

Shipping companies ceases congestion surcharge collection – KCGCCI

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KUCHING (June 12): Shipping companies have agreed to cease collection of congestion surcharge at Senari Terminal Port effective today (June 12), said Kuching Chinese General Chamber of Commerce and Industry (KCGCCI) in a statement.

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KCGCCI revealed that the shipping companies concerned have agreed to this following a meeting between Kuching Port Authority (KPA) and the shipping companies on June 9.

“After some tireless efforts of KPA in its attempt to return its port operation to normal since the repair of its computer system, the speed of discharge of the containers at Senari Terminal had gradually picked up in the month of May.

“Supported by the data provided by KPA, KCGCCI has recently written to all the major shipping companies which charged the Congestion Surcharge to request for waiver or cessation of collecting such surcharge on the containers discharged at Senari Terminal.

“Following the meeting between KPA and the shipping companies on June 9 2021, all parties have confirmed the improvement of the port operation and accordingly, the shipping companies concerned have agreed to cease the collection of congestion surcharge with effect from June 16, 2021,” said KCGCCI in the statement.

It explained the Senari Terminal which is managed by KPA has been facing persistent problem of low efficiency of its crane equipment and the problem was exacerbated after the computer system outage occurred at the end of March and subsequently repaired at the end of April.

It said during this period, the gross moves per hour (GMPH) of the Senari Port had been drastically reduced by 30 percent to 40 percent which had caused congestion at the said port terminal.

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It pointed out that in order to mitigate the losses, many shipping companies had started to impose the Port Congestion Surcharge on the consignees for the containers discharged at the port because of the prolonged waiting time for the vessels to berth at the port.

“Consequently, it had caused the price hike of the consumer goods in the market recently. The price hike if persisted for a longer period will definitely translate into unhealthy inflation in the short term,” it said.

As such, in order to protect the rights and interest of the business community and consumers at large, KCGCCI said it has been working actively with the owners and representatives of the shipping companies and the management of KPA.

KCGCCI also said it had held discussions with Deputy Chief Minister Tan Sri Datuk Amar Dr James Masing, who is also Minister of Infrastructure and Port Development, in the quest to resolve the issue amicably with the stakeholders.

“The various discussions have resulted positive response from Sarawak Government, and the minister has announced that funding from Sarawak Government will be made available to upgrade the facilities of the port in stages to improve the efficiency of the delivery of service at Senari Terminal .

“At the same time, the stakeholders have also urged the management of KPA to come up with strategies and alternatives to end the problem of congestion and improve the quality of its services,” it added.

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KCGCCI thanked the Sarawak Government, KPA, Malaysian Shipowners Association and the various shipping companies concerned for their kind co-operation and understanding in the process of settling the issue.

