

PKA won't extend grace period for enforcement of new rules

But Asean shipments have until Dec 31 to comply with reduced free-storage period

By Kang Siew Li
siewli@nstp.com.my

PORT Klang Authority (PKA), the regulator of Northport and Westports, said it will not extend a three-month grace period on enforcing changes to rules that require shippers to pay storage charges for full-container load (FCL) cargo at Port Klang after 72 hours.

FCL refers to a container containing cargo belonging to one consignee in the vessel's manifest.

"We have heard their (shippers') concerns and have given them enough time to put things in place. We have now come to the stage where we will go ahead and implement the change in policy," PKA general manager Kee Lian Yong told Business Times in an interview.

The implementation of the new law reducing the period in which containers can be stored at Port Klang for free from five days to three, has been postponed several times in the last eight years, following objections from some players in the shipping community in Port Klang who feel they were not quite ready yet.

The last deadline that PKA had set was January 1 2010. While the authority actually pushed through with the implementation, it was not without some relaxations.

For one, free storage charges are now based on a calculation of hours



The regulator has heard the shippers' concerns and have given them enough time to put things in place, says Kee

(72 hours) instead of days (three days).

PKA also said it will waive the storage charges if delays are caused by Customs, other government agencies or the terminal (Northport or Westports) itself.

Kee said during this three-month "grace" period, the authority will also carry out a pilot run of a new monitoring system, which will determine the accountability of each party as per their committed key performance indicators (KPIs).

"The pilot run is to test the in-

formation technology system that has been put in place, which will calculate the amount of period in which the containers are stored at the port," said Kee.

"If any boxes go beyond the 72 hours free-storage period, we can pick them out and go back to the industry players to find out who was the one that caused the delay. We can go back to the logistics players concerned and see how they can improve this particular bottleneck.

"We don't think it would be a problem to address this issue. Come

April 1 2010, we are confident that the three-day free storage period ruling will go through and the offenders will be penalised," he added.

It was reported that 80 per cent of the containers in Port Klang could be cleared within three days, but the remaining 20 per cent, or 10,000 containers, could not be done within the short period.

"Sometimes you need punitive measures to accelerate enforcement. All this while, we have delayed its implementation. People have given their commitment but they have treated it so easily. They keep on complaining that they can't do this or that. But now we have more or less sorted out most of the problems," said Kee.

"We hope to help this small percentage of port users to move (their containers) faster. They have to change. Otherwise they will keep on delaying everybody else. Actually they are holding themselves back for reasons they know best," he added.

Nonetheless, shipments from the ports in Asean countries have been given until December 31 2010 to comply with the reduced free-storage period.

"Now is the best time for us to put this policy in place rather than wait for another two years when port activity starts to get busy. This lull period should not be taken as a time for us to slow down," said Kee.