

# ROBUST EXPANSION

**PENANG Port Sdn Bhd, a MMC Corp Bhd unit, plans to increase North Butterworth Container Terminal's cargo handling capacity to 4.1 million TEUs by 2050 and turn Swettenham Pier Cruise Terminal into a major cruise hub in Southeast Asia.**

» REPORTS BY **DIYANA ISAMUDIN** ON PAGES 4-5



FIVE PHASES

# PENANG PORT POISED FOR RM2B 'UPGRADE'

Quayside capacity to be raised to 4.1m TEUs by 2050, says CEO

DIYANA ISAMUDIN  
BUTTERWORTH  
bt@nst.com.my

**M**MC Corp Bhd, through unit Penang Port Sdn Bhd, is working on a more than RM2 billion expansion to boost North Butterworth Container Terminal's quayside capacity to 4.1 million twenty-foot equivalent units (TEUs) by 2050.

Penang Port chief executive officer Datuk Sasedharan Vasudevan said the proposed 30-year master plan, to be carried out in five phases, also included enlarging the yard capacity to 2.9 million TEUs from 2.2 million.

Each phase will involve 14ha of reclaimed land for a total of 70ha, compared with the current 72.2ha. The berth will be extended to 2.9km from 1.5km currently.

According to Sasedharan, the development is now in the first phase where the quayside capacity is being increased to 2.3 million TEUs from 2.1 million TEUs.

Although the plan had yet to receive the state government's approval, he said the expansion was necessary given Penang's position in the exports of electrical and electron-



Penang Port chief executive officer Datuk Sasedharan Vasudevan

ics products. Sasedharan said the expansion plan was also to fulfil a requirement stipulated under the concession it received from the government.

"Our concession is up to 2055. As part of the concession, we have to expand the capacity."

He added that the planned expansion also accounted for future container growth and developments, including new industrial zones.

"That's why the expansion will be carried out in phases, which is to cater to future demand," he said.



## RM100M UPGRADE

# Swettenham Pier Cruise Terminal can be major regional hub

**BUTTERWORTH:** Penang Port Sdn Bhd, a member of MMC Group, is confident that the Swettenham Pier Cruise Terminal can become a major cruise hub in Southeast Asia after its RM100 million upgrade.

Penang now ranks second in the region's cruise market behind Singapore and Penang Port chief executive officer Datuk Sasedharan Vasudevan said it aimed to close that gap by enhancing its home porting capabilities.

"This will allow cruise ships to start and end their cruises in Penang, thus further stimulating the local economy as passengers spend time in the area before and after their trips.

"Cruise ships can also get supplies from nearby businesses, thus boosting local economic activity as well," he said.

Sasedharan said the home porting ecosystem needed seamless coordination between the airport, the port and authorities like the Customs and Immigration Departments.

He added that Penang Port was working closely with the Malaysia Cruise Council to promote the state as an international cruise destination.

Penang Port handled 1.2 million cruise passengers last year and is expecting similar growth in the coming years.

"Each cruise ship arrival brings between 4,000 and 6,000 passengers, who spend on food, transportation and accommodation. However, the ongoing Red Sea crisis has resulted in several international cruise cancellations," he added.

Nonetheless, Sasedharan said Penang Port remained optimistic about the long-term prospects for its cruise operations.

"Penang is well positioned to capture a larger share of the regional cruise market. Our investments in modernising the cruise terminal and expanding home porting capabilities give us a competitive edge," he said.

While Chinese tourists once dominated the market, he said recent growth had come from India, Indonesia and Western countries.

"We have seen a 20 per cent to 30 per cent increase from the Indian market, and Indonesia is showing strong numbers as well. This shift has helped offset the declining Chinese tourist arrivals post-Covid-19 pandemic," he added.

## RED SEA CRISIS

# 'Container throughput growth to be slower than expected'

**BUTTERWORTH:** Growth of container throughput at Penang Port may be slower than expected this year due to the ongoing Red Sea crisis.

Penang Port Sdn Bhd, a member of MMC Group, recorded 1.44 million twenty-foot equivalent units (TEUs) last year, an increase of 11 per cent from 1.3 million TEUs in 2022.

However, chief executive officer Datuk Sasedharan Vasudevan said

growth this year would likely slow, with the number of TEUs handled rising by only four per cent year-on-year to 1.5 million.

He said the earlier projection of 1.55 million TEUs was revised after the Red Sea crisis intensified in April, which disrupted global shipping as shippers now needed to reroute their vessels around the African continent.

"We lost 50,000 to 60,000 containers because of this. But we feel container throughput will recover next year."

Sasedharan said Penang Port was shifting its focus towards markets unaffected by the Red Sea crisis, such as in the Bay of Bengal, with incentives introduced to encourage more transshipment.

"If you put together all these four nations (Bangladesh, Indonesia, India and Myanmar), there are about eight million potential containers in the Bay of Bengal.

"Our initial target is about 100,000 containers and I think this year, we will cross 30,000 to 40,000 containers," he said.

On tariffs, Sasedharan said the port had requested the government to increase them because "our margins are affected".

