

# ***PORT DEVELOPMENT IN A MULTIMODAL ENVIRONMENT : MALAYSIA AS AN EXAMPLE***

by

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# Abstract



- Analyzes development of Malaysia's ports in the multimodal transport context.
- Assesses importance of efficient transport to trade competitiveness.
- Explores changing role of ports in multimodal landscape.
- Outlines challenges for port development to provide multimodal linkages.

# The need for multimodal transport in Malaysia



- Good transport system is crucial to a trade-dependent nation like Malaysia.
- Efficient logistics network supports integration across the supply chain.
- Seamless transport facilitates greater trade & boosts competitiveness.
- Increasing demand for ports to have intermodal links to land and air transport.

# A primer to multimodal development in Malaysia



- Greater pressure for goods to be delivered cheaper, faster and more.
- Trans-border production & JIT demand delivery efficiency.
- More and more, logistics services are being integrated into supply chain.
- For Malaysia, efficient movement of goods equals greater trade equals competitive advantage.

# A primer to multimodal development in Malaysia



- Multimodal development in Malaysia is guided by ASEAN Framework Agreement on Multimodal Transport (AFAMT).
- AFTA will demand better transport integration in the region.
- Malaysia can leverage excellent transport components to create multimodal system.
- Government support is crucial to make multimodal a success.

# Linking ports with multimodal network



- Delivering effective transport is now a critical component of provision of goods.
- Manufacturers seek transport systems providing connectivity across modes.
- Multimodal as a maritime strategy is valuable in international trade.
- Performance of logistics chain is crucial to port competitiveness.

# Malaysian ports in the multimodal context



- Malaysia's booming trade fuels its ports' development, creating a virtuous cycle.
- Ports are vital trade facilitators as 95% of the nation's trade is carried via sea.
- Malaysian ports now play the role of connecting shipping service with inland transport.
- They also provide a logistics focus for the flow of cargo.

# Multimodal features in Malaysian container ports



- Malaysia's maritime corridors are central to its multimodal transport grid.
- They have developed linkages with other transport modes – road, rail & air.
- Port Klang, 12<sup>th</sup> largest in the world, is the national load center. PTP, 16<sup>th</sup> largest, is the southern transshipment hub.
- Penang Port serves the northern industrial hinterland. All have good multimodal links.



# Multimodal transport development in ASEAN



- Development of transport infra in the region is uneven across the region.
- There are national & regional initiatives to develop build, expand and upgrade transport infra.
- Regional initiatives are undertaken by ASEAN, UNESCAP and APEC.

# Linking transport modes, integrating logistics chain



- Various challenges await to enhance trade & competitiveness via transport.
- Good transport modes must be leveraged to create full-fledged multimodal network.
- Organizational obstacles and outmoded practices need to be eliminated.
- Cumbersome procedures and requirements need to be weeded out.

# Multimodal challenges for Malaysian ports



- Reconciling planning and development with industry needs.
- Enhancing port competitiveness and efficiency.
- Redefining roles to meet demands of multimodal environment.
- Adopting a regional strategy in developing multimodal transport.

# Multimodal & port tasks



<b>Task</b>	<b>Pre-containerization</b>	<b>Multimodal</b>
Market definition	Hinterland	Global
Customers	Shipping lines	MTO & logistics service providers
Marketing	Sales & advertising	Customer service
Operations	Labor-intensive	Resource mgmt.
Transport links	Maritime	All modes
Management skills	Port specialists	Real estate / finance / negotiations
Organization	Public utility / natural monopoly	Private ownership

*Adopted from SLETMO (1999), Port Life Cycles : Policy and Strategy in the Global Economy, International Journal of Maritime Economics, Issue 1-1, Jul-Sep 1999*

# Conclusion

- Trading nations face intense pressure to stay competitive.
- Multimodal has affected market size / reach of ports and flow of goods.
- Ports need to adapt to new paradigm in trade, transport, logistics & supply chain .
- Regional cooperation approach may enhance ports' roles & potentials.

# Conclusion

- Transport operators must shift from providing inter-port services to broader-based multimodal & logistics services
- Trading nations must overcome constraints to transport networks.
- The development of efficient, integrated multimodal infrastructure is essential for trade competitiveness.

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*"Let a hundred flowers bloom"*  
*(Mao Zedong)*

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