

Original article

## The Malaysian Intermodal Terminal System: The Implication on the Malaysian Maritime Cluster\*

*Mohamad Rosni OTHMAN<sup>1</sup>, Jagan JEEVAN<sup>2</sup>, Shamsul RIZAL<sup>3</sup>*

<sup>1</sup> School of Maritime Business and Management, University of Malaysia Terengganu, Malaysia, [rosni@umt.edu.my](mailto:rosni@umt.edu.my)

<sup>2</sup> School of Maritime Business and Management, University of Malaysia Terengganu, Malaysia, [Jagan@umt.edu.my](mailto:Jagan@umt.edu.my)

<sup>3</sup> Malaysian Maritime Academy (ALAM), Malaysia, [shamsulrizal@alam.edu.my](mailto:shamsulrizal@alam.edu.my)

### Abstract

The maritime sector in Malaysia is best known globally due to the Straits of Malacca and being a nation surrounded by sea. Malaysia also has a substantial maritime industry consisting of numerous shipyards, ports and terminal facilities, ship services and a plethora of other companies and institutions with maritime oriented activities and become essential components of the Malaysia's maritime clusters. Issues such as underutilised intermodal terminals, uneven proportions in the freight transport infrastructure and road and seaport congestions prevent Malaysian seaports from achieving their full potential in serving their respective hinterlands. The key factors to improve Malaysian dry port or intermodal terminals are transport network; container planning; competition; location and, externalities. The paper does not only present the critical challenges faced by Malaysian intermodal terminals especially dry ports and the implications for seaport competency but it also provides strategies to utilise the Malaysian freight multimodal system to amplify seaports' performance in serving their hinterlands. As such, this may warrant policy makers to devise a comprehensive national master plan for the maritime sector in order for Malaysia to further develop her maritime industry and economies.

*Keywords:* Malaysia, Maritime Cluster, intermodal transport, hinterland port, seaports

## **I. Introduction**

The sea has always played an important role in Malaysia, which has been a maritime nation for over a thousand years. The shipping architecture, creativity and the intelligence of the sea masters are well noted in many Malay states and countries. They successfully described the trade, political ties and the history of the legendary Malay conquerors through the water route, in which the Malacca Sultanate era is an excellent example of how Malacca carried out global trading activities in distant places as early as the fifteen century. This tradition has continued into modern times, with large merchant ships being involved in global trade. Even today, shipping represents nearly 90 percent of trade and the shipping industry aims to generate RM 6.35 billion in Gross National Income (GNI) and thus creates an additional 55,500 jobs for Malaysia by 2020 (MIGHT, 2014).

The development of Malaysia as a maritime nation started in the 1970s. During this period, seaport infrastructure was developed, and new shipping lines were initiated to support the nation in coping with current trends in international trade (Third Malaysia Plan, 1976). Besides concentrating on seaport infrastructure, the enhancement of multimodal transport infrastructure, especially road and rails, were given priority in order to increase the strength of hinterland connectivity with the seaport (Valautham, 2007). Therefore, the volumes of containers handled as well as the establishment of new seaports to cater for these increased volumes have evolved simultaneously since the 1980s (Tenth Malaysia Plan, 2011). Although the era of containerisation in trade started in 1956, it took almost 17 years to reach Malaysian waters, with the first container vessel berths were established at Port Klang in 1973. The dramatic change in world trade as a consequence of the evolution in transport infrastructure has brought a substantial impact for Malaysian maritime business. Besides maximum land exposure to maritime waters, the strategic geographical location of Malaysia between the Pacific and Indian Oceans as well as owning the seventh longest coastline in the Asian region (WFB, 2015) have made this coastal country to become an important continent to influence the world economic trade. Economic liberalisation and globalisation have prompted Malaysia to aggressively participate in international trade. As a result, the proportion of container throughput in Malaysia has recorded as Asia's third largest container generator after China and Singapore (Lavigne, 2014).

The logistics sector is important to support the maritime industry in Malaysia, which is one of the best known globally due to the Straits of Malacca and the fact that it is a nation surrounded by the sea. Moreover, Malaysia has a substantial maritime industry consisting of numerous shipyards, ports, terminal facilities, ship services and a plethora of other companies and institutions involved in maritime oriented activities. Thus, logistics and multimodal transportation system becomes the pillar of the future maritime industry. The logistics sector is an important component for any modern economy that wishes to take advantage of the challenges resulting from globalization. Roads, seaports, airports, railways and maritime transport are key infrastructure factors that influence the efficiency of the supporting processes. As a result of its ideal geographical location, Malaysia is emerging as the trade hub between the East and the West. Trans-shipping through this strategic location allows for cost and process efficiency gains, reducing the times along the supply chain. Malaysia currently has half of the world's oil and a quarter of the world's trade passes through its

Download English Version:

<https://daneshyari.com/en/article/725105>

Download Persian Version:

<https://daneshyari.com/article/725105>

[Daneshyari.com](https://daneshyari.com)