

## SHORTER FREE STORAGE PERIOD AT PORT KLANG

# 'It will be fine if all parties work together'

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*Simon P. Whitelaw  
Managing director  
CMA CGM & ANL Malaysia*



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THE move to shorten the free storage period for containers at Port Klang to three days from five is workable if all parties in the supply chain work together, says an industry executive.

The Port Klang Authority (PKA), the regulator of Northport and Westports, has set January 1 2009 as the date for the implementation of the three-day free storage period policy.

CMA CGM & ANL Malaysia Sdn Bhd managing director Simon P. Whitelaw said the initiative will not only help Port Klang reach world-class standards, but also push the cost down and relief congestion at the port.

"The key thing is for all of us to work together. This means the receivers, the Customs, forwarding associations as well as the shipping lines working together to move containers in and out of the ports fast, to eliminate congestion," Whitelaw told Business Times recently.

He noted that there has been good progress with the Customs, particularly in the last six months.

He said it was in Malaysia's economic interest to implement the three-day free storage law, making sure the port avoids a potential bottleneck.

"That (law) is going to make a lot better for everyone because congestion costs money for everyone at the end of the day," he said.

Asked if the move, which was postponed three times since it was first mooted in 2002, would work, Whitelaw said, "Yes. Three days shouldn't be an issue. It just requires a positive outlook from everyone. Communication is the key," he said.

Reducing port congestion would be vital for France's CMA CGM, which is on course to move two million TEUs (20-foot equivalent units), or 25 per cent of Westports total volume this year.

Today, it has 70 weekly services calling at Westports to destinations in Europe, the Middle East, the Black Sea and Australia.

Whitelaw stressed that controlling inventory, namely its container fleet, is key to keeping the cost down and stay competitive.

"If we see our containers lying in ports, factories or warehouses for long periods of time, it means we are not being very efficient. And it also means we are not being very efficient to our customers because we eventually have to pass the cost back to them," he said.

On the whole, he said, it was important that the authorities addressed the congestion at Pulau Indah, home to the Port Klang Free Zone, the Selangor Halal Hub and the Industrial Park, among others.

He stressed that a second link to the island would improve accessibility and help avoid impending bottlenecks.