

MNSC Welcomes Support and Assistance by Ministry of Transport to Address Port Congestion and Container & Vessel Shortage Issues Faced by Shippers

March 24, 2021, Kuala Lumpur. The ongoing global issue of the shortage of containers and vessels continues to adversely impact Malaysian ships to carry cargo to key trade routes, Europe, China, Oceania (Australia and New Zealand), USA and Japan. Based on the Malaysian National Shippers' Council (MNSC)'s survey in February 2021 on the container and vessel capacity shortage issue and its impact on Malaysian shippers, shippers are scrambling to secure containers from whichever shipping services available at premium rates or utilising air freight for urgent shipments. Freight rates have skyrocketed to historical high rates of USD6,000 - USD10,000 per container compared to USD55-USD300 per container before the pandemic.

The container and vessel shortages have a ripple effect causing a myriad of supply chain problems including port congestions and have impacted trade and eventually will impact consumers worldwide. Following MNSC's urgent plea for Government's support and intervention, the Ministry of Transport (MOT) led by YBhg. Datuk Isham Ishak, MOT Secretary General at a meeting with MNSC on March 15, 2021 expressed commitment to helping shippers resolve the issues especially on areas within the Ministry's purview.

In ensuring Malaysia's maritime industry remains competitive, robust and future-proof, MOT has continuously sought to address and improve ports' efficiencies through innovations. In this regard, MNSC notes the initiative proposed by MOT to promote discussions and incubate new ideas among federal ports through a dedicated platform to ensure that substantive engagements can be taken in a more coordinated manner. MNSC is convinced that this platform will enhance efficiencies not only for ports and logistics service providers, but also for shippers through harmonised regulatory measures. MNSC looks forward to the full realisation of this initiative which will greatly facilitate Malaysian seaports to achieve their full potential.

MNSC also welcomes the initiatives by MOT to assist shippers to pursue alternative transportation mode via land and air which include exploring the feasibility of a single land checkpoint at the Malaysia-Thailand border and encouraging airlines to utilise passenger flights' for transportation of goods in the lower deck of passenger aircraft. To reduce dependence on foreign shipping lines and to revive the Malaysian maritime industry, the meeting also discussed the possibility of Malaysia reintroducing its own containerised national flag vessels and local steel manufacturers to explore production of shipping containers.

We commend the prompt action by MOT in mitigating the impact of the issues faced by shippers and thank the Ministry for the strong support and assistance rendered during this critical time.



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.

Contact Details:

Ms Hemasangkare, 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 : hemasangkare@fmm.org.my