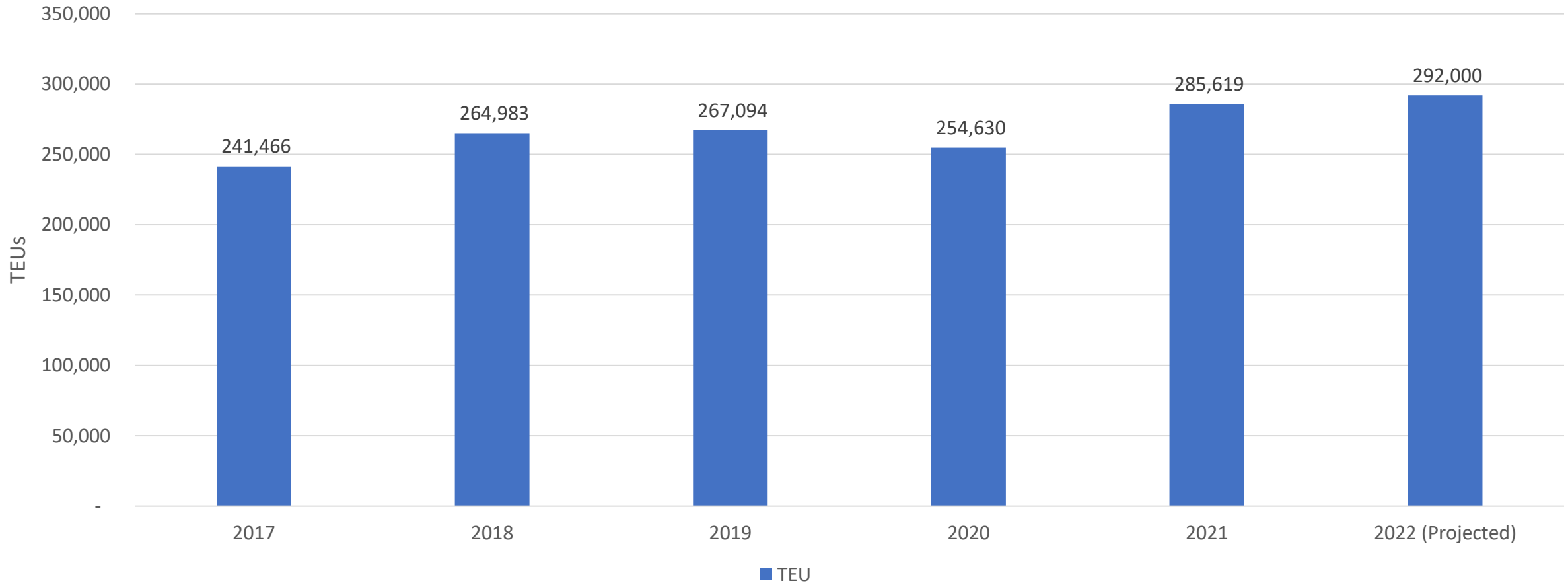


TEUS	JAN	FEB	MAR	APR	MAY	JUN	JUL	TOTAL
2021	23,926	20,223	25,528	23,388	26,235	27,498	22,285	169,083
2022	23,884	21,862	26,114	27,587	24,626	27,344	23,496	174,913
Difference	-42	1,639	586	4,199	-1,609	154	1,211	5,830
Growth Rate %	0%	8%	2%	18%	-6%	-1%	5%	3%



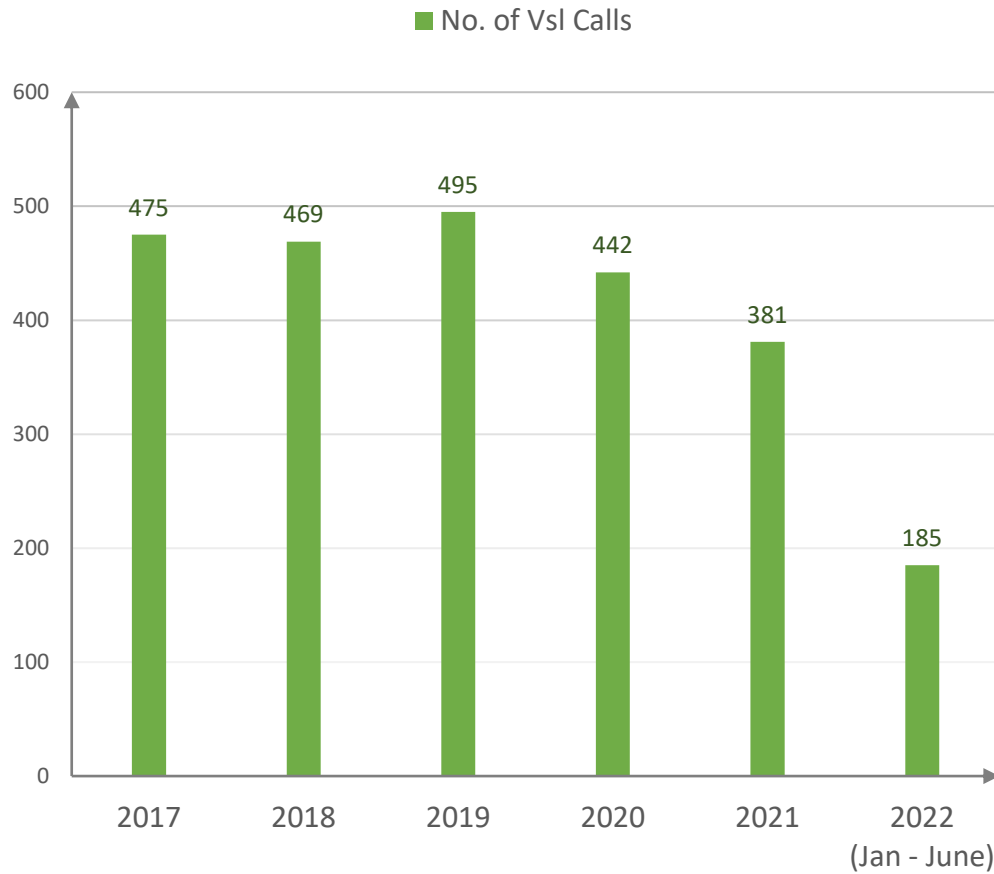
ANNUAL CONTAINER THROUGHPUT IN TEU FOR SBCP (2017-2022)

Total TEU Handled at SBCP (2017-2022)

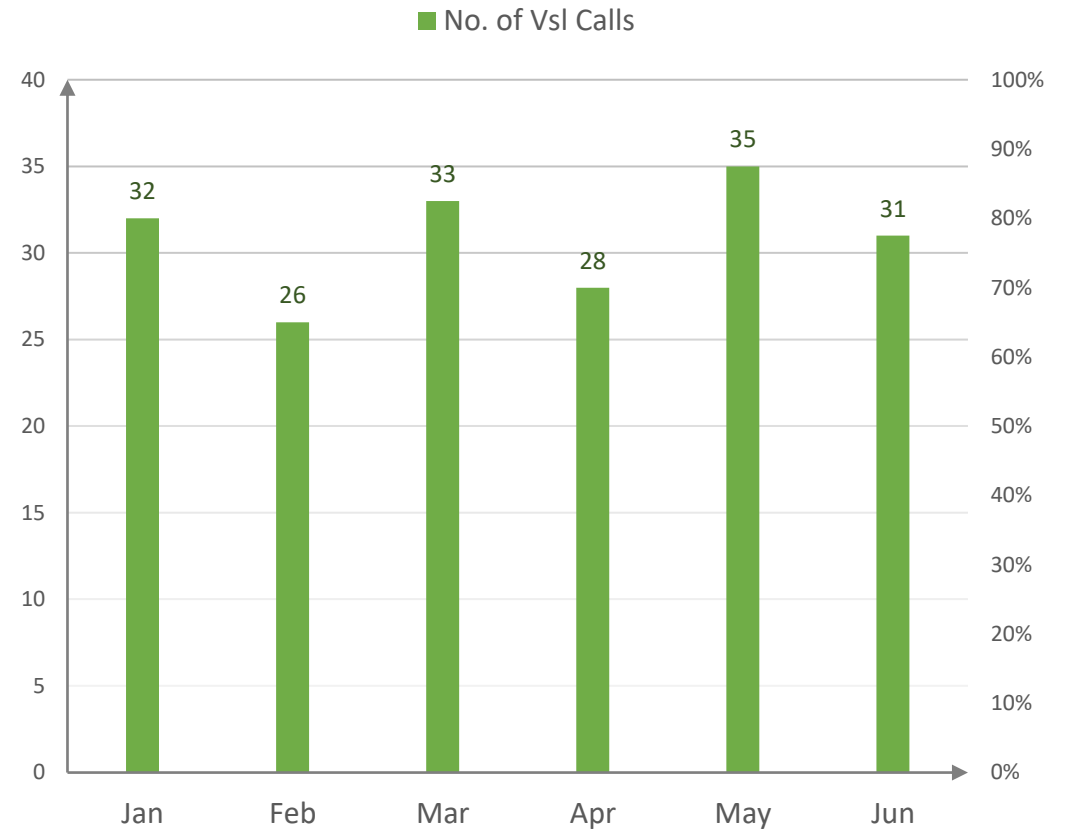


TOTAL VESSEL CALLS AT SBCP

TOTAL VSL CALLS (2017 – 2022)



TOTAL VSL CALLS (JAN-JUN '22)





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STRATEGIC INITIATIVES



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Enhancing Connectivity

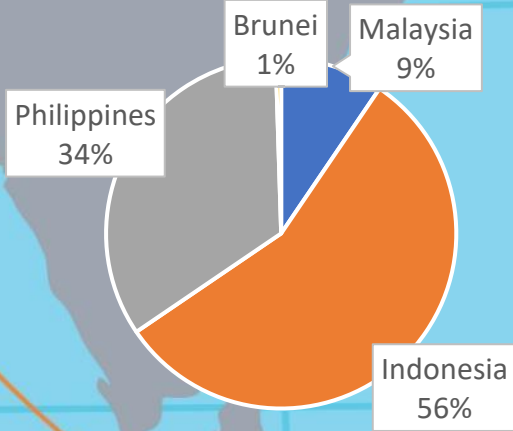
2 REGIONAL HUB POTENTIAL FOR BIMP-EAGA



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PACIFIC OCEAN

BIMP-EAGA



LAND AREA: 1.6 million sq. km | TOTAL POPULATION: 80.53 million

BIMP-EAGA POPULATION CENSUS (2020)

Country	BIMP-EAGA Region	Population (Mil)	Total Population (Mil)
Malaysia	Sabah	3.88	7.79
	Sarawak	2.81	
	Labuan	0.1	
Indonesia	Sulawesi	19.9	45.1
	Kalimantan	16.6	
	Maluku-Papua	8.6	
Philippines	Mindanao	26.25	27.19
	Palawan	0.94	
Brunei	Brunei	0.45	0.45

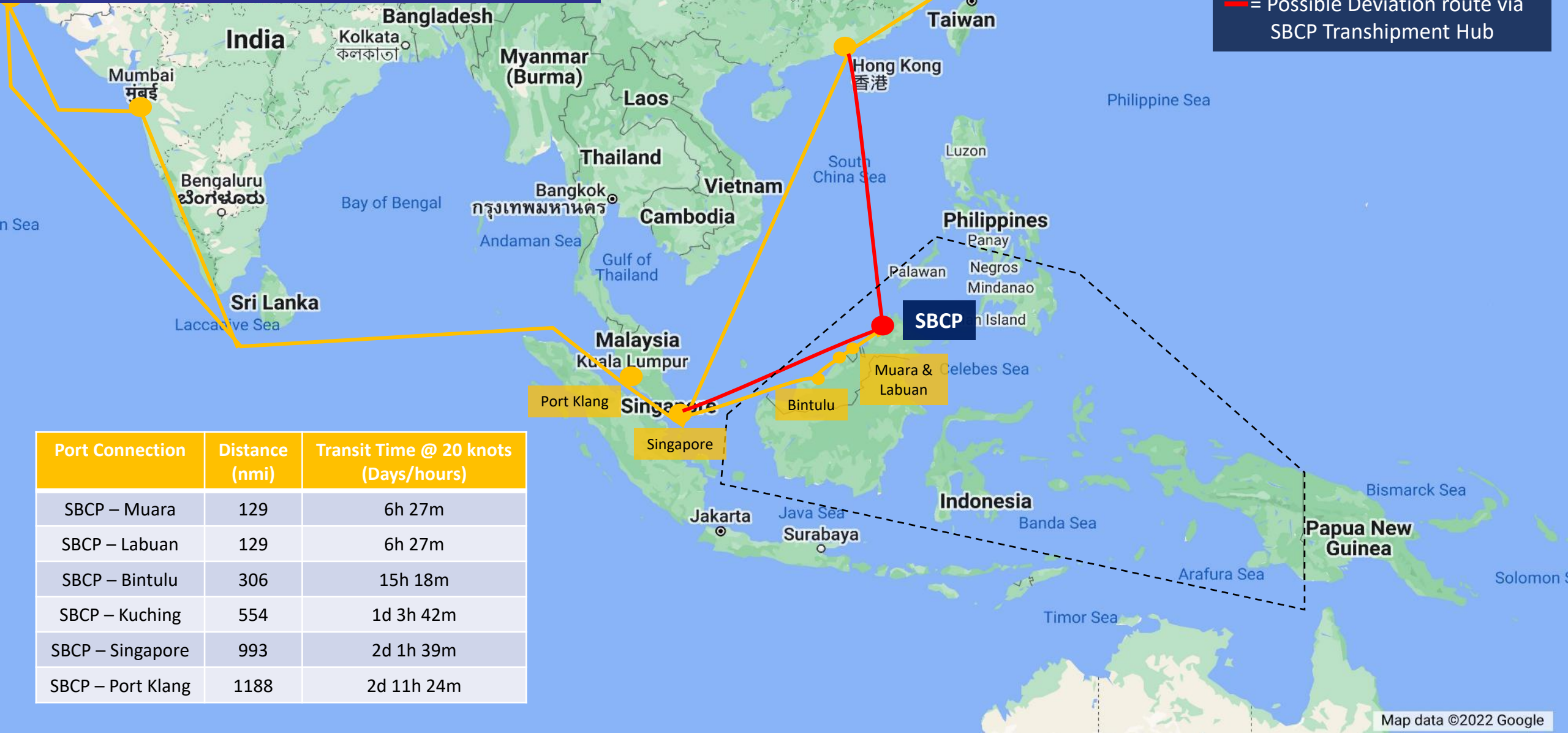


Regional container ports that can be served by SBCP's feeder network include those from/to:

- ✓ Sabah – Tawau, Sandakan, Lahad Datu
- ✓ Sarawak – Miri, Rajang, Kuching, Bintulu
- ✓ Brunei – Muara
- ✓ Other ports in BIMP-EAGA

3 REGIONAL HUB POTENTIAL FOR BIMP-EAGA

— = Intra Asia Vessel Routes
 — = Possible Deviation route via SBCP Transshipment Hub



Port Connection	Distance (nmi)	Transit Time @ 20 knots (Days/hours)
SBCP – Muara	129	6h 27m
SBCP – Labuan	129	6h 27m
SBCP – Bintulu	306	15h 18m
SBCP – Kuching	554	1d 3h 42m
SBCP – Singapore	993	2d 1h 39m
SBCP – Port Klang	1188	2d 11h 24m

Map data ©2022 Google

3 REGIONAL HUB POTENTIAL FOR BIMP-EAGA

To China, Japan, South Korea, Russia.

— = Intra Asia Vessel Routes
 — = Possible Deviation route via SBCP Transshipment Hub

Port Connection	Distance (nmi)	Transit Time @ 20 knots (Days/Hours)
SBCP – Makassar	306	15h 18m
SBCP – Tarakan	575	1d 4h 45m
Tawau – Pare Pare	597	1d 5h 51m
SBCP – Pontianak	744	1d 13h 12m
SBCP – Pantoloan	759	1d 13h 57m
SBCP – Balikpapan	845	1d 18h 15m
SBCP – Bitung	904	1d 21h 12m
SBCP – Pare-Pare	955	1d 23h 45m
SBCP – Nunukan	1009	2d 2h 27m
SBCP – Ternate	1067	2d 5h 21m
SBCP – Banjarmasin	1206	2d 12h 18m
SBCP – Sorong	1333	2d 18h 39m
SBCP – Jayapura	1969	4d 2h 27m



Map data ©2022 Google

3 REGIONAL HUB POTENTIAL FOR BIMP-EAGA

To China, Japan, South Korea, Russia.

— = Intra Asia Vessel Routes
 — = Possible Deviation route via SBCP Transhipment Hub



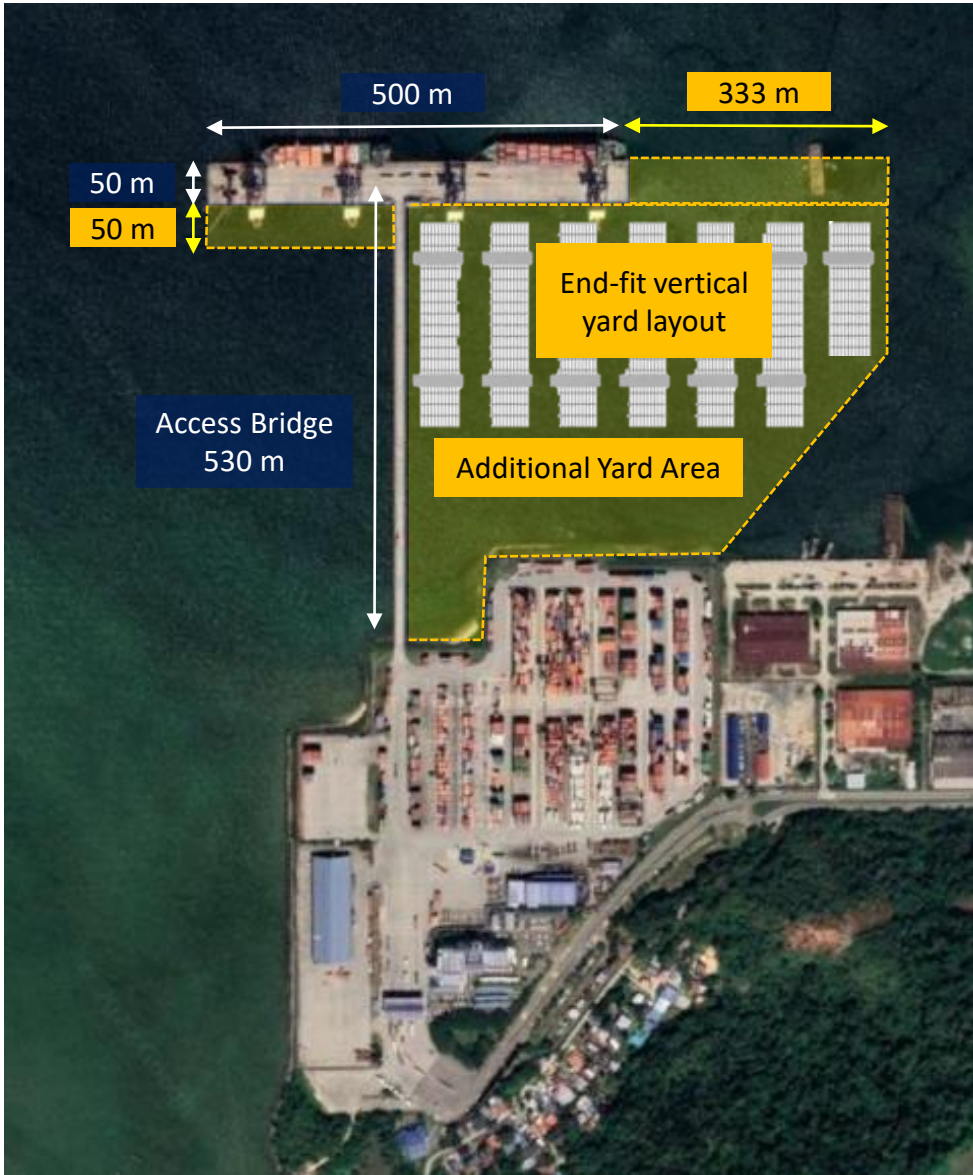
Port Connection	Distance (nmi)	Transit Time @ 20 knots (Days/hours)
SBCP – Brookes Point	255	12h 45m
SBCP – Bongao	360	18h
SBCP – Zamboanga	390	19h 30m
SBCP – Pagadian	482	1d 6m
SBCP – Cagayan De Oro	579	1d 4h 57m
SBCP – Glan	620	1d 7h
SBCP – General Santos	641	1d 8h 3m
SBCP – Davao	777	1d 14h 51m



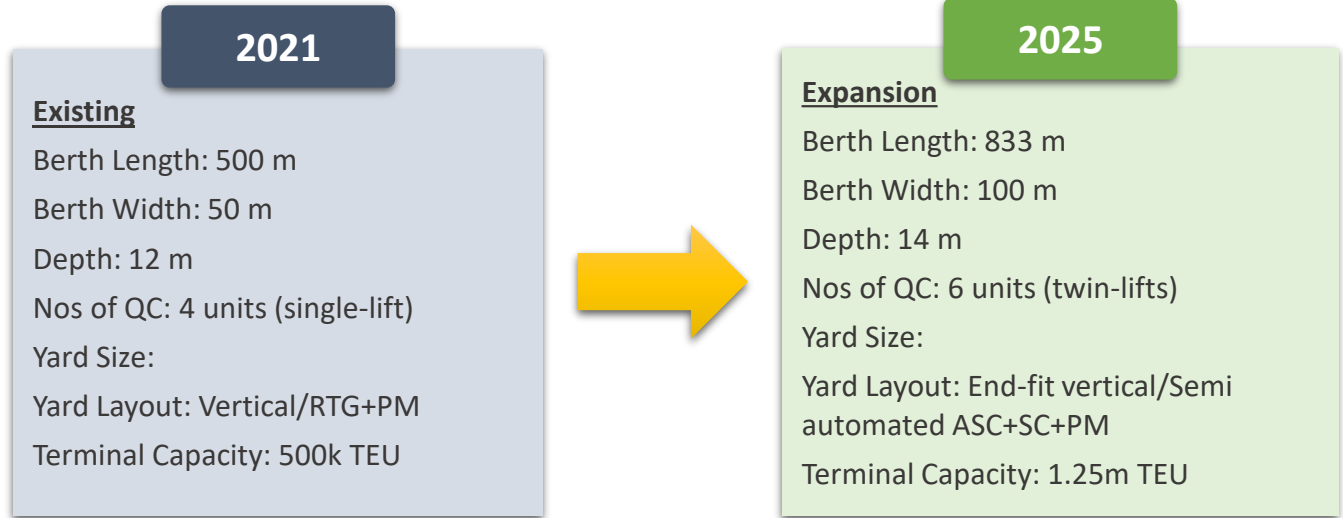
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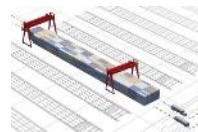
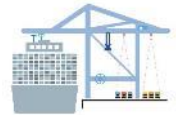
Enhancing Capacity & Efficiency



i. Expansion of Sapangar Bay Container Port



Further addition of 2 post-panama QC to cater for growth of demand after 2 years of post-expansion operations.



Investment in state of the art automated equipment to enable seamless operations between quayside to yard.

Implementation of twin-lifts to improve crane handling rates and to meet the benchmark for global transshipment ports.





ii. Improving Port Operation Efficiency



- **End-fit vertical yard with Semi-Automation to be the first of its kind in Malaysia.**
- Enhancing Terminal Operating System
- State of the art cargo handling equipment
- Introducing automation of container transfers
- Employee multitasking

iii. Green Port Initiatives



9 RTGs Electrified

4 QCs Electrified



Solar Panels Incorporated in Port



High mast LED lightings that reduce carbon emission and power usage, reducing cost



Cold Ironing



Port Reception Facilities (IMO requirement)
- Collection of waste from ocean-going vessels.



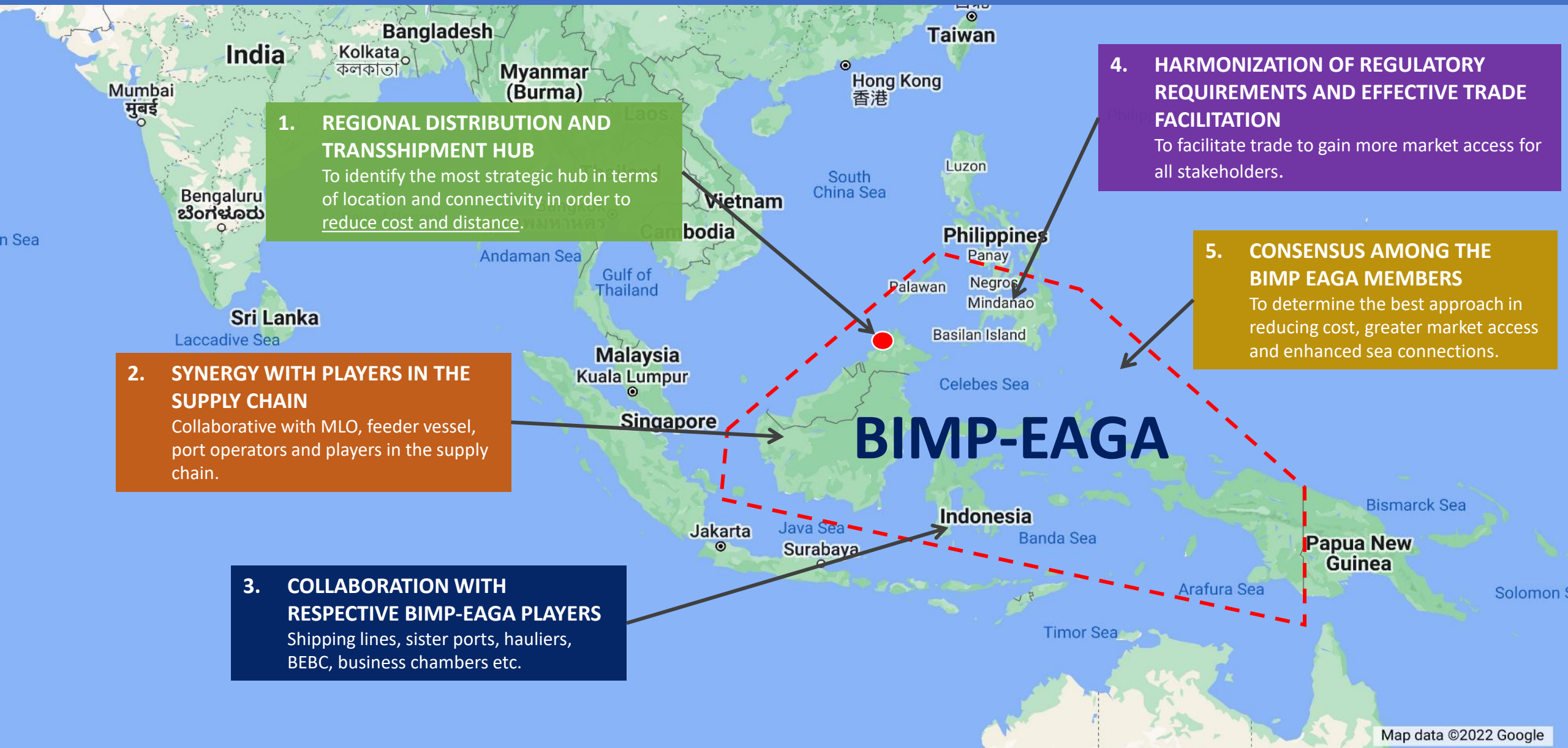


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Realisation of Cost Effective Connectivity in BIMP-EAGA

DEVELOPING BIMP-EAGA AS AN EMERGING MARKET



1. REGIONAL DISTRIBUTION AND TRANSSHIPMENT HUB
To identify the most strategic hub in terms of location and connectivity in order to reduce cost and distance.

2. SYNERGY WITH PLAYERS IN THE SUPPLY CHAIN
Collaborative with MLO, feeder vessel, port operators and players in the supply chain.

3. COLLABORATION WITH RESPECTIVE BIMP-EAGA PLAYERS
Shipping lines, sister ports, hauliers, BEBC, business chambers etc.

4. HARMONIZATION OF REGULATORY REQUIREMENTS AND EFFECTIVE TRADE FACILITATION
To facilitate trade to gain more market access for all stakeholders.

5. CONSENSUS AMONG THE BIMP EAGA MEMBERS
To determine the best approach in reducing cost, greater market access and enhanced sea connections.

BIMP-EAGA

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Visualisation of SBCP in the Future



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THANK YOU