

PRESS STATEMENT

Shippers' Applaud MOT and PKA on Firm Stand Against Container Deposit Collection

The Malaysian National Shippers' Council (MNSC) welcomes the announcement made today by YB Anthony Loke, Minister of Transport during PKA's Chinese New Year celebration 2020, that shipping lines will no longer be permitted to collect cheque deposits from shippers and instead will have the option to utilise the following alternatives instead: Non-Cheque Deposit (NCD) by Selangor Freight Forwarders And Logistics Association (SFFLA), Container Ledger Account (CLA) and iCARGO+. The solution introduced by Port Klang Authority (PKA) following engagement with Federation of Malaysian Manufacturers, Federation of Malaysian Freight Forwarders and other stakeholders is a commendable alternative to the current unfair practices by shipping lines.

To shippers', the imposition of container deposit is an unnecessary financial burden as it affects the cash flow of shippers. The Bill of Lading, an agreement between the shipping carrier and the shipper, already provides sufficiently liability clauses that safeguard shipping lines against container damages and losses. Further, statistically there are no figures to show any increase in the incidents of missing or late return of containers that justify the imposition of this punitive measures. Therefore we strongly believe there is no justification to collect container deposits from the Malaysian importers or forwarders. These views were expressed by MNSC at the National Logistics Task Force, chaired by YB Minister of Transport, a very effective platform mediated by Ministry of Transport that brings together logistics and transport stakeholders to discuss issues collectively for the interest of the nation as a whole.

Currently in Malaysia, shipping lines are unregulated and shippers continue to be plague with arbitrary and unilateral imposition of land-side charges and fees including high terminal handling charges, depot gate charge and very recently the collection of low-sulphur surcharge. The announcement today by the Government for the shipping lines to consider alternative solutions to container deposit collection is a highly effective measure to address these unfair and unilateral practices by the shipping lines. We will continue to work with the Government through NLTF to put right these unscrupulous practices through joint dialogue to deliver win-win solutions for the country.

YBhg. Dato' Dr.^JIr. Andy Seo Chairman



PRESS STATEMENT

About MNSC

The MNSC was established in 1972 and members consisted mainly from the commodity based exporters. Among the objectives of the Council are to protect, represent and promote the interest of Malaysian exporters and importers, producers, manufacturers, trade and industry associations and commodity based associations in relation to the transportation of goods. FMM has taken over the Secretariat of the Malaysia National Shippers' Council (MNSC) from the Ministry of International Trade and Industry (MITI) effective June 2015.

Contact Details:

Ms Tan Ai Joo, Secretariat Malaysian National Shippers' Council (MNSC) Wisma FMM, No.3, Persiaran Dagang, PJU 9 Bandar Sri Damansara 52200 Kuala Lumpur Tel : 03-6286 7200 Fax : 03-6274 1266/7288 Email : <u>ai_joo@fmm.org.my</u>