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**TACKLING PORT
CONGESTION AMID
THE PANDEMIC**



**PKA HOSTS 19TH ASEAN
PORTS & SHIPPING,
CONFERENCE AND
EXHIBITION**



**WESTPORTS' NEW
LIQUID BULK TERMINAL
RECEIVES FIRST VLGC**



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FROM THE GENERAL MANAGER

Welcome to the first issue of Gateway Port Klang, our online newsletter.

The objective of this newsletter is to inform on developments not only within PKA but at the terminals, among port stakeholders such as shipping and logistics services providers, port-related government agencies as well as the Malaysian maritime community at large. There will also be occasional interviews with prominent personalities in the Port Klang community as well as articles on our various departments and units to familiarise readers with the workings of PKA.

For now, allow me to extend my thanks to all in the Port Klang community for your partnership and team spirit in resolving the many challenges we encountered in 2020 and 2021 at the height of the COVID-19 pandemic and national lockdown, particularly when the port was facing congestion due to disruptions in port operations worldwide.

If there is one takeaway from that crisis, it is the power of teamwork to overcome seemingly overwhelming challenges. The cooperation – and the teamwork displayed – of every stakeholder, from the terminal operators to government agencies, shipping lines, logistics services providers, shippers and trade associations, was pivotal in resolving the congestion crisis that would have caused great damage not only to the port economy but also to the national economy as well if it had not been tackled effectively and expeditiously.

That, we, by banding together, were able to resolve the congestion crisis speaks to the power of teamwork. We succeeded because we work as Team Port Klang.

In early 2020, against a backdrop of dire economic news due to lockdowns globally, it was anticipated that Port Klang could see a drop of as much as 16% in container volume. That projection had appeared to be coming true when disruptions to the global supply chain caused port congestion here. Ultimately, however, Port Klang saw a drop of only 2.5% in container volume in 2020 and this was followed by a new record of 13.7 million TEUs in 2021.

Certainly, the reopening of economies in the latter part of 2020 had helped in minimising the fall in box traffic in 2020 but what if we had not been able to resolve the congestion and other port-related challenges expeditiously? I believe we would have experienced a greater slump in box volume and consequently a slower recovery. It was a triumph of teamwork. The late Steve Jobs said, “Great things in business are never done by one person. They are done by a team of people”. We can surely concur with that wisdom.

Elsewhere in this issue, you will see an article that briefly recaps the experience of the port in tackling the congestion. It is intended to showcase and to remind of the power of partnership, teamwork and commitment as had been shown by all the stakeholders in the Port Klang community at a time of crisis. It will also serve to remind us that when we work as a team, we will build a resilient and sustainable port that can only bring mutual benefits for all concerned.

Thank you for visiting Gateway Port Klang

Capt. K. Subramaniam

TACKLING PORT CONGESTION AMID THE PANDEMIC

The onset of the COVID-19 pandemic in early 2020 which resulted in national lockdowns worldwide had caused port congestion in practically every major port in every continent. Why is port congestion so damaging to the global supply chain and, ultimately, economies?

The ripple effects of port congestion impact every sector of the economy. When ships and cargo do not move smoothly through ports, economic activities are affected. When port congestion occurs, terminal operators, shipping lines, freight forwarders, hauliers and importers and exporters have to contend with higher costs, and lower productivity, all of which ultimately translate into higher prices for consumers.

Port congestion causes delays, extra ship voyage as well as cargo dwell time, which causes disruptions to the supply chain. For shipping lines, port congestion can result in reduced tonnage capacity on certain trades and force lines to declare blank sailings as ship operators cannot afford to keep ships waiting at the anchorage for days and would rather skip a congested port.

Impact of Pandemic Shocks

The full impact of the pandemic hit Port Klang in the third quarter of 2020. Like most major ports in the world, the port felt the brunt of the lockdown which disrupted ship and cargo operations as well as cargo movement inland. Congestion occurred at the wharves due to a bunching of vessels at the port caused by delays at previous ports of call which was exacerbated by the longer dwell time of containers at Westports and Northport.

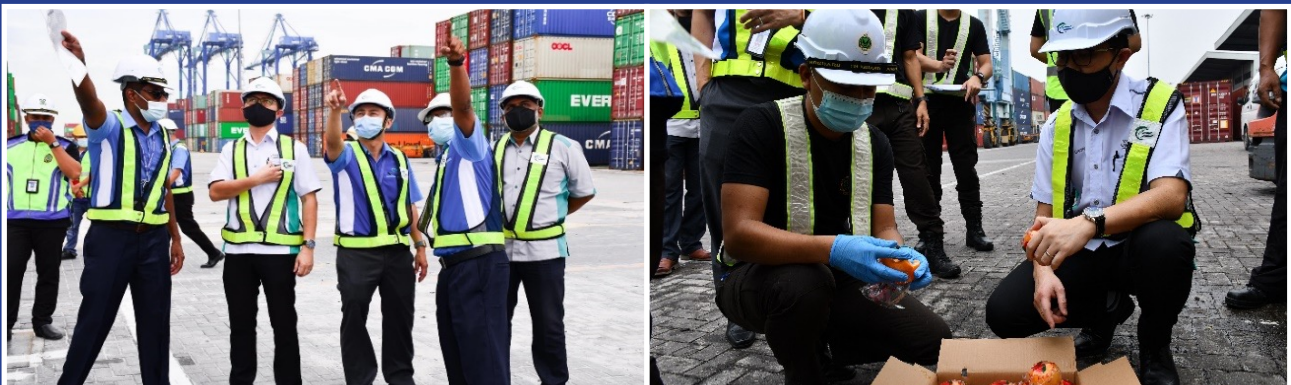
In December 2020, the average waiting time for vessels to berth at Port Klang shot up from the normal less than 24 hours to three to four days while onshore, Westports' container yards had 112,000 transshipment TEUs and



45,000 export TEUs waiting to be loaded. Capacity at the container yards was almost at full capacity, with a utilisation rate of over 90%. With slower pick-ups of imports and reefers caused by disruptions in inland transport due to movement restrictions, clearance of these containers which used to take two days to clear then took five to seven days instead. Congestion at the wharves and onshore at Westports and Northport became increasingly precarious.

On 28 December 2020, the Minister of Transport held discussions with PKA together with other port-related government agencies such as the Royal Customs Department and the Malaysia Quarantine and Inspection Services Department (MAQIS) as well as Westports, Northport, logistics services association including the Selangor Freight Forwarders and Logistics Association (SFFLA) to identify the bottlenecks and expedite ship and cargo movements into and out of Port Klang. PKA was appointed to lead the task to formulate and implement action plans to tackle the congestion.

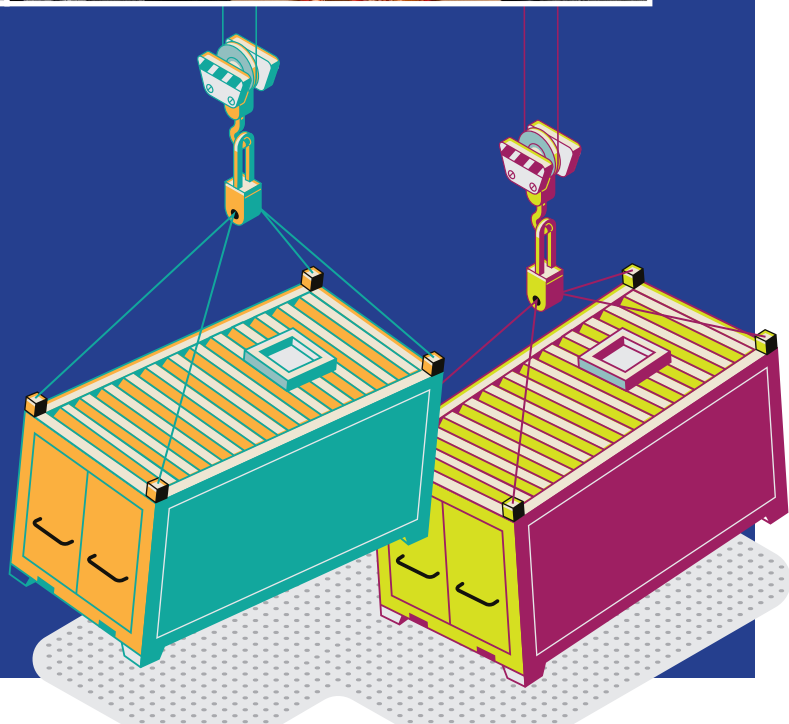
Two Task Force meetings were held by PKA with Northport, Westports, MAQIS, Customs and SFFLA on 29 and 31 December 2020. A separate meeting was held on 31 December 2020 between PKA, Northport, Westports and several main shipping lines.



Action Plans

To ease the congestion at the terminals' container yards, the following measures were adopted by the Task Force:

- Westports would increase its container storage capacity by making use of vacant space near container yards
- Customs and MAQIS would ramp up clearance of containers
- Consignees to pick up their containers within 24 hours after the gate pass was issued and all required approvals had been obtained from Customs and MAQIS



- The additional free storage period would be withdrawn effective 1 Jan 2021 and empty export containers in the yards would be exempted from Special Services Request charges if these were utilised for local exports

The Customs department increased manpower at the port to expedite clearance of import and export documents together with the setting up of a special counter for reefers and perishable goods.

MAQIS also mobilised additional personnel at the port to clear within a day all reefer containers which had been held back for full inspection. With faster inspection, the number of reefers cleared doubled from 100 to 200 a day.

Forwarding agents and importers, on their part, speeded pick-up of import containers from the port thereby avoiding longer dwell time at the yards, with hauliers and consignees picking up containers within 24 hours of the issuance of the gate pass.

Shipping lines collaborated with the port by mobilising additional vessels to pick up export and transshipment containers as well as providing sufficient slots for export boxes. Vacant slots made available upon discharge of containers at Port Klang were utilised for loading of exports, subject to a vessel's next port of call.

The lines also agreed not to omit Port Klang from their routes and as well as to deploy main line or feeder vessels to load transshipment containers to create more storage space at the yards. The terminals, in turn, gave priority berthing to ships with more containers to be loaded than discharged



to reduce ease congestion at the yards. Priority berthing was also given to feeder vessels that took transshipment boxes out of the port.

Subsequently, with 20,000 TEUs of export and transshipment boxes cleared in December, the utilisation rate at the container yard had eased somewhat, dropping from 93% in November to 89% in December. By early January 2021, vessel waiting time had dropped from five days in December 2020 to within 24 hours of arrival at the anchorage.

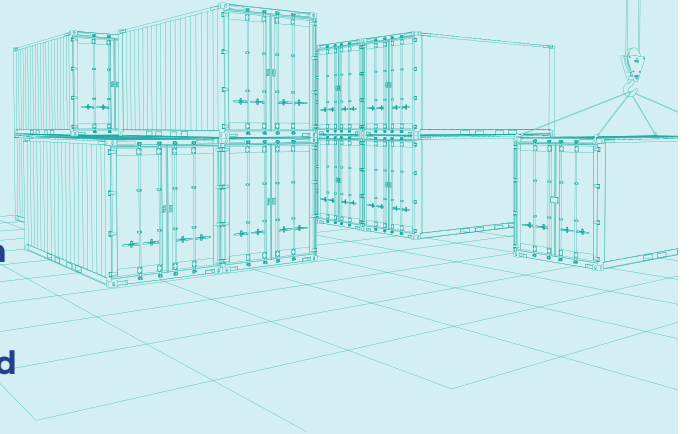
Power of Teamwork

With lockdowns affecting practically every sector of the economy, the port was predicted to record a sizeable drop of over 16% in container throughput for 2020. Ultimately, supported by the re-opening of economies, Port Klang's container volume dropped by 2.5% in 2020. In 2021, the port achieved a new record in throughput of 13.7 million TEUs in 2021.

The brief chronology of events in late 2020 till early 2021 illustrates the power of teamwork. PKA, Westports, Northport, customs, MAQIS, shipping lines, freight forwarders, importers and exporters worked as a team in tackling the congestion and the outcome is there for all to see: a quick resolution to a crisis that could have caused greater damage to the port economy - and the economy at large - and thereby facilitating faster recovery as seen in the performance of the port for 2020 and 2021.



PORT KLANG ACHIEVES NEW RECORD IN CONTAINER THROUGHPUT



Port Klang achieved a new record in container throughput with 13.7 million TEUs in 2021, surpassing its previous record of 13.6 million in 2019. There was an overall increase of 3.6% in volume compared with 13.2 million TEUs in 2020.

Westports, which has a 75.8% share, or 10.4 million TEUs, of Port Klang’s container throughput, recorded a 1% drop in overall volume. Import containers fell 3% while export containers declined 2% due to disruptions in global supply chains. Transshipment traffic fell marginally by 0.2% due to the overstay of transshipment boxes at the terminal as a spill-over effect of restrictions at ports in India, Bangladesh, Vietnam and Myanmar as well as disruptions in global shipping networks.

Northport’s container throughput surged 21.3%, from 2.7 million TEUs in 2020, to a new record of 3.3 million TEUs. The bulk of Northport’s box throughput came from the intra-ASEAN, China and India trade, which accounted for over 86% of its total volume. Fifteen new services had started calling at Northport in 2021 while other lines had also shifted to Northport due to congestion at Westports at the height of the national lockdown.

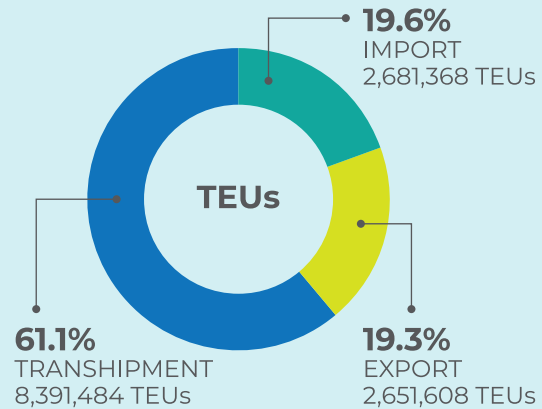
Port Klang is projected to handle 14 million TEUs in 2022, with Westports handling 10.8 million TEUs and Northport 3.2 million TEUs.

Conventional Cargo Throughput

Conventional cargo throughput at Port Klang increased 5.2% to 26.8 million fwt in 2021 compared with 25.4 million fwt in 2020. Dry bulk cargo volume declined 6.9% to 10.6 million fwt; liquid bulk

increased 0.8% to 8.6 million fwt; and break bulk grew 31.4% to 8.3 million fwt.

Westports, which has a 49.5% share of conventional cargo, recorded an 8% growth to 13.2 million fwt. Northport, with a 36.1% share, recorded a 15% increase to 9.7 million fwt. Conventional cargo handled via private jetties declined 19.2% to 3.8 million fwt.



	2020		2021		Growth
Indegenous	5,121,221 TEUs	38.7%	5,332,976 TEUs	38.9%	+4.1%
Transshipment	8,123,202 TEUs	61.3%	8,391,484 TEUs	61.1%	+3.3%
Total	13,244,423 TEUs		13,724,460 TEUs		+3.6%

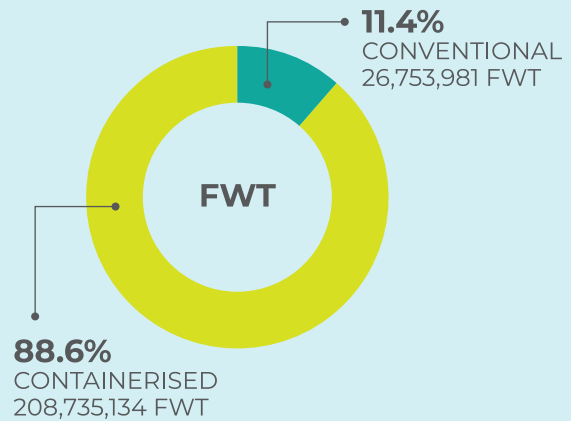
Export boxes grew 3.4% to 2.6 million TEUs, imports 4.9% to 2.7 million TEUs while transshipments increased by 3.3% to 8.4 million TEUs in 2021.

Dry bulk cargo volume at Westports increased marginally by 1% from higher volume of fertilisers, construction materials, clay and copper concentrates while liquid bulk cargo declined by 4% in 2021. Ro-ro cargo recorded a 41.3% jump in volume due to the government's announcement of a sales tax exemption on vehicles from January to May 2021.

Break bulk cargo volume surged 65.9% from increased handling of metal ingots which had previously been containerised but are now shipped by conventional means due to the current high container freight rates. The growth in shipments of metal products also contributed to the huge growth in the break bulk trade at Westports.

Northport's conventional cargo trade grew 15% in 2021 to 9.7 million fwt, contributed largely by increases in the handling of grains, biomass and coal-based materials, break bulk and ro-ro cargo.

Throughput at private jetties fell 19.2% to 3.8 million fwt, due largely to a drop in coal shipments caused by the shutting down of a generator at the Kapar Power Station from January to June 2021 for maintenance and repairs.

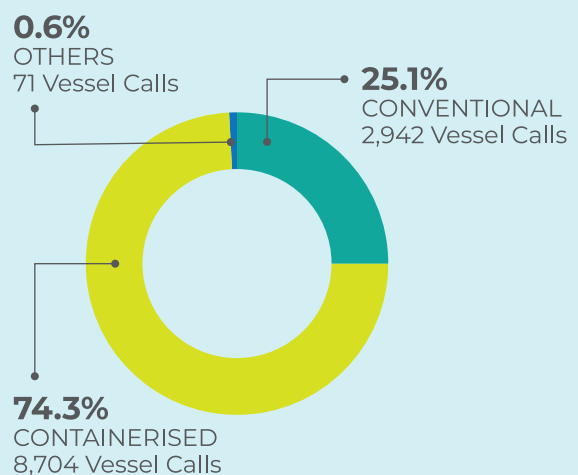


	2020		2021		Growth
Conventional	25,429,198 FWT	11.5%	26,753,981 FWT	11.4%	+5.2%
Containerised	195,992,102 FWT	88.5%	208,785,134 FWT	88.6%	+6.5%
Total	221,421,300 FWT		235,539,114 FWT		+6.4%



Ship Calls

Port Klang received 11,717 ship calls in 2021, an 11.9% drop compared with 13,294 in 2020. Calls by container vessels, which fell 14.8% to 8,704, was caused by the disruption of shipping services from the pandemic lockdowns globally.



	2020		2021	
Conventional	2,836	21.3%	2,942	25.1%
Containerised	10,214	76.8%	8,704	74.3%
Others	244	1.8%	71	0.6%
Total	13,294		11,717	





PKA General Manager Capt. Subramaniam will be attending the 2022 IAPH World Ports Conference in Vancouver, Canada, in his capacity as president of the International Association of Ports and Harbours. He will make a welcome address at the opening ceremony which will be officiated by Canadian Prime Minister Justin Trudeau.

The event, which includes the IAPH Annual General Meeting, will be held from May 16 to 18.

Capt. Subramaniam was elected IAPH President in May last year. He is the second PKA General Manager to be elected to head the IAPH for a two-year term.

IAPH, which was founded in November 1955, is a global alliance of the world port community and represents 156 ports and 118 port-related organisations in 85 countries. The member ports combined handle over 60% of the world's seaborne trade cargo and over 60% of global container traffic.



Malaysia Maritime Week 2022

Malaysia Maritime Week 2022, which was held from 22 to 25 February, is an annual commemoration of the local maritime sector organised by the Malaysia Shipowners' Association (MASA) and hosted by the Marine Department Malaysia with the support of the Ministry of Transport.

The programme for the event comprised a conference and exhibition with participation from key industry players. The conference theme for this year is The Maritime Landscape Post Pandemic.



PKA General Manager Capt. K. Subramaniam was the moderator at the first session of the conference, which had three panellists comprising Dr. Heike Deggim, Director, Maritime Safety Division of the International Maritime Organisation, Capt. Mohamad Halim bin Ahmed, Under Secretary, Maritime Division of Ministry of Transport and Ts. Dr. Julyus Melvin Mobilik, Director of Maritime Transport Training Institute.

PKA together with Northport, Westports and the Port Klang Free Zone also participated in the exhibition.



PKA Hosts 19th ASEAN Ports and Shipping Conference and Exhibition

PKA hosted the 19th ASEAN Ports and Shipping Conference and Exhibition which was held in Kuala Lumpur on 1 – 2 March 2022.

The conference, which was officiated by Minister of Transport, YB. Datuk Seri Dr. Wee Ka Siong, is the first major international event for the maritime industry since the lifting of the nationwide movement control order in Malaysia.

The conference and exhibition programme featured 30 exhibitors and 20 speakers from across the maritime transport industry who spoke on topics related to global and international trade, container throughput in ASEAN countries port investment strategies, financial resilience amid the Covid-19 pandemic as well as infrastructure investment opportunities and risks and returns of sustainable development.

Attendees at the conference included government officials, port operators, leading shipping and logistics services providers and port equipment and services suppliers from the ASEAN region.





PKA, Northport, Westports and Port Klang Free Zone Participate in Expo 2020 Dubai

PKA together with Northport, Westports and Port Klang Free Zone were among the 192 countries and organisations participating in Expo Dubai 2020. A total of 21 Malaysian government ministries and 70 departments and agencies as well as five states participated at the Malaysia Pavilion.

PKA and the terminal operators participated at the Malaysia Pavilion from 7 – 12 March 2022 under the auspices of the Selangor state government.

Crown Prince of Selangor, His Highness Tengku Amir Shah Ibni Sultan Sharafuddin Idris Shah Alhaj, officiated at the opening of Selangor Week at the Malaysia Pavilion on 7 March. Also present were Selangor State Executive Councillor for Industry and Trade Dato' Teng Chang Khim and the ambassador of Malaysia to the United Arab Emirates Dato' Mohd Tarid Sufian.

It was reported that more than 70 memoranda of cooperation and letters of intent with a potential to generate over US\$8.03 billion in trade and investments were signed in the first eight weeks of the expo.

The expo, originally scheduled to be held in 2020 was delayed due the Covid-19 pandemic, was held from 1 October 2021 to 31 March 2022.



WESTPORTS' NEW LIQUID BULK TERMINAL RECEIVES FIRST VLGC

Westports' new Liquid Bulk Terminal 5 (LBT5) received its first vessel, Vessel Red Rum, a Very Large Gas Carrier (VLGC), the largest type of liquefied natural gas carriers in the world, on 27 February 2022.

Vessel Red Rum served as a commissioning vessel to test run operations at LBT5. It discharged 8,500 metric tons of liquefied petroleum gas (LPG), comprising refrigerated butane and propane.

The Eco Galaxy, an LPG tanker, is the first commercial vessel to berth at LBT5. The vessel which called at Westports on 10 May 2022, loaded 1,900 metric tons of LPG enroute to Bangladesh.

LBT5, which is operated by Global Petro Storage Klang Terminal (GPSKT), has a draft of 14 metres and is designed to handle VGLCs and Q-Max ships, the largest LNG carriers in the world. The terminal can handle both LPG and LNG carriers.

Storage facilities at LBT5 comprise two refrigerated tanks and four pressurised bullets to provide an additional storage capacity of 134,400 cubic metres. GPSKT is the first independent refrigerated LPG terminal in South-East Asia. Its services include handling, storage, blending, break bulking and distribution for both local and regional markets.



Eco Galaxy



Red Rum

Visit by Maritime and Port Authority of Singapore

A delegation from the Maritime and Port Authority of Singapore (MPA) visited PKA on 24 February 2022. The delegation was led by MPA Chief Executive Officer Quah Ley Hoon. PKA General Manager Capt. K. Subramaniam briefed the visitors on latest developments in Port Klang and discussed prospects of future cooperation between both parties.



PKA Chairman Visits PTP

A PKA delegation led by chairman Datuk Chong Sin Woon visited the Port of Tanjung Pelepas on 10 March 2022.

The purpose of the visit was to gain an insight into port operations at PTP as well as to exchange views on matters of mutual interests.

The Port Klang delegation was briefed on latest developments in PTP related to digitalisation of port operations and management, smart technology such as Artificial Intelligence, Internet of Things, data analytics and cyber security.

The delegation was received by Hj Rosnan Bin Fathlul, chairman of Johor Port Authority and Chief Financial Officer of PTP, Muhammad Abdullah Hatta. Despite the challenges amid the pandemic, Port Klang and PTP had maintained their rankings among the world's top 20 ports last year, with Port Klang handling 13.7 million TEUs while PTP achieved a throughput of 11.2 million TEUs.





LENDING A HELPING HAND TO FLOOD VICTIMS

The recent flash floods in the Klang Valley in December 2021 severely affected livelihoods and properties. PKA, in collaboration with Northport, Westports, freight forwarding and shipping associations and shipping lines, responded by providing aid in the form of foodstuff and cash to flood victims.

On 29 December 2021, PKA, represented by General Manager Capt. K. Subramanian, presented the port community's donations to the Orang Asli community at Kampung Orang Asli Sungai Bumbun, Pulau Carey. Four other Orang Asli villages on Pulau Carey also received donations.

On 31 December 2021, PKA, represented by Mohd Azuan bin Mohd Paudzi, vice president of the PKA Social and Recreation club, was at the Kuala Langat Land and District Office to donate mattresses, pillows, disposable diapers and medicines to flood victims.

On 7 January 2022, PKA, represented by General Manager Capt. K. Subramaniam and Mohd Shah Nas, president of the Port Klang Social and Recreational Club, continued the charity drive by donating foodstuff and cash to 15 charity homes in the Klang Valley that were affected by the flood.

