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# LOGISTICS GATEWAYS IN ENHANCING DOMESTIC GROWTH OF MARITIME INDUSTRY

By RAMLI AMIR

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[Ramli Amir is the Deputy President of The chartered Institute of Logistics & Transport Malaysia. He can be contacted at ramliamir@ciltm.com.my]

Logistics paves the way for enhancing domestic economic growth. Logistics supports the aviation, maritime and land transportation industry so that its performance can be enmaximised. hanced and Without logistical support these industries which provide the mode of transportation for people and goods movement will not be able to perform efficiently and therefore the effect that they are supposed to provide will 1 not be seen or felt.

We are talking about enhancing the logistics support system to support the main industries mentioned above. In return, these industries will further value add to the services they provided for other sectors to benefit. So, the better the support system becomes the more the benefit that other industries will receive and these enhanced services will further boost other sectors in their delivery to their various clients. These become a cycle and a good positive cycle in that.

For Sabah we can look at the performance of the various modes of transportation and see what support services are available for the purpose of enhancing the services that they provide. We would look at how the mode of transportation be it the aviation, maritime and land transportation supported by various logistical input we call the support system impact upon their

services. Good support services means it will help further enhance the services provided by the mode of transportation.

Last week we were looking at the aviation sector and its supporting services that paves the way for improving the performance of the various modes of transportation within it, be it the commercial airline sector, helicopter or military air services. They have their own support services and each must perform well in order to serve the main mode.

For the maritime industry we have the commercial and industrial ports where the terminals are run by their operators for example the 7 main ports which in Sabah is run by Sabah Ports Sdn Bhd (SPSB). There are industrial ports run for example by POIC Sabah Sdn Bhd which a set of integrated jetties at the Lahad Datu Palm Oil Industrial Cluster. Other private ports are run by other private companies to handle fuel oils for example at Sandakan port. Industrial ports to serve the Oil & Gas industries are also available at Kimanis and Sipitang jetties to handle oil and the gas products.

We will look at the commercial ports run by SPSB as it handles basically various types of cargoes including containers and other loose cargoes which have impact on the public when their cargoes are not handled the way and in the time that they wished to see it done. The five main ports run by SPSB is the Sapangar Bay Container Port (SPCP), Kota

Kinabalu Port, Sandakan Port, Lahad Datu and Tawau Port. Two other ports are in Kunak and in Kudat are categorised as minor port not because of its smaller role but the nature of operation is specific for a purpose. Kunak specifically handles palm oil products and they handle big volumes. Kudat is truly a minor port for now but is awaiting for further economic activities to take place to spur its operation, especially on the BIMP-EAGA linkages.

Let us look at the container operation which for SPSB that is being handled at SBCP, Sandakan, Lahad Datu and Tawau. The support services that are critical and impactful for the main container handling operation is handled organised by the various stakeholders of the ports operations. These support activities is listed as 1. The ports internal operation wharf and yard handling operations.. 2. inbound containers handled by freight forwarders, 3. shipping agents that represents the ship owners at the ports, 4. the Customs Department and 5. other various service providers like the Health Department, Immigration and customer services providers that serves the various needs of the ports operations.

#### The ports internal operations

This is the most important service factor as this the area of work that is vital to the process flow of work as required by the cargo owners. At the wharf side, cranes must already be on the standby and ready for work the moment the morning shift starts. The crane driver must therefore be there to ensure that the crane is in operational condition. Other supporting clerks must be on the wharf and that includes the stevedores that will do the unlashing of containers prior to being discharged. The prime movers and their drivers must already be on standby to move the first batch of containers being discharged. The container yard, must also be ready to accept containers from the wharf, meaning the Rubber-tyred Gantries (RTG) must be ready with its operator. So too the Reach stackers (RS) that are commonly being used to shift containers which cannot be easily done by the RTG. Cargo owners wants to see all these done without any hassle. The fact that the vessel is alongside at Its appointed time, is one plus point. Starting work on the ship on time is another good point. Container yard operation schedules kept on time is also a good point. At the time of delivery, the owner of the cargo receives his cargo in the least possible hassles both at the yard and when at the Customs Checkpoint.

#### **Shipping Agents**

Shipping agency is a company that represents the ship owner when in port. Shipping agents efficiency is an important cog total port operational performance and efficiencies as it documentary evidences must be produced before the various stakeholders like the and Port. Customs other departments government before any discharging loading is allowed to take place. This aspect of the operation is normally causes little problem as the shipping agents in their experience would have done this long before the ship arrives port. Shipping agents experienced players, and they are the ones that harps on the port if scheduling and timing of operations goes out of beat sometimes.

### **Freight Forwarders**

forwarders Freight are transporters that brings the cargo into the port or takes away the cargoes for delivery to the cargo owners where ever they may be. They could be in the form of long or short wheel based lorries, vans or even pick-ups depending on the size and nature of the cargoes carried. They serve as an important cog to the support services systems as their role is to allow for on time arrival of containers or on time delivery of the containers out of the port to the consignees. There are no shortages of freight forwarding companies Sabah. It is only on the pricing of the services that matters. Normally out of the experience in handling cargo deliveries, they would come to an average rate which is normally and commonly charged for the various destinations.

## Customs and other government departments

Customs department are a very critical component of the port cog as all imported goods and some domestics goods will be subjected to duties. The problem within this support service sector is that there will be time when customers or consignees or consignors will be subjected to detailed or thorough checking and the documents scrutinized which may take it longer than usual to get the goods delivered out. What is at stake here is that relationship between the ports Customs and other and government department must always be cordial so that all stakeholders of the port will be able to go about their business with less hassle. It is this overall relationship that makes the port attractive to ship owners. All stakeholders working together to allow for seamless processes for the benefit of all especially service to the consumer of the goods.

Other service providers. Other service providers are those suppliers of services. provisions ships, for the repairers of sorts, taxis and tour buses (for cruise vessels) that is needed to service of the ports and ships agents. Availability of these facilities is a big plus points for any ports. These make the port efficient and attractive in the eyes of these service users. The ability of most industries to be opened after normal office hours will go long way in solving congestion problems for cargo storage at the yard. For now almost all warehouses are not able to receive cargo delivered from the port after normal working hours. This had put severe pressure on the port to clear space for storage at the container yard.

Other type of port operations other than containers basically requires the above basic relationships between stakeholders. Stakeholders are also the same except that the type of operation may differ. For loose general cargo, there still a lot of lorry movements but we do not see the containers. We see the real cargo for example rice bags, wire coils, long length stainless steel bars etc. It is because the same efficient deliveries are expected of the port.

Planning for both ship owners and the ports requires efficiency to be the main predictive factors for planning to be made. Scheduling of ships voyages are very much affected by port efficiencies in completing the loading and discharging of vessels. The more is the consistencies of the efficiency factor the better scheduling plan will avail the ship owners and this means profit for the ship owner as no unnecessary wastage of time and cost spent at a less efficient port.