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MNSC: Shippers' Call for Establishment of Malaysia Maritime Commission During this Unprecedented Period

The COVID-19 outbreak at its onset had put a strain on the global and domestic supply chain for shippers (importers and exporters) and the subsequent Movement Control Order (MCO) has affected both export and import activities. Since March 18, 2020, the MCO has restrained a fair majority of businesses from operating for over a month with a profound adverse impact on both shippers and the entire logistics community.

The Malaysian National Shippers' Council (MNSC) acknowledges that the Government has been very facilitative during this period given the many challenges faced during this MCO. The Ministry of Transport especially continues to monitor the congestion at the ports and has facilitated movement of cargo to and from the major ports through four windows of special cargo clearance held on March 27 – 29, 2020, April 4 - 7, 2020, April 13 – 15, 2020 and April 20 – 23, 2020. The special exemption for movement of cargo to and from ports has greatly alleviated port congestion and facilitated companies with cargo in the factory warehouse to be exported to meet urgent contractual commitments. We also greatly commend the timely intervention by MOT to urge port authorities to waive port related charges as this has led Port Klang, Johor, Penang and Sabah port authorities to grant waiver on port storage charges during this extended MCO period. Warehouse Operators within Northport and Westports have also been requested by Port Klang Authority (PKA) to consider storage and removal charges waiver for non-essential cargo that are stored in the warehouse /Container Freight Station (CFS) from March 30 to April 23, 2020. These commendable measures have greatly alleviated the burden of financial losses that shippers will need to bear during this difficult period.

Unfortunately, the same cannot be said about the unregulated sectors in the logistics supply chain such as the shipping lines, Non Vessel Operating Common Carriers (NVOCC) and depot operators which, instead of restraining their charges because of the unprecedented difficulties faced by the shippers and other stakeholders amid disruptions to the supply chain, have instead hit shippers with imposition of land-side charges and fees including collection of new charges such as low-sulphur surcharge, add-on agency recovery fees, and very recently during the fourth MCO period, increase in depot gate charges by off dock depots.

Given the tremendous strain faced by shippers on their ability to sustain business amidst the COVID-19 pandemic and the MCO, MNSC is highly disappointed with these arbitrary imposition of logistics service charges by this unregulated sector which is extremely detrimental to both exporters and importers especially at the present time.

The Government has asked many sectors including banks and land owners to waive interests rates and to reduce rental rates on commercial property. The action of the logistics service providers including the shipping lines and depot operators is moving against the Government initiative. We call on the Government to intervene and warn against those that have irresponsibly increase costs during this critical period.

Existing laws and legislations in Malaysia such as the Carriage of Goods by Sea Act 1950, the Merchant Shipping Ordinance 1952 and the Bills of Lading Act 1855 as well as existing regulators for maritime transportation such as the Marine Department of Malaysia do not have provisions or oversight to safeguard shippers against these landside logistics charges. Therefore, MNSC firmly believes that now more than ever is the time for the Government to intervene and set up a Malaysia Maritime Commission (MARCOM) which is an independent enforcement agency to regulate service providers, arbitrary charges and unfair practices in maritime transport sector. MARCOM is an important step to ensuring the ability of shippers to cope and survive through this unprecedented period failing which, there would be a detrimental impact on the overall economy of Malaysia.



Dato' Dr Ir Andy Seo
Chairman

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.

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