



Penang Port Sdn Bhd chief executive officer Datuk Sasedharan Vasudevan (inset) says the port operator aims to bring up its throughput to the 2019 level of 1.5 million twenty-foot equivalent units this year, after experiencing a seven per cent drop last year.

## TRANSSHIPMENT ACTIVITIES

# Penang Port banks on FCZ status

**GEORGE TOWN:** Despite being the last federal port in the peninsula to be accorded the free commercial zone (FCZ) status, Penang Port Sdn Bhd's North Butterworth Container Terminal's (NBCT) operations, without a doubt, will be impactful, especially when its transshipment activities are in full swing.

NBCT received the FCZ status on Feb 1.

Penang Port chief executive officer Datuk Sasedharan Vasudevan said the port operator had a conservative target for a transshipment throughput of 50,000 twenty-foot equivalent units (TEUs) this year.

"Once the business matures, it can go up to half a million TEUs. This is what we are looking at for the next five years. Once it starts building momentum, we may have to expand the port."

He said Penang Port's strategic location would enable transshipment activities from the Bay of Bengal and the Middle East.

In preparation for the FCZ and the potential new business that would come with it, he said Penang Port, a unit under MMC Corp Bhd, had spent close to RM500 million in capital expenditure over the last five years.

Vasudevan said the port had enough capacity for the next three to four years but if there was a sudden surge in volume, Penang Port was ready to invest.

Banking on the FCZ status, he is confident that Penang Port would reach greater heights, in line with the performance of other ports such as Port Klang and Port of Tanjung Pelepas (PTP), of which transshipment revenue made up at least 40 per cent of their total revenue.

While Port Klang and PTP primarily serve East-West routes such as China to Europe, Penang Port's focus is the Bay of Bengal.

"The Bay of Bengal starts from Sri Lanka right up to southern Thailand. Last year, the Bay of Bengal's throughput volume was

estimated at 8.1 million TEUs.

"We have a daily Far East service, so if any shipping companies want to send their cargo to China, Japan, South Korea or Taiwan, they can drop a box here and get the daily connection."

While other businesses are reeling from the impact of the Covid-19 pandemic, the logistics business may come out of this "calamity" unscathed.

Vasudevan said there was a global container supply shortage, attributed to China's skyrocketing e-commerce sector and longer turnaround time of containers.

He said Penang Port aimed to bring up its throughput to the 2019 level of 1.5 million TEUs this year after experiencing a seven per cent drop last year.

He is optimistic about the port's outlook, given the potential of new transshipment business coupled with the opening of new factories in the northern region. **Bernama**