

Penang port lines up projects

Expansions to bring in more cruise visitors to the island

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GEORGE TOWN: Penang Port Sdn Bhd (PPSB) is gearing up for a better year ahead with several expansion projects for both its Swettenham Pier Cruise Terminal (SPCT) and the North Butterworth Container Terminal (NBCT).

Its chief executive officer Sasedharan Vasudevan said the company expects business to be good over the next two to three years.

"This year, we have set our sights on putting everything in place and optimising our potential to be a port of choice. We are well poised to be in this position over the next few years," he said.

"We are still expected to record 1.2 million passengers this year and it's not merely a projection as we have a strategic plan on how we are going to leverage on several developments in the industry.

"First, we are taking in small cruises of about 50 to 150 people via the SPCT as their home port, and we expect about five such cruises this year.

"Let's call it a trial run for now. And in three years' time, we hope to bring in 3,000 to 4,000 passengers in a single cruise when we become a homeport," he added.

Sasedharan said this year would see 24 new cruise ships making its debut across the world and PPSB would be out to woo these ships to Penang.

Among the expansion work is the RM155mil extension of the berth and the pier building which is set to take off in the first quarter of the year and complete within 12 months.

Once completed, it would see the present 400m berth extended by 220m with an additional 118m-long



Plans for the future:

Sasedharan, seen here with chief operating officer Radhi Mohamad at Swettenham Pier, says he expects business to be good over the next three years.

'mooring dolphin'.

On the NBCT, Sasedharan said another RM155mil was already invested on acquisition of new equipment which would add another 300,000 TEUs (Twenty Foot Equivalent Unit) to the present 1.6 million TEUs as part of the RM500mil expansion plan.

"The five-year expansion until 2023 would give us 2.8 million TEUs and a new five-year expansion beyond that would allow us to expand on the present 64ha of land available.

"Due diligence has been done on the expansion and we would be spending almost RM1.8bil on the NBCT over the next 10 years as we are looking to do seven million TEUs, equivalent to Port Klang.

"Kota Perdana Economic Zone in Kedah where 121ha of industrial land would be developed, is another big plus as it would add 100,000

TEUs to the existing figure."

Sasedharan said this economic zone was strategic to NBCT as it was only 250km away from the zone while the closest competitor Laem Chabang Port in South Thailand was 1,000km away.

Sasedharan also pointed out that the Penang Port had recorded 1.05 million passengers throughout 2018.

"It's a numbers game which was why we are baffled by the reports in December that we lost 500,000 passengers. It created quite a ripple in the industry and among hotels, tourist associations and even the state government.

"We have always been moving forward since 2014 when MMC Group took over," he explained.

Cruise business, said Sasedharan, was not a business of competition but complementary, where cruise ships would look at Singapore,

which is the benchmark as they have been homeporting, and next are Port Klang, Melaka, Langkawi and Phuket.

"In fact, we beat Port Klang last year in cruise arrivals as we have the advantage. Here, it is just a walking distance to reach the city while in Port Klang, it would take passengers almost 90 minutes to reach the city from the ship.

"Once the expansion at SPCT is completed, we would be zeroing in on big cruises as the new terminal could take in 12,000 passengers in a single trip. Imagine the kind of spin-off which could benefit Penang's economy," he said.

"None of the expansion is possible without the support of our customers.

"We recorded an operating profit of RM197mil for 2018 on a revenue of RM490mil. It's a quantum leap from the years of losses.