

# Shippers, shipping lines slam Depot Gate Charge

■ By Kang Siew Li  
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IMPOSITION of a new law to reduce free storage period for containers at Port Klang hit another snag last Friday, after container depot operators asked for RM5 for every empty container that is returned to or taken from their depots in Penang, Port Klang and Pasir Gudang.

In a public notice dated July 28 2008, the Malaysian Container Depot Association (MCDA) said a Depot Gate Charge (DGC) will be levied on shippers (importers and exporters) for their usage of the depot facilities from August 1 2008.

This charge is payable by the container hauliers who will then bill the shippers.

However, the announcement has sparked a strong reaction from shippers and shipping lines, who were represented by the

Selangor Freight Forwarders and Logistics Association, the Central Region Shipping Association, the Malaysian National Shippers' Council (MNSC), the Federation of Malaysian Manufacturers (FMM) and the International Shipowners' Association of Malaysia.

FMM's logistics committee chairman Mohamad Radwan Alami said it makes no sense to charge the shippers when they have no direct business relations with the depot operators.

"Firstly, we (shippers) have no business or contractual relationship with the depot operators.

"They are service providers to the shipping lines and thus, they cannot claim anything from us.

"If there is any charge, it should be settled between them and the shipping lines, the people who hire them to give their service," Mohamad Radwan, who is also MNSC vice-chairman, told Business Times.

"Secondly, if hauliers chose to pay and absorb those charges, then it is their business.

"However, hauliers cannot collect money on behalf of anybody. That is illegal," he said.

"As such, we will not pay the fee," he said, adding that letters have been written to relevant ministries such as International Trade and Industry, Domestic Trade and Consumer Affairs and Transport as well as the respective port authorities in protest of the DGC and requesting for the regulation of the container depot industry.

Container depots, found in or around all major port areas, serve as holding areas for empty containers. Shipping lines pay container depot operators for the storage facilities.

MCDA president Kamsol Warjan defended the move.

"The DGC is only a minimal charge of RM5 per container and would help pay for additional

manpower and electricity costs necessary to extend the operations from the current 12 hours to 24 hours of our member depot operators, in line with a government decision to reduce the time that containers can stay free of charges at Port Klang from five to three days come January 1 2009," he said.

Depot operators have been receiving numerous complaints from container hauliers of long queues at depots, their inefficiency and the poor condition of their facilities in the past few years.

Poor margins, owing to heavy price undercutting, have been blamed for the depot operators' inability to reinvest in new equipment and hire more workers to improve efficiency.

Meanwhile, the latest move is a reminder of a 2006 failed attempt by 15 independent depot operators to impose a RM30 depot

service charge (DSC) on shippers for using containers stored in their depots at Port Klang.

The DSC plan then was halted following strong protests from shippers, shipping lines and hauliers.

However, a factor favouring MCDA's move this time is that it has the backing of the Association of Malaysian Hauliers (AMH).

Kamsol said MCDA, an association formed following the DSC issue in 2006, has also become stronger, with 36 members currently throughout Peninsular Malaysia.

"For instance, there are 19 depot operators in Port Klang alone, of which 16 are members of MCDA.

"The 16 MCDA members together command 95 per cent share of Port Klang's container depot market.

"Together we have a stronger voice," he added.



# Need for immediate action to address local seafarer shortage

■ By Abdul Aziz Abdullah

THE shortage of Malaysian seafarers on Malaysian-flagged ships needs to be addressed immediately.

A resolute stand by the government on this issue has to be taken and this has to be disseminated to all its agencies dealing with seafarers and shipowners.

Studies conducted since 2001 indicated that almost 50 per cent of seafarers serving on board Malaysian ships are foreigners.

Records maintained at the Marine Department for 2007 showed that there were 11,482 registered Malaysian seafarers compared to 10,200 foreigners manning the 4,343 Malaysian-flagged ships.

This means that the safe and efficient operation of Malaysian ships is still very much dependent on human capital provided by foreign countries.

Reasons for this phenomenon include the lack of training berths for trainee-officer cadets, the



**TRAIN MORE SAILORS:** Malaysia International Shipping Corporation's Bunga Seroja Satu at Northport. More local sailors are needed to work on Malaysian-flagged ships. — Bernama picture

criminalisation of seafarers, and also that some Malaysian companies pay local seafarers in Malaysian currency while the foreign crew are paid in US dollars.

Various proposals have been

made on how to address these problems.

They include seeking training berths in foreign-flagged ships, ensuring equitable remuneration for all seafarers, and having more

maritime institutions in the country, with the government subsidising the training.

A suggestion has even been made to have a national body that is able to pool data relating to

Malaysian seafarers and guide shipowners seeking such manpower.

This calls for concerted effort by all stakeholders and industry players to do their utmost in focusing on resolving the matter.

The problem has been allowed to fester for far too long.

If we are focused on addressing it, nothing will hinder the noble objectives of finally having Malaysian ships manned by Malaysian seafarers.

We should take a cue from Minister of Transport Datuk Ong Tee Kiat, who recently said that we should not be constrained by assumptions that finding a resolution is an exercise in futility simply because the issue has existed in Malaysia for ages, but make the best of our resources and look for a resolution.

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