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TRADE FACILITATION IN PORT DEVELOPMENT

SPEAKERS

Capt. Mohamad Halim Ahmed

(Maritime Division Ministry of Transport Malaysia)

Pn. Jalila Bt. Abdul Jalil

(Centre Head, Maritime Institute of Malaysia)

En. Muhammad Razif Bin Ahmad

(General Manager, Johor Port Authority)



2ND SABAH PORT FORUM
SUTERA HARBOUR RESORT, KOTA KINABALU, SABAH
1- 2 October 2019

BUILDING THE NEW FUTURE
Unlocking Sabah's Maritime Potential



SPEAKER

Captain. Mohamad Halim Ahmed

(Maritime Division Ministry of Transport Malaysia)

TRADE FACILITATION IN PORT DEVELOPMENT

FAL Convention

CONVENTION ON FACILITATION OF INTERNATIONAL
MARITIME TRAFFIC, 1965, AS AMENDED

2017 EDITION



**Trade Facilitation in Port Development –
Implementation of FAL Convention 1965
by Capt Mohamad Halim B. Ahmed**

Date : 2nd October 2019



An Assembly

A Council

5 main Committees:

- a. Maritime Safety Committee
- b. Marine Environment Protection Committee
- c. Legal Committee
- d. Technical Co-operation Committee
- e. Facilitation Committee

1

FAL Convention



Promote uniformity and simplicity in the documentary requirements and procedures - for arrival, stay and departure of ships engaged in international voyages

118 country members under IMO had ratified and implemented FAL Convention

Only involved 7 standard documents

2



FAL Committee convene its meeting once every year (normally in April)



3

Malaysia deposited a document to ratified FAL Convention at IMO on 10 April 2019



Objective of FAL Convention

1 To prevent unnecessary delays in maritime traffic



To aid co-operation between Governments

2

4 To secure the highest practicable degree of uniformity in formalities and other procedures

In particular, the Convention reduces to just seven number of declarations which can be required by Authority

3

7 documents under FAL Convention (IMO)

General
Declaration

Cargo
Declaration

Ship's Store
Declaration

Crew's Effects
Declaration

Crew List

Passenger
List

Dangerous
Goods

- IMO has developed Standardized Forms for seven of these documents (effective until 1 January 2018)
- All documents can be downloaded at <http://www.imo.org/en/OurWork/Facilitation/FormsCertificates/Pages/Default.aspx>

Malaysia Port readiness in compliance with FAL Convention ?

1 Based on MIMA study on 2017 – Federal Port in Malaysia was **65 % complied** with FAL Convention



How about state port in Sarawak and Sabah ?



2 Port with their own electronic documentation system.

- e-Gateway – JPA
- Port Klang Net - PKA
- uCustoms ?



3 There are ports in Malaysia still using semi electronic documentation system

1 Organize platform of discussion such as meeting, workshop, knowledge sharing and etc.



Cross audit throughout all port in Malaysia before and after implementation

2



5 Amendment of Port Act/By-Laws ?



Towards developing single window system / concept for all Malaysian Port

3



Way Forward

4 Standardized ship declaration documents form to be used at all port in Malaysia



FAL Convention

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SPEAKER

Pn. Jalila Bt. Abdul Jalil

(Centre Head, Maritime Institute of Malaysia)

**MARITIME BOUNDARY AMID PORT LIMITS AND
STATE JURISDICTION**

Maritime Boundary amid Port Limits and State Jurisdiction

Jalila Abdul Jalil

Acting Centre Head, Centre for Ocean Law and Policy

Maritime Institute of Malaysia (MIMA)

2nd Sabah Port Forum, Sutera Harbour, Kota Kinabalu, Sabah

1 - 2 October 2019

Disclaimer

**The information contained in this presentation
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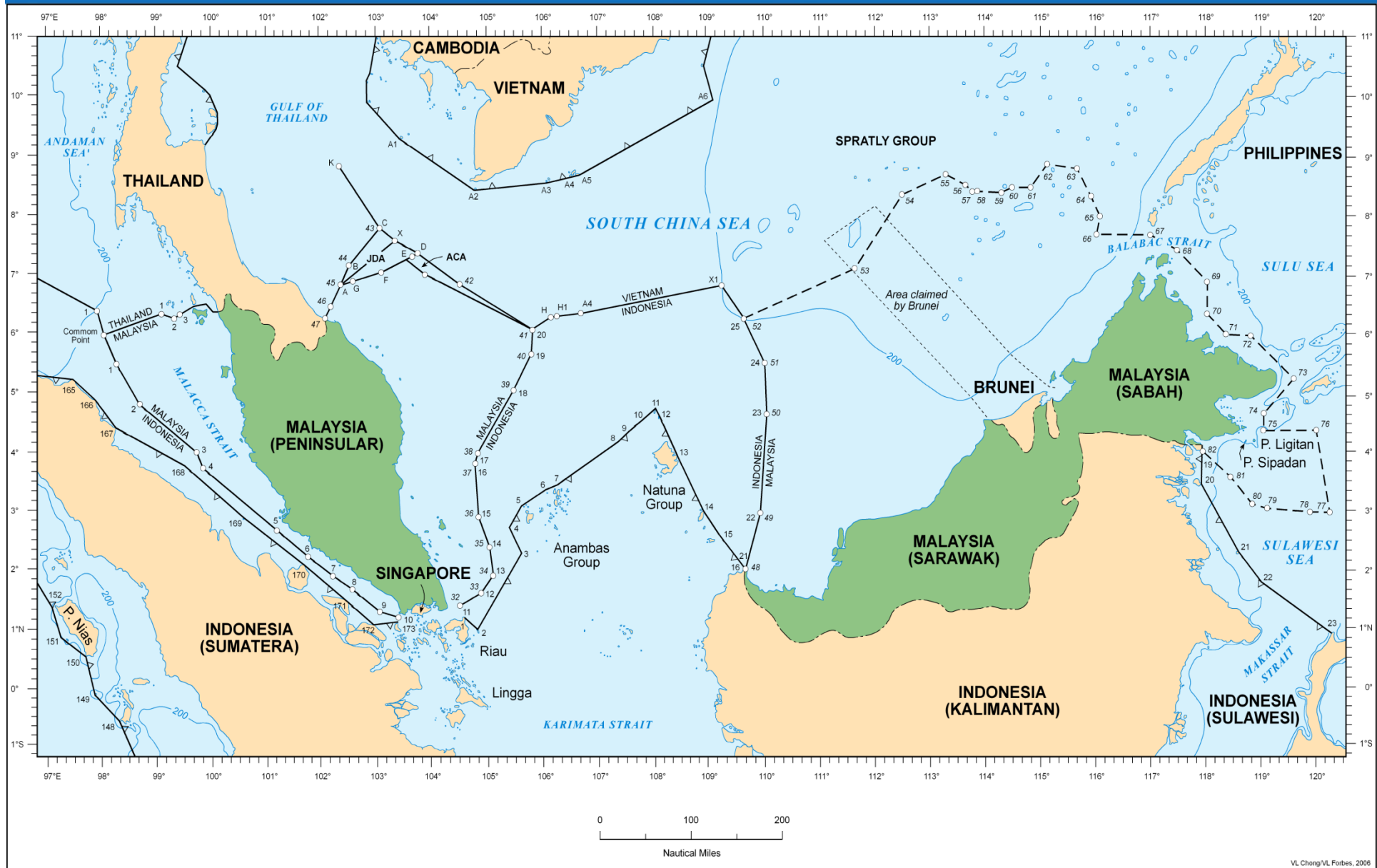
Outline of the Presentation

- **Background: Malaysia and UNCLOS**
- **Maritime Zones under UNCLOS - Diagram**
- **Malaysia's Maritime Zones – Related Activities, Legislation and Related Interests**
- **Strategic Location of Sabah Ports Areas and Recommendations**
- **Total Tonnage Handled by Sabah Ports Sdn Bhd from 2012 – 2018**
- **Related Agencies pertaining to Ports in Sabah**
- **Related Legislation**



Map showing the aerial view of Malaysia
Source: Malaysia Airport Berhad

Flight positions are predictive based on published flight times and typical durations.
Kedudukan penerbangan adalah anggaran berdasarkan waktu dan jangka masa penerbangan yang dipaparkan.



VL Chong/VL Forbes, 2006

Source: Forbes and Basiron, (2008) Malaysia's Maritime Realm Atlas

Background: Malaysia and UNCLOS

Background: Malaysia and UNCLOS

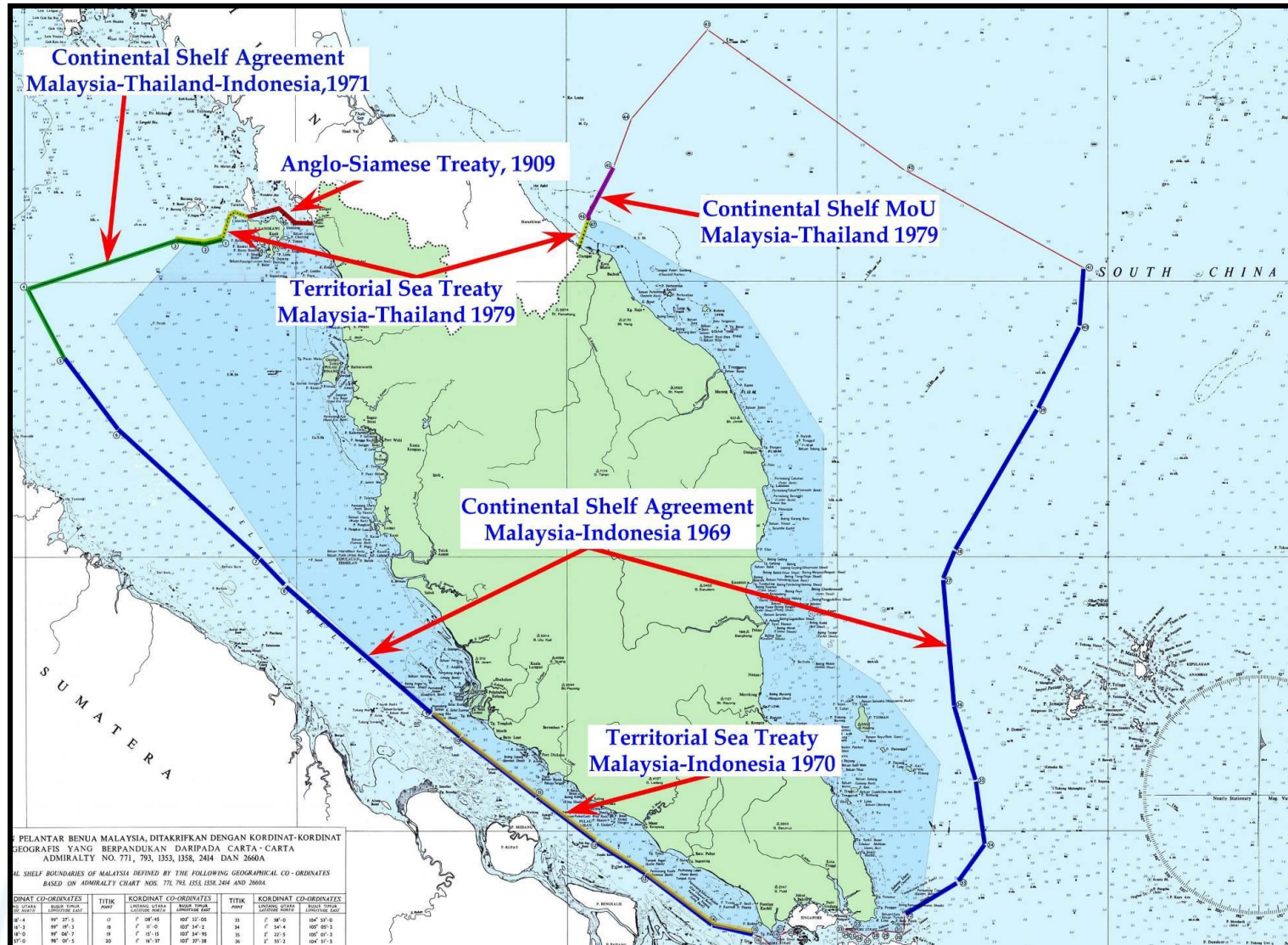
- **Malaysia (then Malaya) a year after its independence participated in the first United Nations Conference on the Law of Sea 1958 (UNCLOS I).**
- **UNCLOS I was considered successful and four Conventions were adopted namely:**
 - (i) 1958 Convention on the Territorial Sea and Contiguous Zone;**
 - (ii) 1958 Convention on the High Seas;**
 - (iii) 1958 Convention on the Continental Shelf;**
 - (iv) 1958 Convention on Fishing and Conservation of the Living Resources of the High Seas.**

Background: Malaysia and UNCLOS

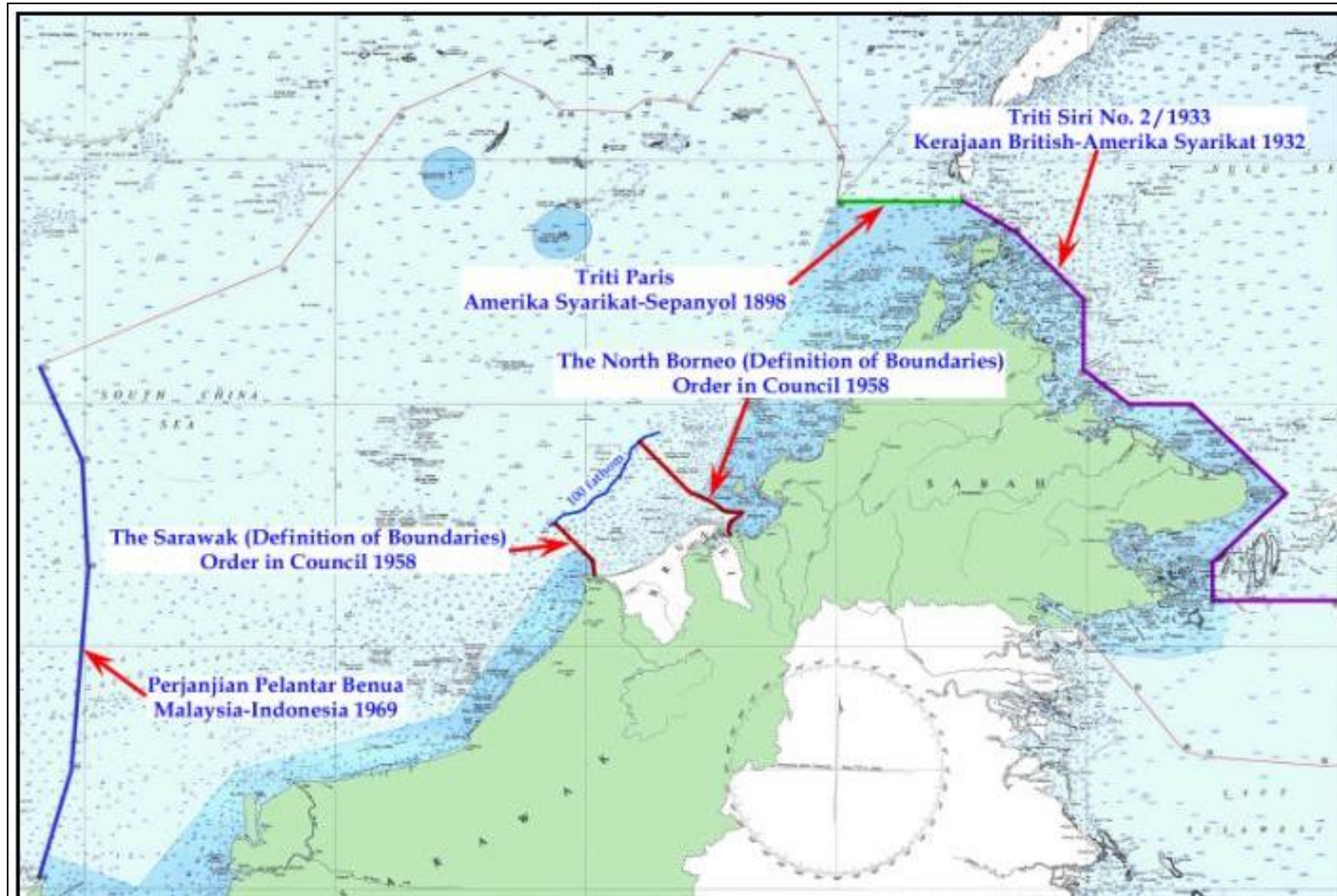
- **5 years after acceding to UNCLOS I, Malaysia established its continental shelf by enacting No. 57 of 1966 (Continental Shelf Act, 1966). The legislation is to allow for exploration and exploitation of its continental shelf.**
- **In 1969, Malaysia through Emergency (Essential Powers) Ordinance No. 7 of 1969 extended its territorial sea limit from 3 nm to 12 nm.**
- **Thereafter Petroleum Income Tax Act 1967 and Petroleum Mining Rules 1968.**
- **In 1974, Malaysia enacted the Petroleum Development Act 1974 for rights of exploration and exploitation of petroleum.**

Background: Malaysia and UNCLOS

- Having established its territorial sea and continental shelf, Malaysia then through Notification No. 5745 dated 21 December 1979 issued its *Peta Baru 1979*.
- Malaysia *Peta Baru 1979* was published through Gazette Notification No. 5745/1979 dated 21 December 1979
 - Produced in large scale in two sheets showing the territorial sea and continental covering Peninsular Malaysia; and Sabah and Sarawak.
 - The Map shows Malaysia's maritime boundaries delimitation based on treaties and unilateral declaration
 - Shows a single maritime boundary line in all sectors of its maritime boundaries.



Malaysia's 1979 Map for Peninsular Malaysia – Sheet 1
 Retrieved at <https://fatinadibqis.wordpress.com/maritime-what-is-maritime/>



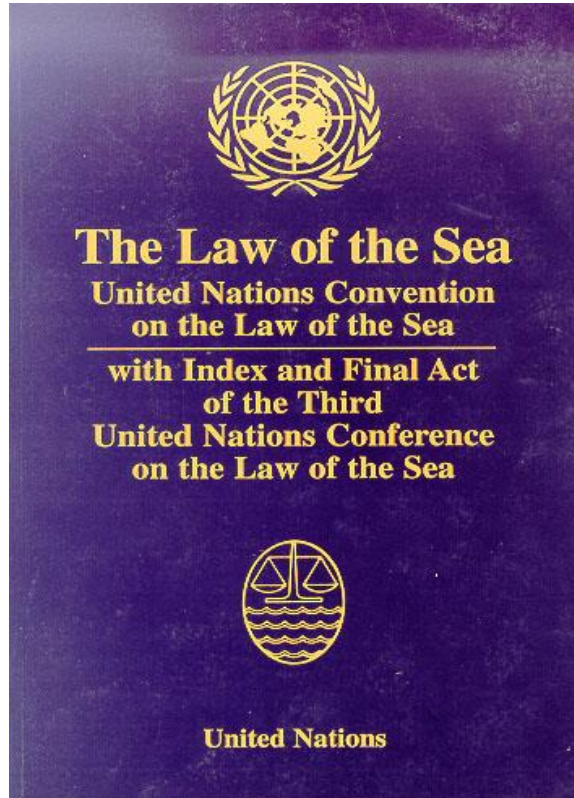
Malaysia's 1979 Map for East Malaysia – Sheet 2

Retrieved at <http://greenboc.blogspot.my/2010/06/blok-l-dan-m-siapa-kata-ia-milik-brunei.html>

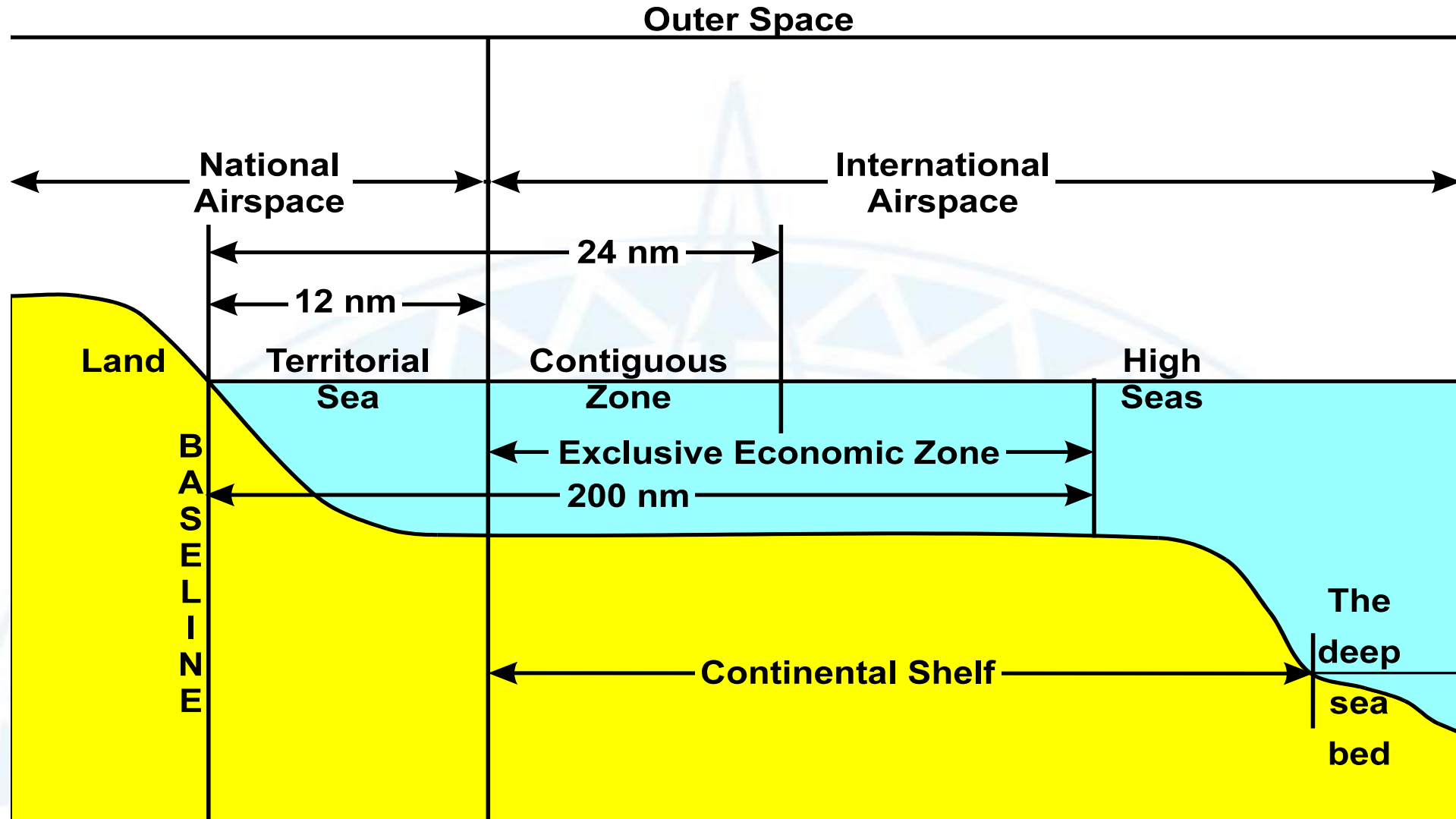
Malaysia and UNCLOS

- In 1982, Malaysia signed the 1982 UNCLOS on 10th December 1982 and ratified it on 14 October 1996.
- UNCLOS 1982 has given States with the rights to establish its maritime zones:
 - (a) Internal Waters (Article 8)
 - (b) Territorial Sea - 12 nm (Article 2 – 16)
 - (c) Contiguous Zone - 24 nm (Article 33)
 - (d) Exclusive Economic Zone (EEZ) - 200 nm (Article 56 – 75)
 - (e) Continental Shelf - 200 nm (Article 76 – 85)
 - (f) High Seas (Article 86 – 120)

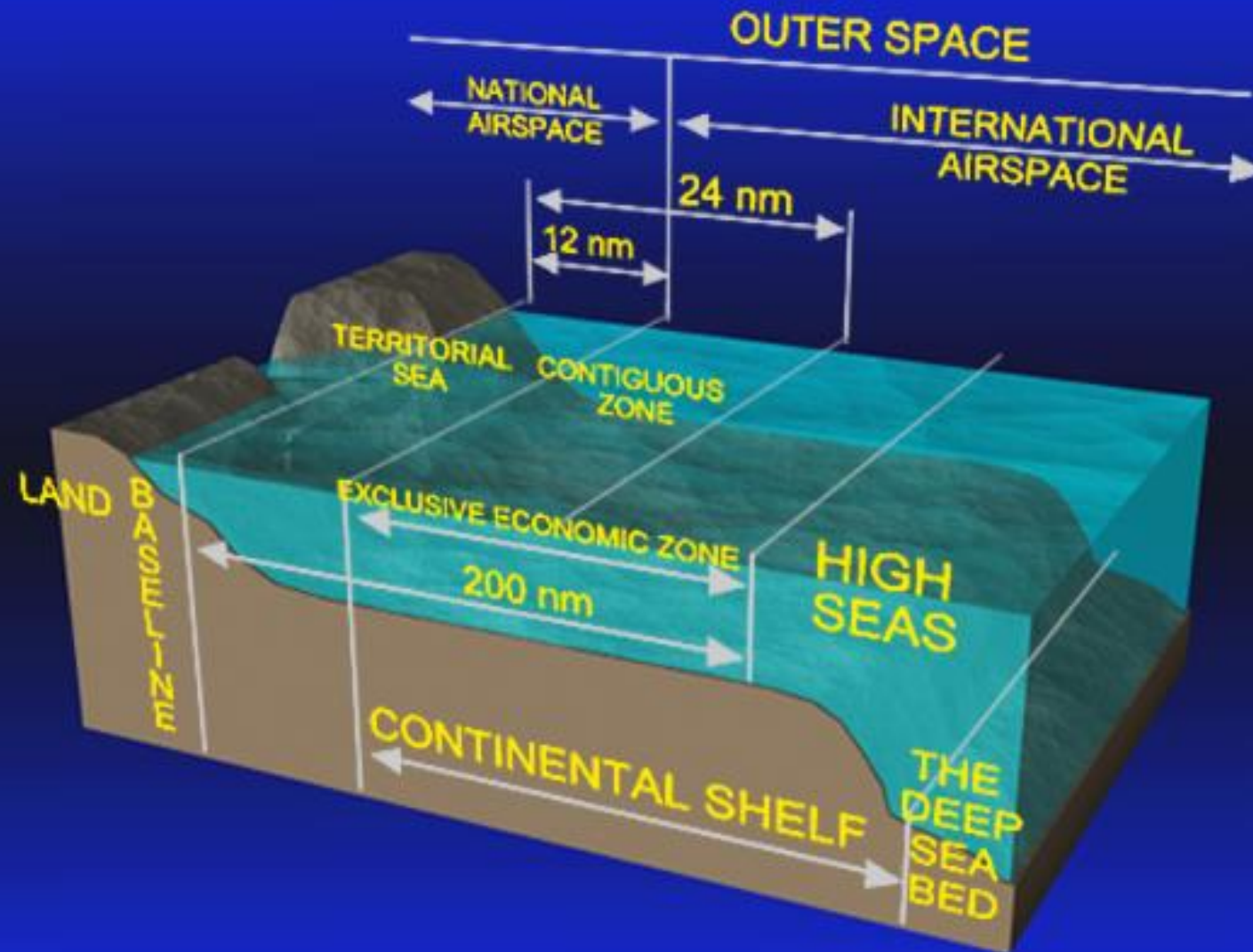
Malaysia and UNCLOS

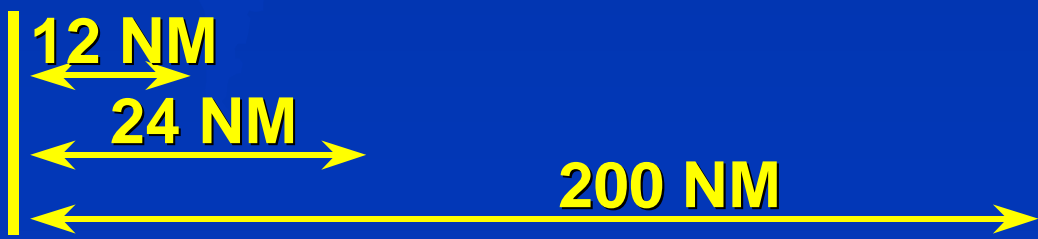
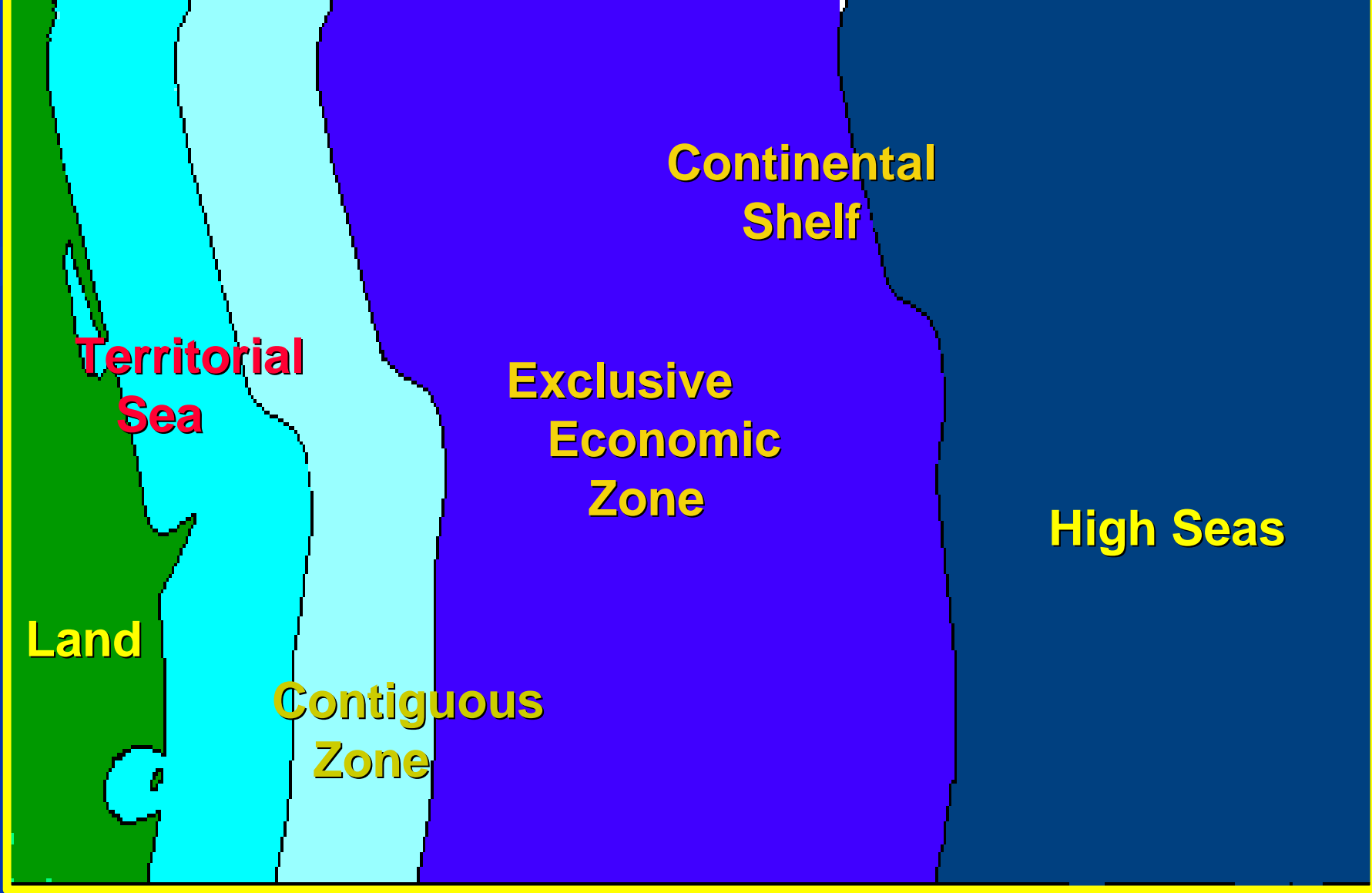


Maritime Zones Under UNCLOS 1982



LEGAL REGIMES OF OCEANS AND AIRSPACE AREA





Malaysia's Maritime Zones

- In accordance with UNCLOS, Malaysia's have established its maritime zones (Section 2 of the Baselines of Maritime Zones Act 2006):
 - (a) Territorial Sea - 12 nautical miles (nm);
 - (b) Exclusive Economic Zone (EEZ) - 200 nm; and
 - (c) Continental Shelf
- The maritime zones of Malaysia shall be measured from the baselines (Section 6(1) Baselines of Maritime Zones Act 2006).

Malaysia's Maritime Zones: Related Activities

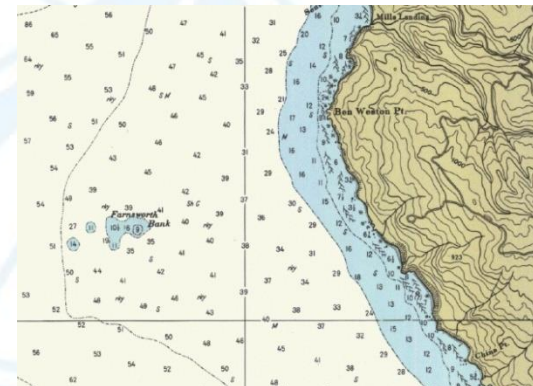
- **Safety of navigation/regulation of traffic**
- **Protection of navigation aids, pipelines, cables**
- **Conservation of living resources / prevention of infringement of fisheries laws**
- **Preservation of environment / prevention of pollution**
- **Marine scientific research and hydrographic surveys**
- **Prevent infringement of customs, fiscal, immigration, and sanitation laws**

MALAYSIA MARITIM ZONES RELATED LEGISLATION

- **In relation to UNCLOS 1982, Malaysia have enacted the related legislation pertaining to Malaysia's Maritime Zones:**
 - **EEZ Act 1984 (Act 311)**
 - **Baselines of Maritime Zones Act 2006 (Act 660)**
 - **Territorial Sea Act 2012 (Act 750)**
- Both Act 750 and 660 – needs to be read together**

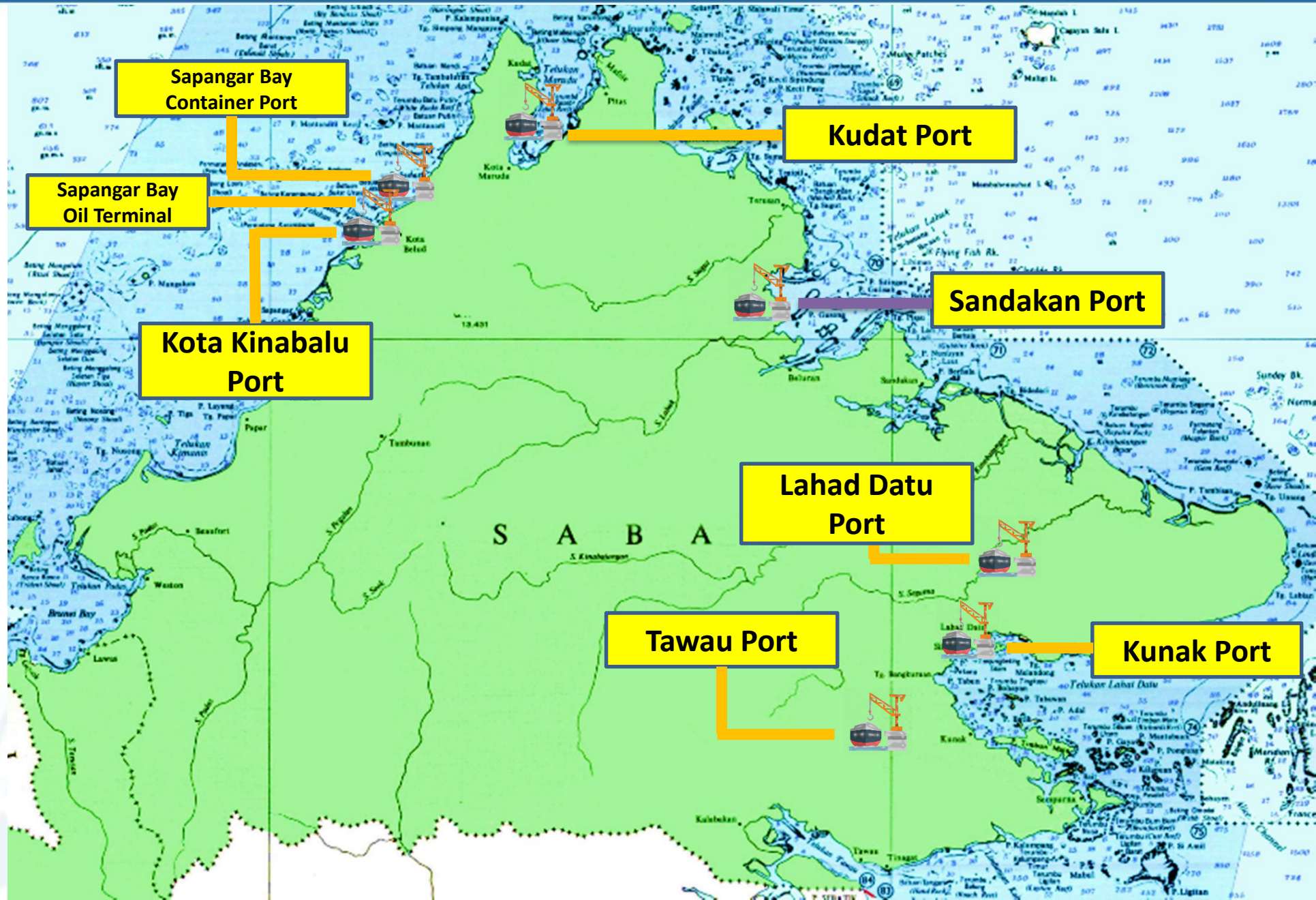
Maritime Zones – Related Interests

- Fisheries
- Resource exploitation
- Enforcement
- Environment
- Security

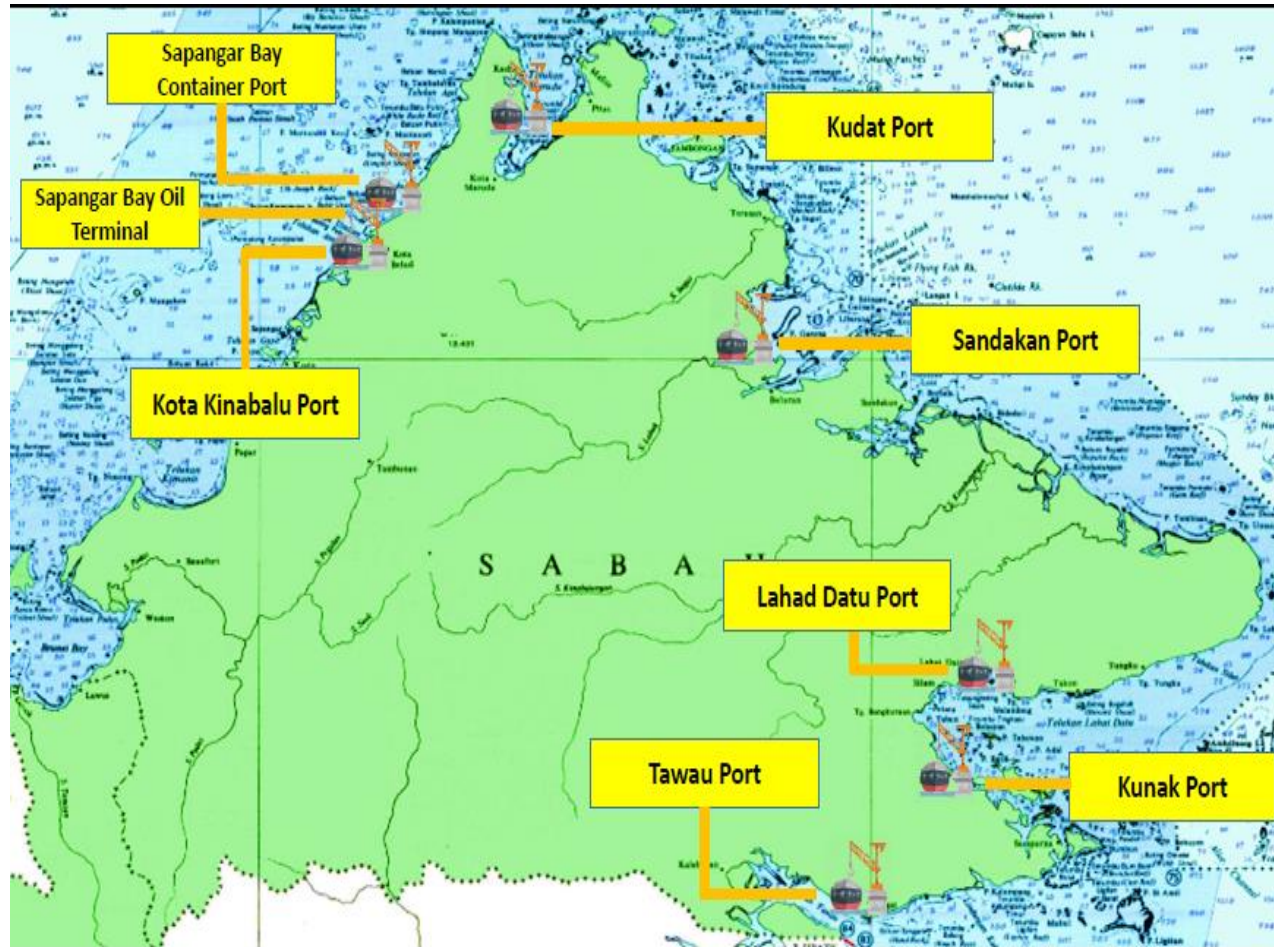


Port Limits and Jurisdiction in Territorial Sea

- **Subject to the sovereignty of the coastal state – Article 2 of UNCLOS 1982**
- **Includes water column, seabed, subsoil, and airspace**
- **Extends up to 12 nautical miles from baselines**
- **Total sovereignty of the coastal State and extends to the airspace over the territorial sea.**
- **Coastal States free to set laws, use any resource.**
- **Coastal state may adopt laws and regulations relating to innocent passage (Article 21; list of activities that may be regulated include safety of navigation, conservation of living resources, protection of environment, etc.)**



Strategic Location of Sabah Ports Areas



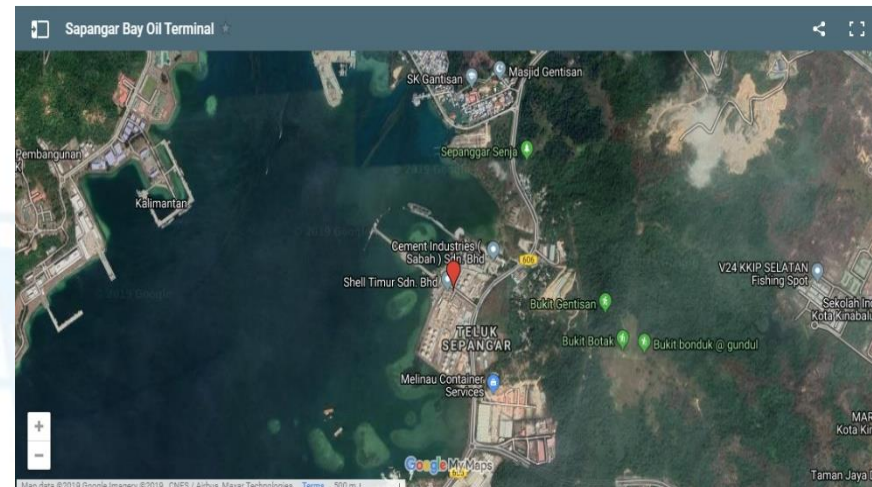
- **Connectivity via land and sea**
- **Strategically positioned - major shipping routes Indian Ocean – Straits of Malacca – South China Sea – Sulawesi Sea – Sulu Sea**
- **Areas: Important because it is rich in fisheries resources as well as oil and gas beneath its seabed.**

Strategic Location of Sabah Ports Area

SAPANGAR BAY OIL TERMINAL

- A dedicated terminal for refined petroleum and chemical products, the Sapangar Bay Oil Terminal is surrounded by major oil and gas facilities such as Shell, Esso and Petronas.
- Over 20 million Ringgit expansion plan is underway to add more berth and facilities to accommodate larger tankers and big scale supply of bunker and fresh water.
- It is poised to be "the oil and gas terminal hub" of the region.

PORT LIMIT



SAPANGAR BAY OIL TERMINAL:

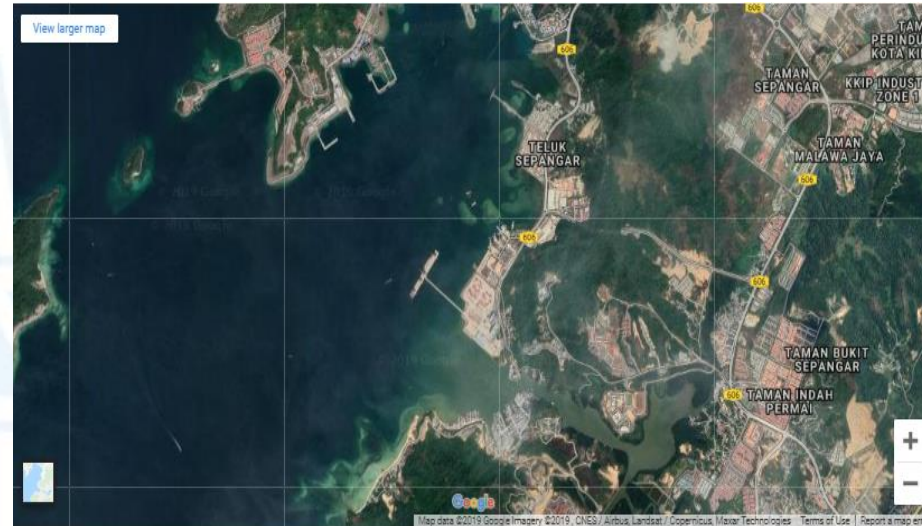
Lat. 06°5.2' N Long 116°7.3' E

Strategic Location of Sabah Ports Area

SAPANGAR BAY CONTAINER PORT

- Sapangar Bay Container Port (SBCP) is strategically located along the busy shipping routes between the far East and Europe.
- Plans are underway to rationalize the port operations statewide through hubbing to create economies of scale. SBCP which has taken over the container operations from Kota Kinabalu Port, is positioned as the premier transshipment hub for the Brunei-Indonesia- Malaysia- Philippines East ASEAN Growth Area (BIMP-EAGA).
- A port of international standing, SBCP boasts of state of the art facilities, the ability to handle more container volume, more efficient operations and greater competitive freight charges.

PORT LIMIT



SAPANGAR BAY CONTAINER PORT:

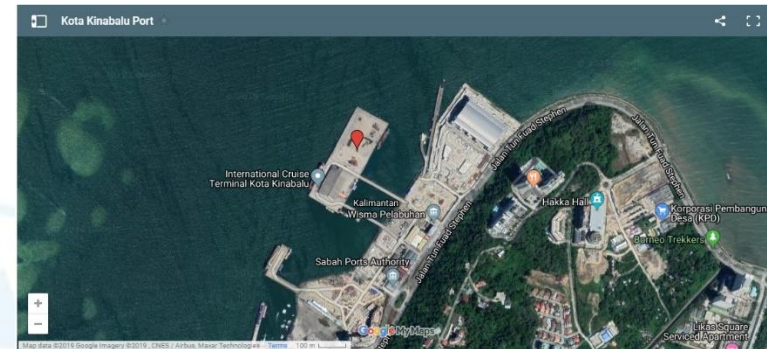
Lat. 06°5.2' N Long 116°7.3' E

Strategic Location of Sabah Ports Area

KOTA KINABALU PORT

- Kota Kinabalu Port is one of Sabah's earliest and main ports. It used to handle a variety of cargo.
- Kota Kinabalu Port only handles non-containerized cargo such as general cargo and dry bulk.

PORT LIMIT



KOTA KINABALU PORT:
Lat 05°59' N Long 116°0' E

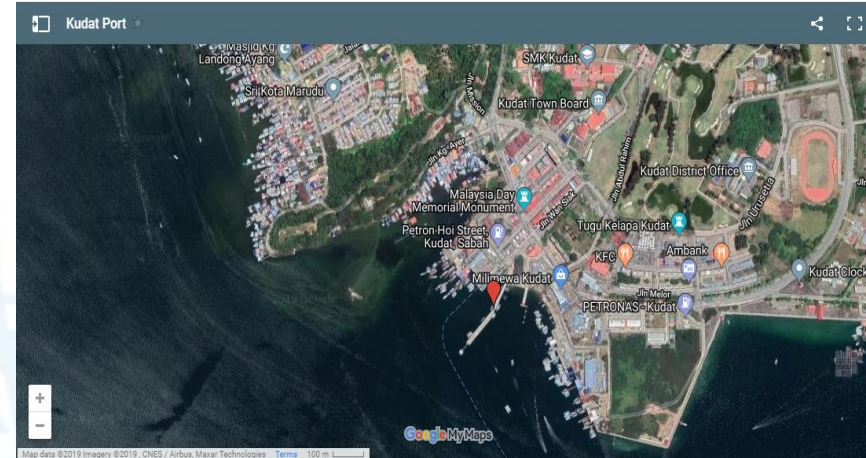
The limits of the Port of Kota Kinabalu shall be "Gaya Bay and waters to the south west bounded by a line joining Tanjong Aru and the northern point of Pulau Gaya thence a line to Gaya Head including rivers entering same for a distance of 600 feet inland from the mouth of the river"

Strategic Location of Sabah Ports Area

KUDAT PORT

- Kudat Port's closer proximity to the Philippines makes it a top choice for maritime trade to the archipelago. The port mostly handles general cargo and timber-related products.

PORT LIMIT



KUDAT PORT:

Lat 06°53' N Long 116°51' E

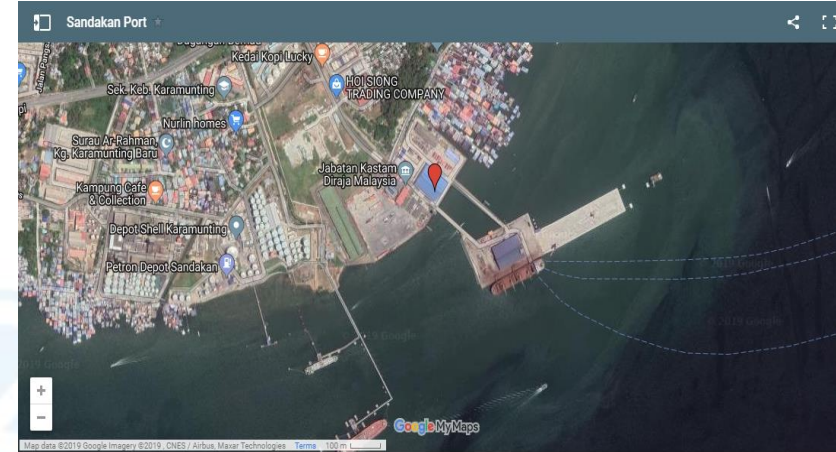
The limits of the Port of Kudat shall be "a line drawn from Tigasmil Point to Sandilands Rock and thence to Tanjong Kapor including all passages and rivers entering the same for a distance of six hundred feet inland from the mouth of the river"

Strategic Location of Sabah Ports Area

SANDAKAN PORT

- The second busiest port in Sabah, is located at the East Coast of Sabah, which is renowned for its palm oil industry.
- The port handling palm oil related products, container, general cargo and dry bulk.

PORT LIMIT



SANDAKAN PORT:

Lat 05°48' N Long 118°4.8' E

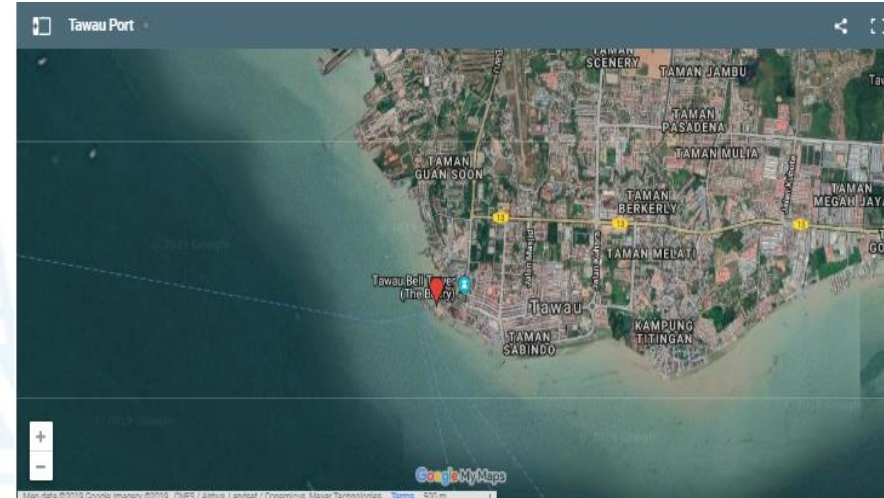
The limits of the Port of Sandakan shall be "Sandakan Bay bounded by a line drawn in a west-south-west direction from the northern point of Pulau Berhala to the mainland, and by another from the same point on Pulau Berhala to the most eastern extremity of Tanjong Aru and thence to the opposite bank at the entrance Terusan Duyong, including all passages and rivers entering same for a distance of six hundred feet inland from the mouth of the river".

Strategic Location of Sabah Ports Area

TAWAU PORT

- Tawau Port is located on the East coast of Sabah. Its strategic location and close proximity to the Kalimantan Borneo is a catalyst for the port business, providing the port with vast business potential.
- The multipurpose port is equipped with various essential facilities to support the handling of various cargo types.
- Tawau Port is now considered a major port in the East coast for the volume it handles, second to Sandakan Port

PORT LIMIT



TAWAU PORT:

Lat 04°14' N Long 117°52' E

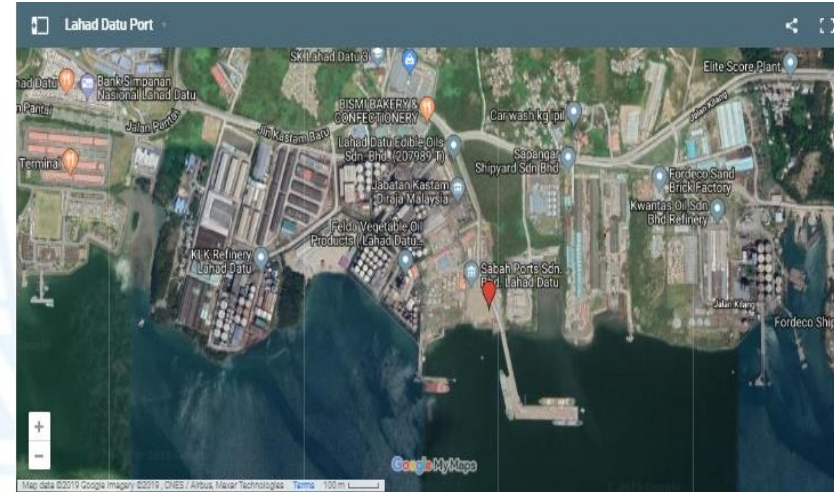
The Port of Tawau comprise of the waters of Cowie Bay and Wallace Bay and rivers entering same contained within the following limits: "A line from 4° 13.3' N 118° 00.0' E to the National boundary mark on the eastern shore of Sebatik Island, thence to the National boundary mark on the western shore of the said island, thence in a 270° (T) direction to the shore at Burs Point thence in a 311° (T) direction to 4° 20.0' N 117° 25.9' E, thence in a 070° (T) direction to 4° 25.0' N 117° 40.0' E, thence in a 120° (T) direction to the point of commencement".

Strategic Location of Sabah Ports Area

LAHAD DATU PORT

- Lahad Datu Port is strongly supported by the palm oil industry. With the up and coming Palm Oil Industrial Cluster (POIC) Lahad Datu.
- Lahad Datu Port is poised to be a catalyst in the booming palm oil industry as well as oleo chemical and bio diesel industry in East Malaysia.
- Lahad Datu is also set to be the Central Hub for the import of Bulk Fertilizer for the East Coast. With so much promise of growth, Lahad Datu is destined to be "The Rotterdam of the East".

PORT LIMIT



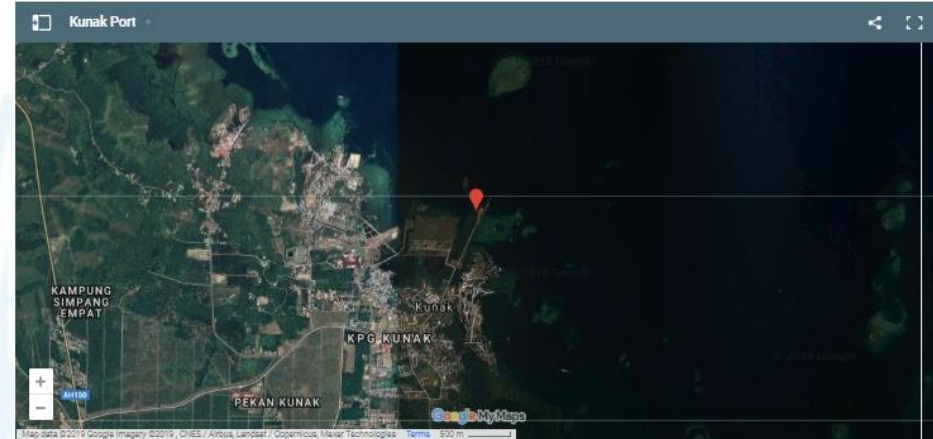
LAHAD DATU PORT:
Lat 05°20' N Long 118°02' E

Strategic Location of Sabah Ports Area

KUNAK PORT

- Kunak Port serves as a dedicated crude palm oil port. With a boost from major palm oil players, it is projected that 1.4 million tones of palm oil will be handled by Kunak Port, making it a major palm oil port.
- Plans are underway to make Kunak Port become the East Coast's Central Hub for the export of Palm Kernel Expeller.

PORT LIMIT



KUNAK PORT:

Lat 04°41' N Long 118°15' E

The limits of the Port of Kunak shall be "a line drawn from the point (headland) on the mainland south of Wise Hill to the most easterly point of Pulau Sakar, thence in south-south-east direction to the most easterly point of Pulau Bohihan, and thence in a south-south-west direction to the peak of Mt. Cook at a point where the said line intersects the coastline, including rivers entering the same for a distance of 600 feet inland from the mouth of the river".

Recommendations

Based on the strategic location of Sabah Ports areas, we proposed as follow:

- (i) **Infrastructure inter-connectivity Improvement – railroad and roads connecting with all ports in Sabah -**
 - **Need well-equipped infrastructure to improve cargo transportation efficiency. Hence, this will reduce traffic congestion as well saving cost and time**
 - **Example: Pan Borneo Highway - The project involves widening the existing roads to dual-lane dual carriage way and building new coastal road and new bypasses**
 - **Venturing into new type of business – STS, LNG**
- (ii) **Federal grants, soft loans as well involvement of the private sector as the project involves big cost**
- (iii) **Exploits the Cabotage Policy Exemption -**
 - **Sabah maritime industry should take advantage of the abolishment of cabotage policy with foreign players are free to do business in Sabah promoting their main attraction but require support from federal government.**
 - **Also in relation to Indonesia’s Cabotage Policy of the Ministry of Trade Regulation No. 82/2017 (“Regulation 82”) requires utilisation of vessels controlled by Indonesian shipping companies in importing and exporting of certain goods i.e. coal, crude palm oil (CPO) and rice. Sabah shipping companies should utilised trans-shipment business by providing their ships to carry the products of coal, crude palm oil (CPO) and rice.**

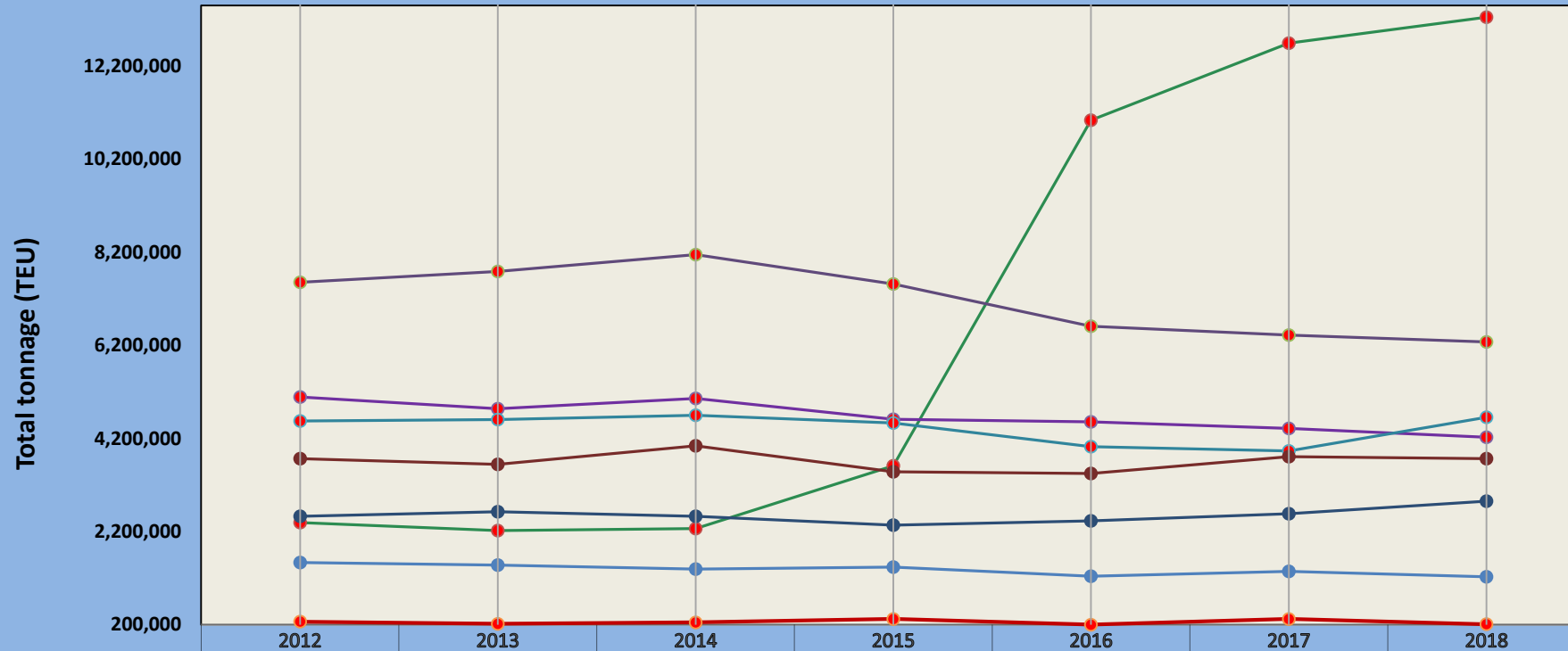
Total Tonnage Handled by Sabah Ports Sdn Bhd from 2012 - 2018

YEAR	KK	SK	TW	LD	KD	KN	SB	SC	TOTAL
2012	2,393,486	7,555,147	5,090,816	4,576,519	263,725	1,535,146	2,524,902	3,763,067	27,702,808
2013	2,219,600	7,783,434	4,837,892	4,607,591	218,961	1,478,528	2,626,761	3,645,537	27,418,304
2014	2,262,051	8,147,471	5,057,748	4,695,010	247,833	1,395,514	2,526,943	4,039,151	28,371,721
2015	3,611,569	7,513,865	4,610,176	4,530,769	320,713	1,435,624	2,339,953	3,481,541	27,844,210
2016	11,036,720	6,610,245	4,557,548	4,021,268	200,047	1,241,175	2,427,506	3,447,466	33,541,975
2017	12,690,055	6,416,762	4,413,537	3,933,487	320,646	1,341,745	2,584,454	3,806,764	35,507,450
2018	13,249,423	6,270,646	4,222,288	4,655,291	209,057	1,229,794	2,851,306	3,767,295	36,455,100

TOTAL TEU HANDLED BY SABAH PORTS SDN BHD FROM 2012 TO 2018

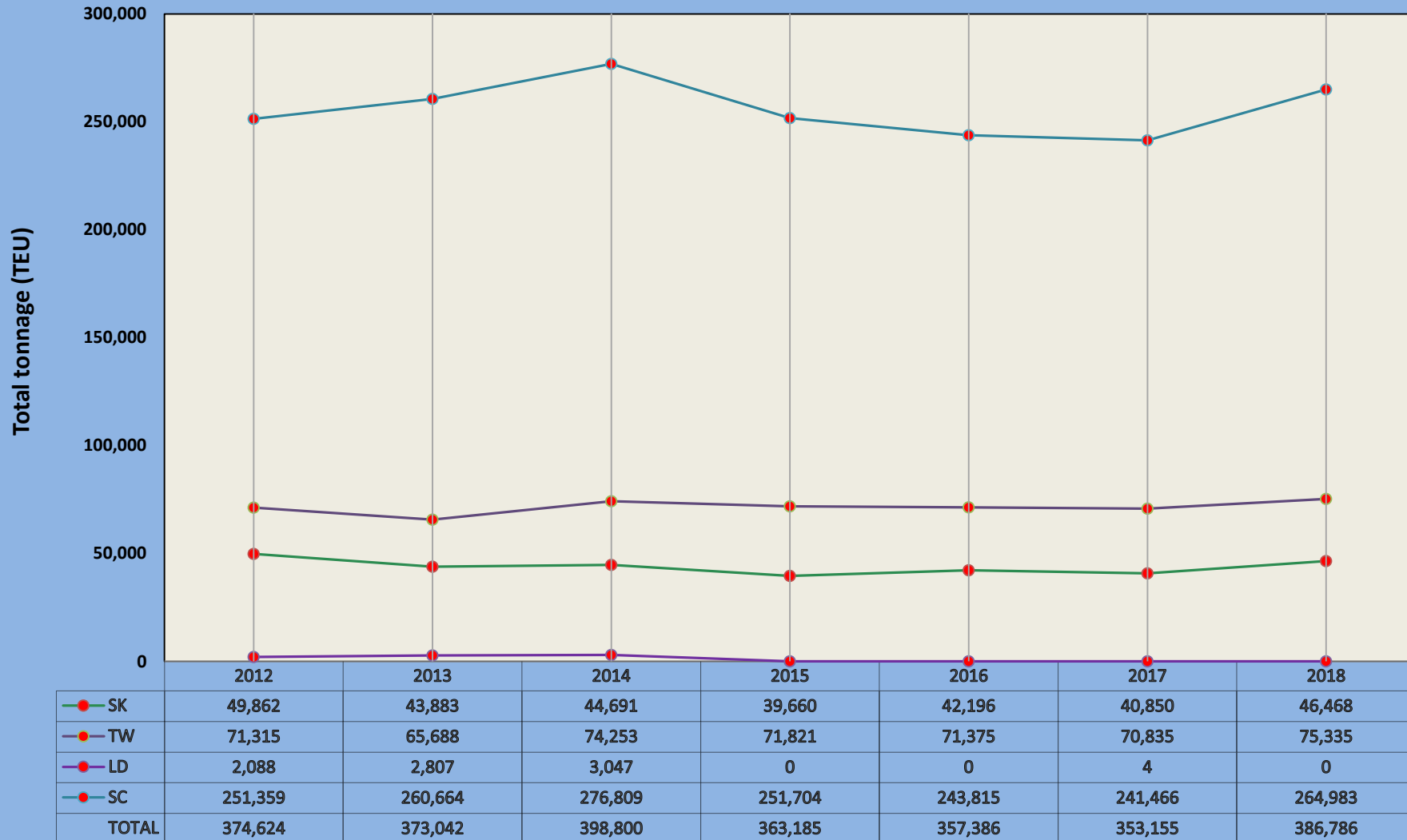
YEAR	SK	TW	LD	SC	TOTAL
2012	49,862	71,315	2,088	251,359	374,624
2013	43,883	65,688	2,807	260,664	373,042
2014	44,691	74,253	3,047	276,809	398,800
2015	39,660	71,821	-	251,704	363,185
2016	42,196	71,375	-	243,815	357,386
2017	40,850	70,835	4	241,466	353,155
2018	46,468	75,335	-	264,983	386,786

Total tonnage handled by Sabah Ports Sdn Bhd, 2012 to 2018



	2012	2013	2014	2015	2016	2017	2018
KK	2,393,486	2,219,600	2,262,051	3,611,569	11,036,720	12,690,055	13,249,423
SK	7,555,147	7,783,434	8,147,471	7,513,865	6,610,245	6,416,762	6,270,646
TW	5,090,816	4,837,892	5,057,748	4,610,176	4,557,548	4,413,537	4,222,288
LD	4,576,519	4,607,591	4,695,010	4,530,769	4,021,268	3,933,487	4,655,291
KD	263,725	218,961	247,833	320,713	200,047	320,646	209,057
KN	1,535,146	1,478,528	1,395,514	1,435,624	1,241,175	1,341,745	1,229,794
SB	2,524,902	2,626,761	2,526,943	2,339,953	2,427,506	2,584,454	2,851,306
SC	3,763,067	3,645,537	4,039,151	3,481,541	3,447,466	3,806,764	3,767,295
TOTAL	27,702,808	27,418,304	28,371,721	27,844,210	33,541,975	35,507,450	36,455,100

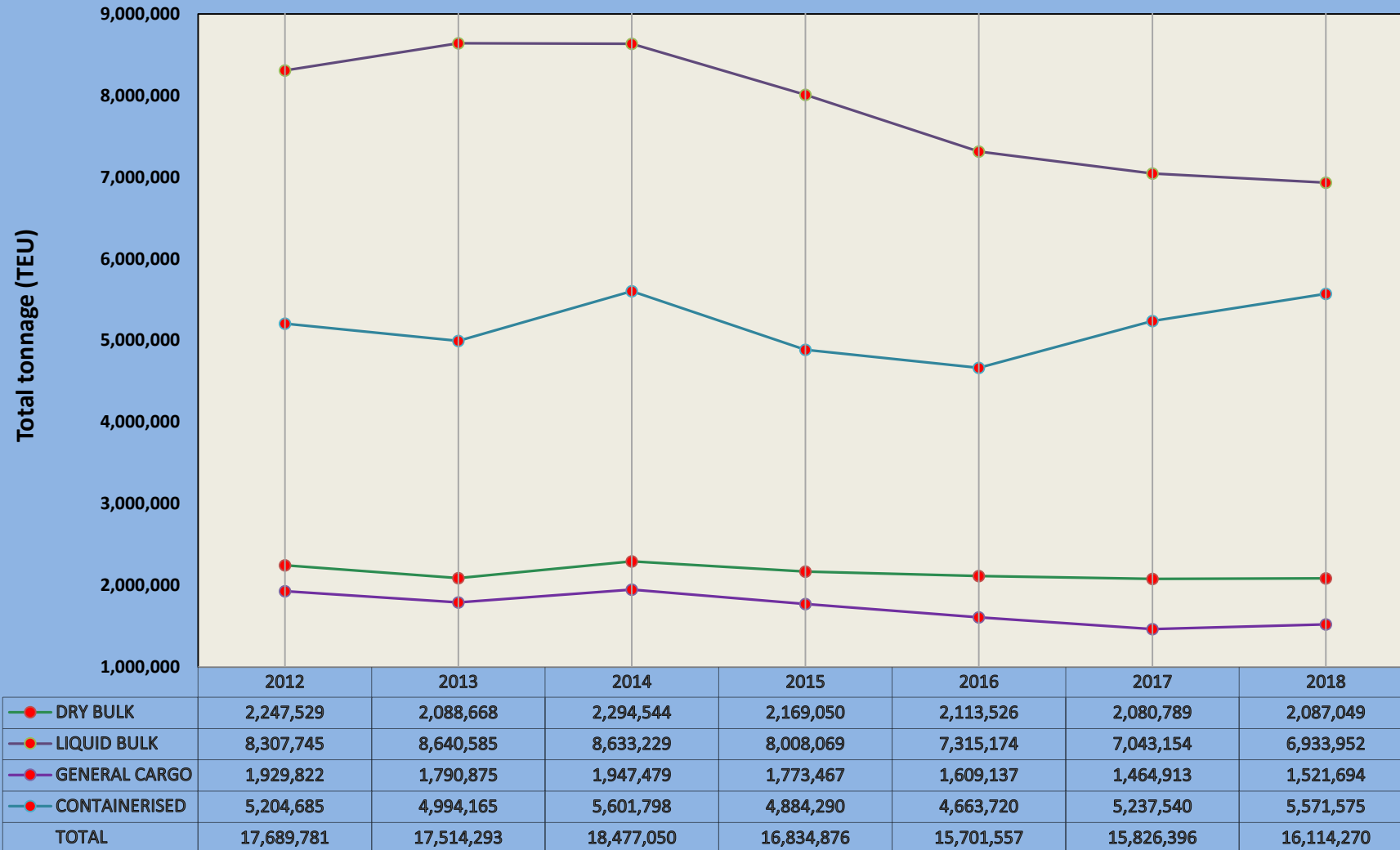
Total tonnage handled by Sabah Ports Sdn Bhd, 2012 to 2018



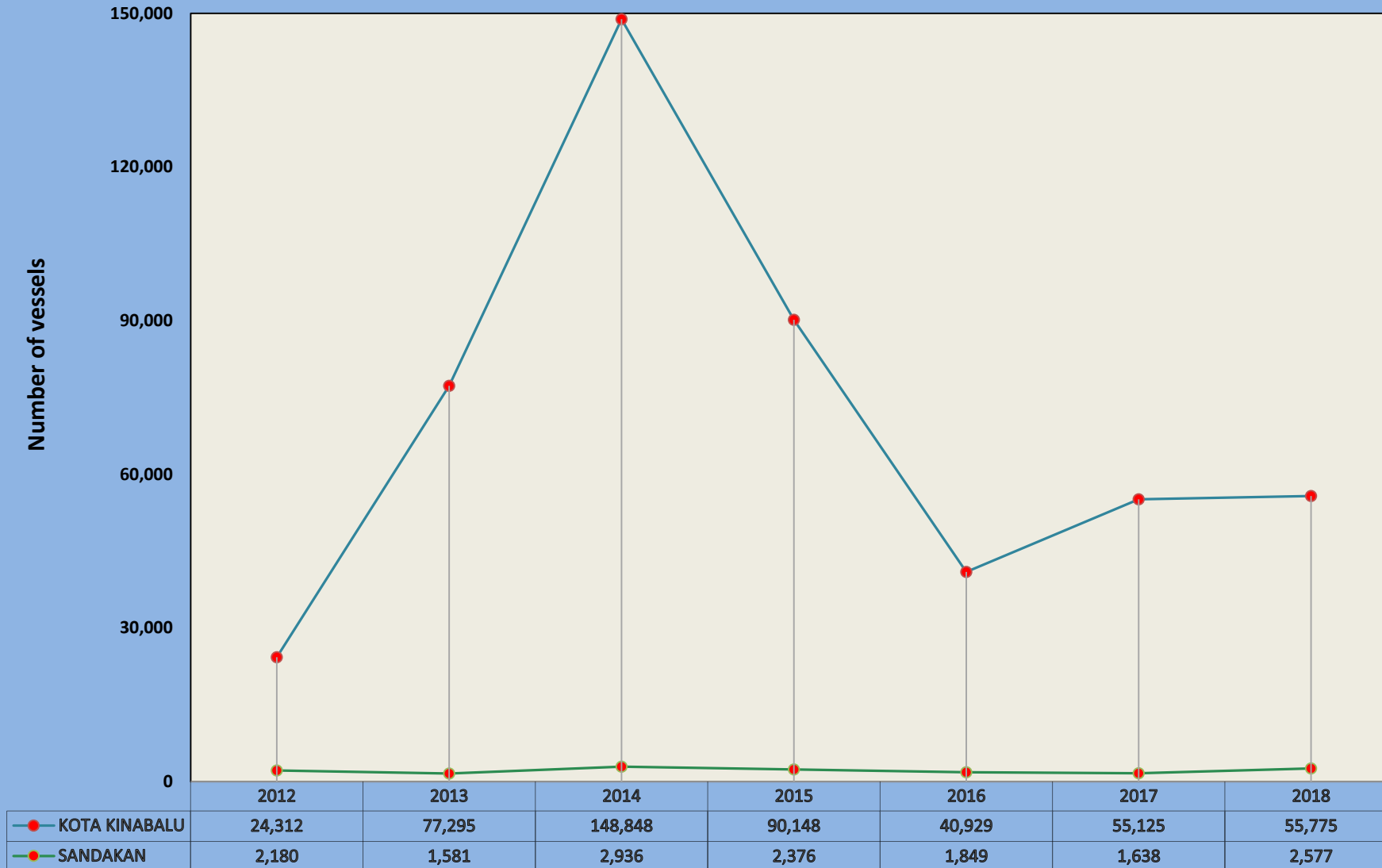
CARGO THROUGHPUT BY TYPES (FWT) - SABAH PORTS					
YEAR	DRY BULK	LIQUID BULK	GENERAL CARGO	CONTAINERISED	TOTAL
2012	2,247,529	8,307,745	1,929,822	5,204,685	17,689,781
2013	2,088,668	8,640,585	1,790,875	4,994,165	17,514,293
2014	2,294,544	8,633,229	1,947,479	5,601,798	18,477,050
2015	2,169,050	8,008,069	1,773,467	4,884,290	16,834,876
2016	2,113,526	7,315,174	1,609,137	4,663,720	15,701,557
2017	2,080,789	7,043,154	1,464,913	5,237,540	15,826,396
2018	2,087,049	6,933,952	1,521,694	5,571,575	16,114,270

CRUISE SHIP PASSENGERS - SABAH PORTS		
YEAR	KOTA KINABALU	SANDAKAN
2012		2,180
2013		1,581
2014		2,936
2015		2,376
2016		1,849
2017		1,638
2018		2,577

Cargo throughput by types (FWT) at Sabah ports, 2012 - 2018



Cruise ship passengers in Sabah ports, 2012 - 2018



SABAH PORT SDN BHD

INTRODUCTION

Sabah Ports Sdn. Bhd. (SPSB), a wholly-owned subsidiary of Suria Capital Holdings Berhad, officially took over the management of all port operations from Sabah Ports Authority on 1 September 2004. With eight ports strategically located at both the west and east coasts of Sabah, SPSB provides berthing, handling and cargo facilities to its port customers. As the State's main port operator, SPSB has delivered maritime logistics, access and opportunity to Sabah along with bringing the world to its shores.

OUR PORTS

Sapangar Bay Container Port is a dedicated container facility and is positioned as the premier transshipment hub for the Brunei – Indonesia – Malaysia – Philippines East ASEAN Growth Area (BIMP-EAGE). Kota Kinabalu Port handles general cargo, cruise vessels and also provides roll-on, roll-off services. Sapangar Bay Oil Terminal is a dedicated for the handling of refined petroleum products and liquid chemical serving the west coast of Sabah. The east coast ports of Sandakan, Tawau and Lahad Datu handle general cargo and containers as well as fertilizer and palm oil products. Kunak Port handles palm oil and palm kernel exports.

Our Vision
"To be the ports of preference
in the BIMP-EAGA region.

Our Mission
"We are committed to provide ports services
that consistently meet our customers' expectation.



Incorporated in 1983, Suria Capital Holdings Berhad (SURIA) has risen steadily into a diversified entity. Listed on the Main Market of Bursa Malaysia Securities Berhad since 1996 (Stock Code: 6521), today SURIA and its subsidiaries - collectively known as Suria Group - work in synergy to deliver world-class services in the areas of Port Operations; Logistics and Bunkering Services; Property, Seaport Passenger Gateway and Construction.

Through Sabah Ports Sdn Bhd (Sabah Ports), Suria Capital has invested a significant amount of capital, enabling Sabah Ports to become one of Malaysia's premier port operators, providing efficient port services and facilities for the 8 major ports in the State of Sabah.

Looking ahead, our strategy will focus on improving port infrastructure and providing integrated port services.

SURIA's upcoming mixed development projects, namely Jesselton Quay and One Jesselton Waterfront, together with the other developments in the vicinity, are poised to transform the Kota Kinabalu waterfront area into a new city focus. It is also the long term plan of the company to develop an international cruise terminal to complement these projects and position Kota Kinabalu at the regional and international play. All these initiatives are in tandem with the State's thrust to promote Sabah as an emerging investment destination in the region.

We, in SURIA, strive to achieve excellence through our team of talented and performance-driven people. We demand high standards of service from our employees and more importantly, we endeavor to continually enhance the value of our company and our commitment to the economic growth of the state and the nation at large.

SABAH PORT AUTHORITY

The Sabah Ports Authority (SPA) is a state statutory body established in 1968 by the SPA Enactment 1967 which was repealed and replaced by the SPA Enactment 1981. The Authority is under the jurisdiction of the Ministry of Infrastructure Development, Sabah. Sabah Ports Authority will act as the regulatory authority responsible related to port activities and will ensure the terminal operator who operates the server ports in Sabah with the privatization agreement fully and set standards plus benchmark for port operations comparable with ports in the region.

Roles and Functions

- Create a policy pertaining the whole port activity in Sabah.
- Acts as an entity, which coordinates all ports administration in any forum between ports in Malaysia and Ministry of Transport Malaysia as well as Ministry of Infrastructure Development, Sabah.
- Responsible for planning of all ports in Sabah and to ensure the implementation of the 20 year Master Plan of Sabah Ports Authority to be materialized in line with the growth of port industry in state and the nation.
- Study the proposal on port development projects in line with the priority of port progress/growth in our state as well as our nation.
- Acts as a regulatory authority to ensure terminal operator performs according to contract agreement.
- Responsible for setting up the benchmark and port performance standards in order to maintain the efficiency and the effective of port operation.
- Acts as a middlemen between the port users and terminal operator to solve port and shipping related problems.
- As a licensing authority, issuing port operators license to terminal operator or other sufferance wharfs operation.
- The functions and responsibilities of the Authority at present do not change (on the contrary, they are expanded) but only change with regard to the administration and control aspect of port operations.



Vision

To ensure that all ports in the state of Sabah are competent, progressive and efficient maritime centre in east Malaysia

Mission

To play its role as a regulatory authority in ensuring that international standards are met.
To ensure that high quality facilities and services are provided to the port users.
To ensure that the operation development and expansion of the ports meet the vision target

JABATAN PELABUHAN DAN DERMAGA SABAH



Melesenkan kapal-kapal kecil Sabah di bawah 15 NRT

- **Permohonan Pemeriksaan**
- **Perlesenan**
- **Pungutan Cukai**

Pengawalan Dermaga-Dermaga Kerajaan dan jeti Tukar Barangan (Barter Trade) tidak termasuk dermaga-dermaga Lembaga Pelabuhan Sabah dari segi pengoperasian:

- **Pentadbiran dan pengurusan**
- **Pungutan cukai-cukai**
- **Komen permohonan Jambatan Berombak (Sufferance Wharf) di dalam kawasan perairan Negeri sahaja**

Menyediakan perkhidmatan Pemaliman (Pilotage) oleh Pegawai-Pegawai Laut di pelabuhan-pelabuhan Sabah.

Mengawal kawasan tempat Labuhan Kapal Menunggu di Teluk Brunei.

Pengawalan lalu-lintas dan Stesyen Isyarat di pelabuhan-pelabuhan dan sungai-sungai.

Penyelenggaraan pelabuhan dan dermaga:

- **Menyediakan dan menyelenggarakan alat-alat bantuan pelayaran/suar-muar di pelabuhan-pelabuhan, sungai-sungai dan tepi pantai**
- **Mengawal kegiatan pengukuran dasar laut, pengorekan dan tebus-guna tanah di pelabuhan-pelabuhan, sungai-sungai dan tepi pantai**
- **Pungutan cukai-cukai pelabuhan**

JABATAN PELABUHAN DAN DERMAGA SABAH



Pengawalan dan pembinaan struktur marin / jeti / tempat-tempat pendaratan di pelabuhan-pelabuhan, sungai-sungai dan tepi pantai.

Komen bagi permohonan tanah Kerajaan Negeri, pengambilan pasir, perangkap ikan di kawasan pelabuhan-pelabuhan, sungai-sungai dan tepi pantai.

Lanca-lanca Kerajaan Negeri (State Government Launches):

- Pentadbiran dan Operasi
- Penyelenggaraan
- Penyewaan lanca-lanca kerajaan

Pungutan perangkaan Jabatan Pelabuhan Dan Dermaga.

Mengendalikan peperiksaan Pengesahan Jawatan Serang A17 bagi kakitangan Perkhidmatan Awam Negeri.

Keahlian Jabatan di Majlis Peringkat Negeri:

- Majlis Sumber Air Sabah (Sabah Water Resources Council)
- Lembaga Pusat Perancang Bandar dan Desa (Control Town and Country Planning Board)

JABATAN LAUT – WILAYAH SABAH



Bahagian Pelabuhan, Logistik dan Perdagangan

Objektif -

Memacu pertumbuhan maritim kebangsaan dalam bidang pelabuhan, logistik dan perdagangan. melalui pemerkasaan sistem pengangkutan maritim yang selamat dan sistematik.

Fungsi -

- Merangka, menggubal dan menambahbaik undang-undang, peraturan, kaedah dan garis panduan yang baharu dan sedia ada berkaitan dengan pelabuhan, logistik dan perdagangan.
- Merancang, menyelaras, dan mengawal selia pembangunan, pengurusan, dan pelaksanaan serta kerjasama dan kesinambungan hubungan dua hala aktiviti maritim berkaitan pelabuhan, logistik, dan perdagangan.
- Urusetia, Jawatankuasa Induk dan Ahli Jawatankuasa Tetap (One Stop Centre) serta memacu mesyuarat - mesyuarat perundingan berkaitan dengan pelabuhan, logistik, dan perdagangan di peringkat Nasional dan Antarabangsa.

JABATAN LAUT – WILAYAH SABAH



Bahagian Pelabuhan, Logistik dan Perdagangan

Aktiviti

- Menyediakan undang-undang, peraturan, kaedah dan garis panduan yang baharu di peringkat Nasional berdasarkan kepada perundangan Antarabangsa yang diterimapakai.
- Mengemaskini, menganalisis dan menambahnilai undang-undang, peraturan, kaedah dan garis panduan yang sedia ada di peringkat Nasional berdasarkan kepada perundangan Antarabangsa yang diterimapakai.
- Menyediakan dasar/pelan pembangunan, pengurusan, dan pelaksanaan aktiviti maritim berkaitan pelabuhan, logistik, dan perdagangan.
- Menganalisa dan mengawalselia serta memantau operasi perkhidmatan berkaitan skop pelabuhan, logistik dan perdagangan.
- Merancang, merangka, dan meninjau hubungan dua hala dalam bidang pelabuhan, logistik, dan perdagangan.

Related Legislations

Federal Constitution

“Concurrent List” means the Third List set out in the Ninth Schedule;

“Federal List” means the First List set out in the Ninth Schedule;

“State” means a State of the Federation;

“State law” means—

- (a) any existing law relating to a matter with respect to which the Legislature of a State has power to make law, being a law continued in operation under Part XIII; and
- (b) a law made by the Legislature of a State;

“State List” means the Second List set out in the Ninth Schedule;

“State purposes” includes, in relation to any State, the purposes of the State in connection with matters enumerated in the Concurrent List and with any other matters with respect to which the Legislature of the State has power to make laws;

PART VI

RELATIONS BETWEEN THE FEDERATION AND THE STATES

Chapter 1—Distribution of legislative powers

Extent of federal and State laws

73. In exercising the legislative powers conferred on it by this Constitution—

- (a) Parliament may make laws for the whole or any part of the Federation and laws having effect outside as well as within the Federation;
- (b) the Legislature of a State may make laws for the whole or any part of that State.

Subject matter of federal and State laws

74. (1) Without prejudice to any power to make laws conferred on it by any other Article, Parliament may make laws with respect to any of the matters enumerated in the Federal List or the Concurrent List (that is to say, the First or Third List set out in the Ninth Schedule).

(2) Without prejudice to any power to make laws conferred on it by any other Article, the Legislature of a State may make laws with respect to any of the matters enumerated in the State List (that is to say, the Second List set out in the Ninth Schedule) or the Concurrent List.

(3) The power to make laws conferred by this Article is exercisable subject to any conditions or restrictions imposed with respect to any particular matter by this Constitution.

(4) Where general as well as specific expressions are used in describing any of the matter enumerated in the Lists set out in the Ninth Schedule the generality of the former shall not be taken to be limited by the latter.

Inconsistencies between federal and State laws

75. If any State law is inconsistent with a federal law, the federal law shall prevail and the State law shall, to the extent of the inconsistency, be void.

Power of Parliament to legislate for States in certain cases

76. (1) Parliament may make laws with respect to any matter enumerated in the State List, but only as follows, that is to say:

- (a)* for the purpose of implementing any treaty, agreement or convention between the Federation and any other country, or any decision of an international organization of which the Federation is a member; or
- (b)* for the purpose of promoting uniformity of the laws of two or more States; or
- (c)* if so requested by the Legislative Assembly of any State.

(2) No law shall be made in pursuance of paragraph (a) of Clause (1) with respect to any matters of Islamic law or the custom of the Malays or to any matters of native law or custom in the States of Sabah and Sarawak and no Bill for a law under that paragraph shall be introduced into either House of Parliament until the Government of any State concerned has been consulted.

(3) Subject to Clause (4), a law made in pursuance of paragraph (b) or paragraph (c) of Clause (1) shall not come into operation in any State until it has been adopted by a law made by the Legislature of that State, and shall then be deemed to be a State law and not a federal law, and may accordingly be amended or repealed by a law made by that Legislature.

(4) Parliament may, for the purpose only of ensuring uniformity of law and policy, make laws with respect to land tenure, the relations of landlord and tenant, registration of titles and deeds relating to land, transfer of land, mortgages, leases and charges in respect of land, easements and other rights and interests in land, compulsory acquisition of land, rating and valuation of land, and local government; and Clauses (1)(b) and (3) shall not apply to any law relating to any such matter.

Chapter 8—Application to States of Sabah and Sarawak

Modifications for states of Sabah and Sarawak of distribution of legislative powers

95B. (1) In the case of the States of Sabah and Sarawak—

- (a) the supplement to List II set out in the Ninth Schedule shall be deemed to form part of the State List, and the matters enumerated therein shall be deemed not to be included in the Federal List or Concurrent List; and
- (b) the supplement to List III set out in the Ninth Schedule shall, subject to the State List, be deemed to form part of the Concurrent List, and the matters enumerated therein shall be deemed not to be included in the Federal List (but not so as to affect the construction of the State List, where it refers to the Federal List).

Federal Constitution

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NINTH SCHEDULE

[Articles 74, 77]

Legislative Lists

List I—Federal List

1. External affairs, including—
 - (a) Treaties, agreements and conventions with other countries and all matters which bring the Federation into relations with any other country;
 - (b) Implementation of treaties, agreements and conventions with other countries;
 - (c) Diplomatic, consular and trade representation;
 - (d) International organizations; participation in international bodies and implementation of decisions taken thereat;
 - (e) Extradition; fugitive offenders; admission into, and emigration and expulsion from, the Federation;
 - (f) Passports; visas; permits of entry or other certificates; quarantine;
 - (g) Foreign and extra-territorial jurisdiction; and
 - (h) Pilgrimages to places outside Malaysia.

2. Defence of the Federation or any part thereof, including—
 - (a) Naval, military and air forces and other armed forces;
 - (b) Any armed forces attached to or operating with any of the armed forces of the Federation; visiting forces;
 - (c) Defence works; military and protected areas; naval, military and air force bases; barracks, aerodromes and other works;
 - (d) Manoeuvres;
 - (e) War and peace; alien enemies and enemy aliens; enemy property; trading with an enemy; war damage; war risk insurance;
 - (f) Arms, fire-arms, ammunition and explosives;
 - (g) National service; and
 - (h) Civil defence.

9. Shipping, navigation and fisheries, including—
 - (a) Shipping and navigation on the high seas and in tidal and inland waters;
 - (b) Ports and harbours; foreshores;
 - (c) Lighthouses and other provisions for the safety of navigation;
 - (d) Maritime and estuarine fishing and fisheries, excluding turtles;
 - (e) Light dues; and
 - (f) Wrecks and salvage.

10. Communications and transport, including—
 - (a) Roads, bridges, ferries and other means of communication if declared to be federal by or under federal law;
 - (b) Railways, excluding Penang Hill Railway;
 - (c) Airways, aircraft and air navigation; civil aerodromes; provisions for the safety of aircraft;
 - (d) Regulation of traffic by land, water and air other than on rivers outside harbour areas wholly within one State;
 - (e) Carriage of passengers and goods by land, water and air;
 - (f) Mechanically propelled vehicles;
 - (g) Posts and telecommunications; and
 - (h) Wireless, broadcasting and television.

**TERIMA KASIH
THANK YOU**

Centre for Ocean Law and Policy

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olap@mima.gov.my



2ND SABAH PORT FORUM
SUTERA HARBOUR RESORT, KOTA KINABALU, SABAH
1- 2 October 2019

BUILDING THE NEW FUTURE
Unlocking Sabah's Maritime Potential



SPEAKER

En. Muhammad Razif Bin Ahmad
(General Manager, Johor Port Authority)

TRADE FACILITATION IN PORT DEVELOPMENT



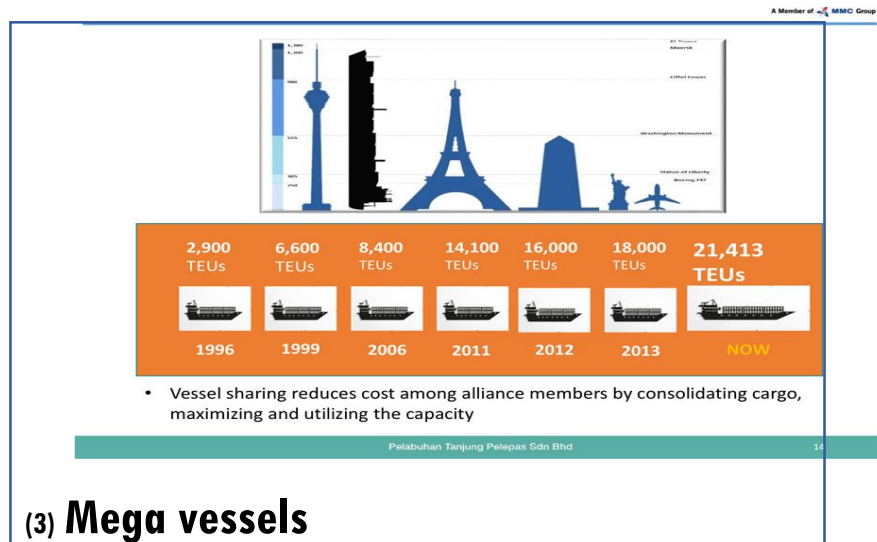
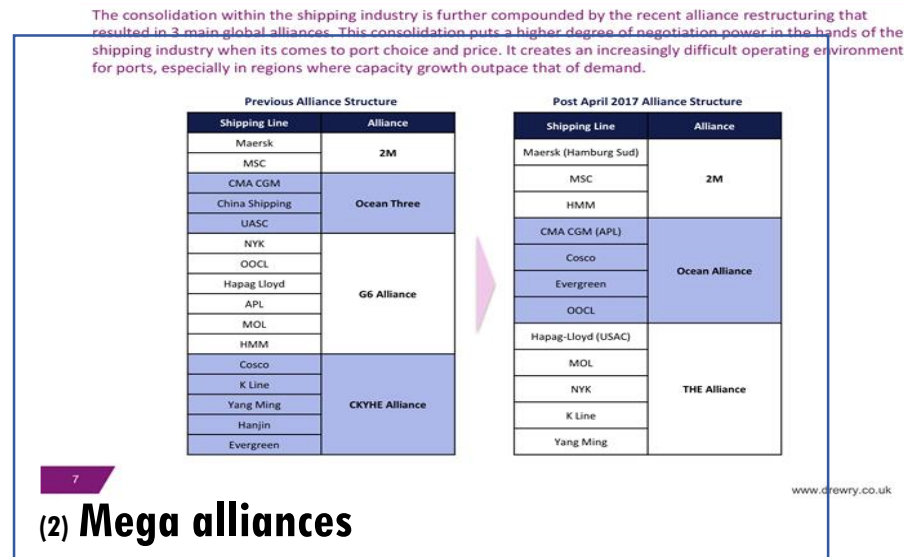
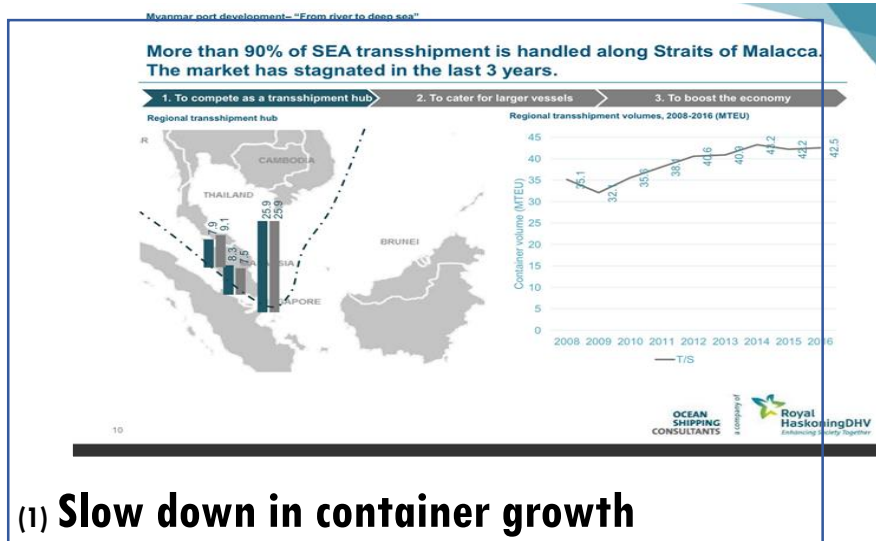
TRADE FACILITATION IN PORT DEVELOPMENT

2nd Sabah Port Forum, 1 & 2 October 2019

MALAYSIA LOGISTICS ORCHESTRA PORT AUTHORITY'S PERSPECTIVE

Muhammad Razif Ahmad, Johor Port Authority

CHALLENGES TO THE CONTAINER INDUSTRY



TRENDS AFFECTING SUPPLY CHAIN



ADVENT OF TECHNOLOGY: will enable & disrupt



CHANGE IN CONSUMER BEHAVIOUR: TRANSPARENCY, VISIBILITY, FULFILMENT Delivery Accuracy: puts pressure on logistics industry including shipping, trucking, ports etc



E-commerce (Amazon Effect) has become the biggest supply chain disruptor in the 21st Century,
Gregory Braun, C3 Solutions

TECHNOLOGY & ACCESSIBILITY TO TECHNOLOGY

Number of internet users worldwide from 2009 to 2017, by region (in millions)

	Asia	Europe	North America	Latin America / Caribbean	Africa	Middle East	Oceania / Australia
2009	764.4	425.8	259.6	186.9	86.2	58.3	21.1
2010	825.1	475.1	266.2	204.7	110.9	63.24	21.3
2011	1,016.8	500.72	273.07	235.82	139.88	77.02	23.93
2012	1,076.68	518.51	273.79	254.92	167.34	90	24.29
2013	1,265.14	566.26	300.29	302.01	240.15	103.83	24.8
2015	1,563.21	604.12	313.86	333.12	313.26	115.82	27.1
2016	1,792.16	614.98	320.07	384.75	339.28	132.59	27.54
2017	1,938.08	659.63	320.06	404.27	388.38	146.97	28.18
2018	2,062.14	704.83	345.66	438.25	455.84	164.04	28.44

Showing entries 1 to 9 (9 entries in total)

270% 166% 133% 234% 529% 281% 135%

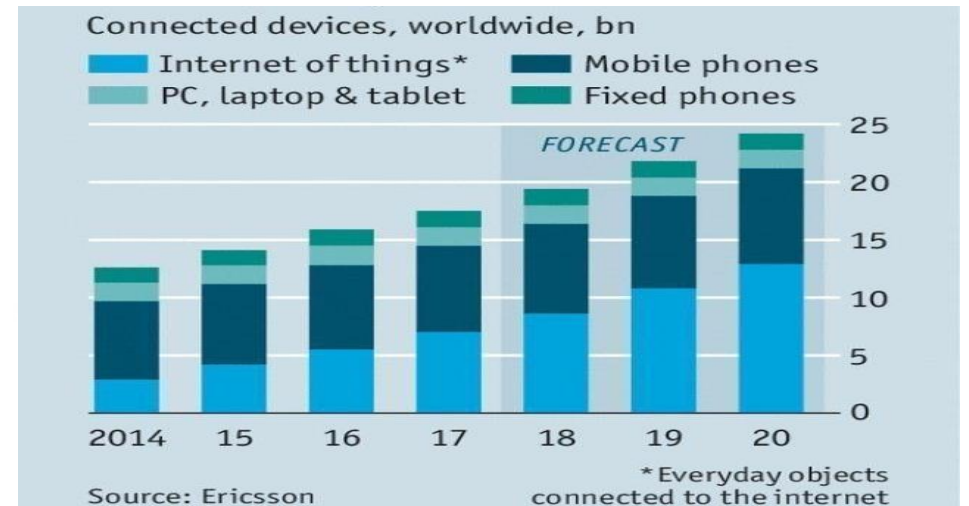
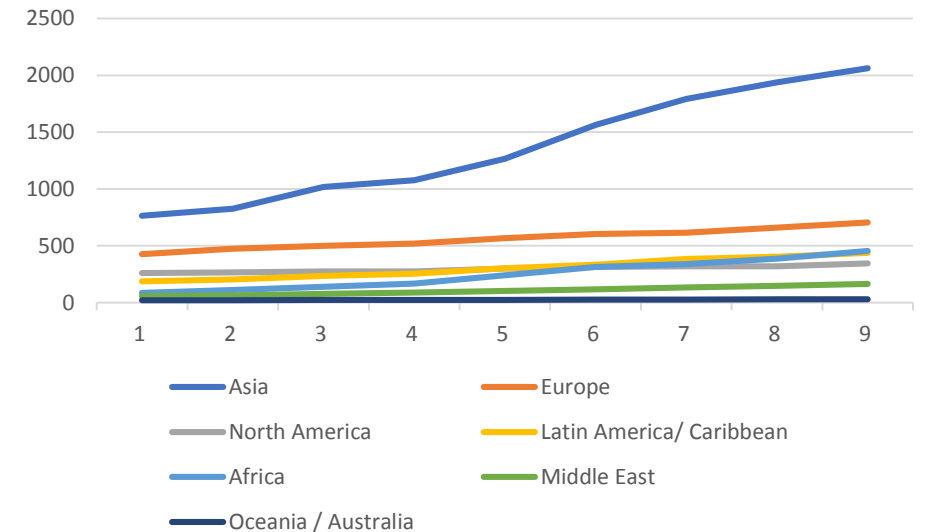


© Statista 2019

Source: Internet World Stats

Technology has enabled greater connectivity

Internet Accessibility

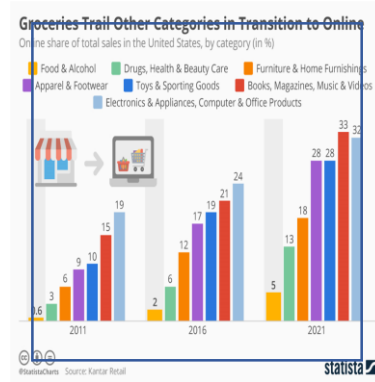


Source: Ericsson

* Everyday objects connected to the internet

CHANGE IN CUSTOMER BEHAVIOUR

Technology has changed customers' purchasing pattern.



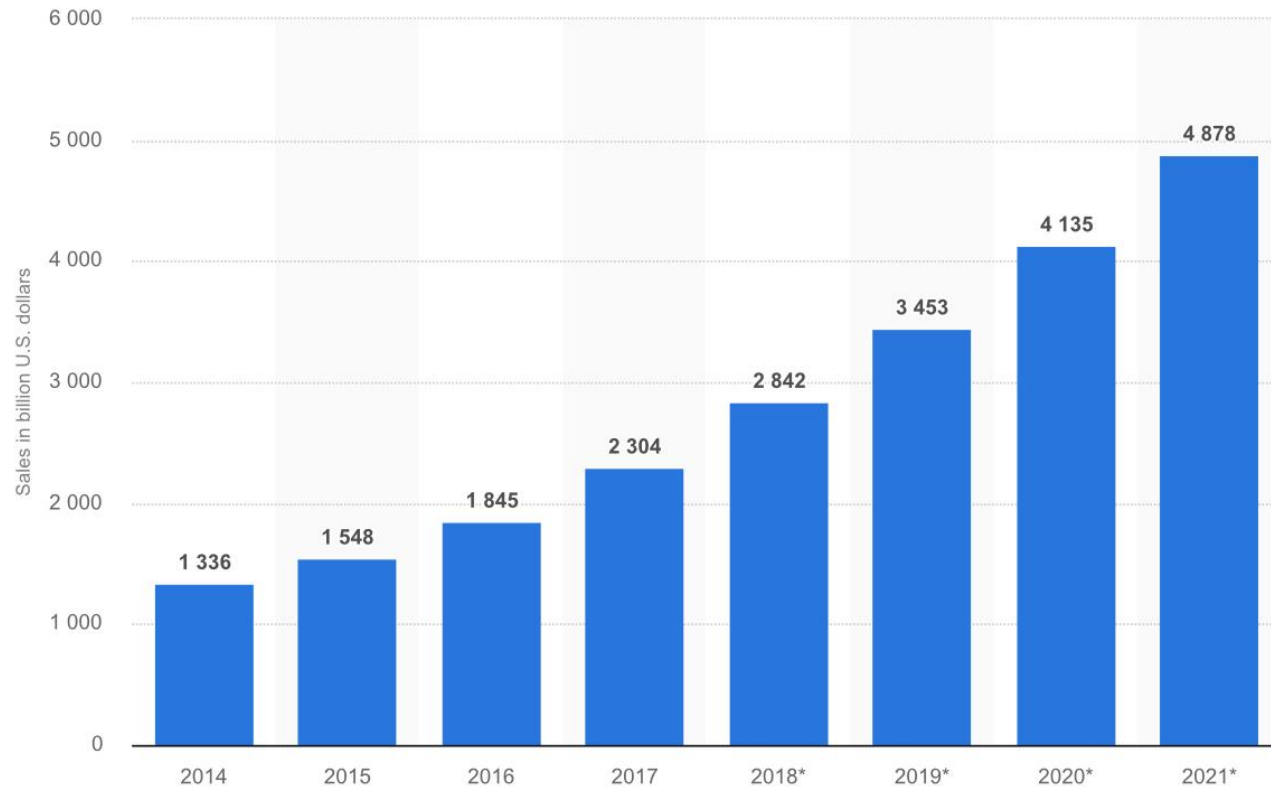
Upward trend in online groceries



AMAZON EFFECT: e-Commerce

Retail e-commerce sales worldwide from 2014 – 2021 (USD billions)

In 2017 – 8,000 retail locations were shut down in US



[About this statistic](#)

© Statista 2019

[Show source](#)

Market cap in billions of dollars

■ U.S. ■ China

Search engine



E-commerce



Social media



Ride-hailing*



Social media

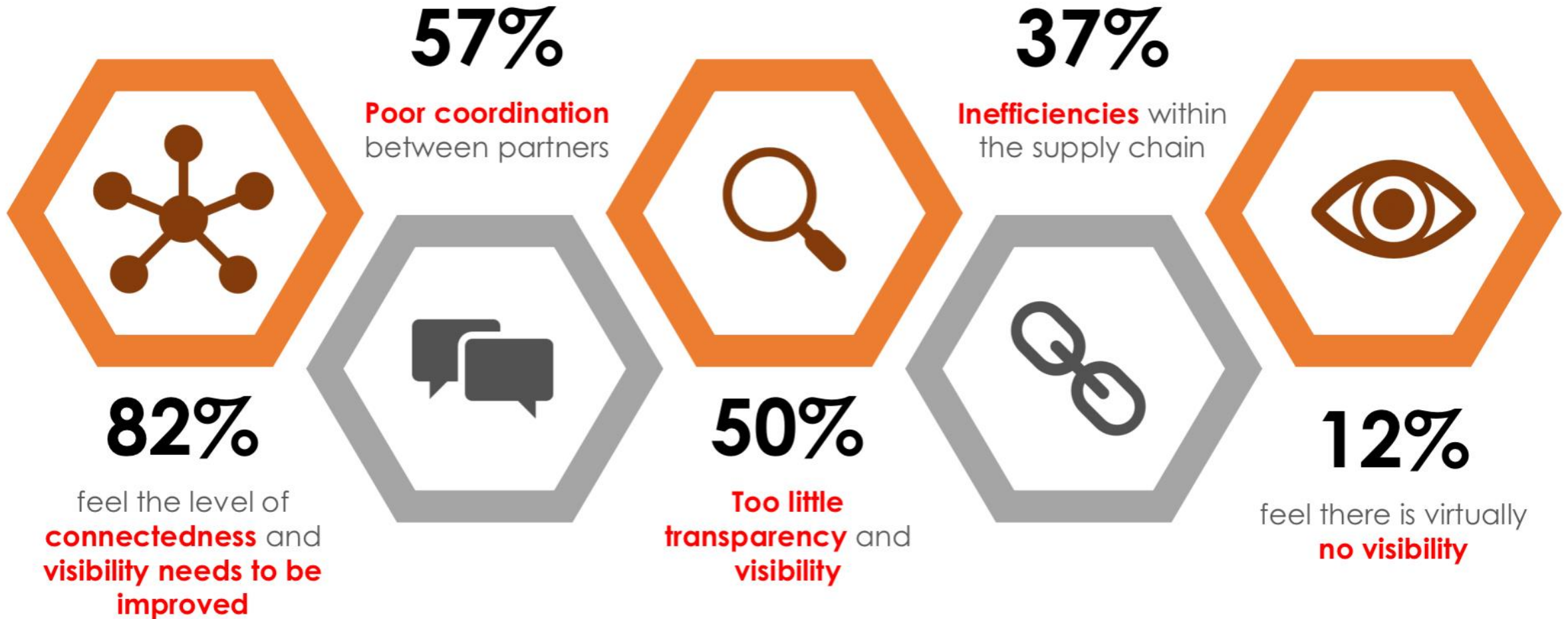



Note: As of Dec. 27, 2017 *Private market valuations

Sources: WSJ Market Data Group; CB Insights (ride-hailing valuations)

SUPPLY CHAIN PAIN POINTS

The main issues are lack of visibility, transparency, communication & coordination



The image features two black stick figures on a grey background. The figure on the left has a tangled black scribble above its head, representing a complex or confusing thought. The figure on the right has a large white speech bubble above it containing the text 'So what are the problems in Malaysia?'.

**So what are the
problems in
Malaysia?**

CHALLENGES IN DOING BUSINESS IN PORTS



Government Bureaucracy & Red Tapes

At least 30 Government Agencies involved in port & supply chain business! 😞



Multiple Systems, Multiple Entries

Not linked or integrated



PORT DOCUMENTATION

* Multiple paper documents involved in Import/Export business



Chaos at the ports!

Traffic congestion

IMPACT OF INEFFICIENCY

USD17 BILLION WASTED ANNUALLY IN OCEAN CONTAINER SUPPLY CHAIN! Port Strategy, July/August 2016

1. INEFFICIENT STORAGE PLANS
2. POOR VESSEL PERFORMANCE & VESSEL VOYAGE PERFORMANCE
3. LACK OF COORDINATION FROM KEY STAKEHOLDERS
4. INEFFICIENT PORT SYSTEMS-
 - Lengthy Customs & release procedures
 - Cumbersome administrative arrangements
 - Lack of integration of the various processes involved in trade logistics & cargo movements
5. EQUIPMENT BREAKDOWNS

IMPACT OF INEFFICIENCY TO MALAYSIA

1. LONG TIME TO CLEAR CARGO (up to 11 days)
2. DISRUPTS TRADE & PORT BUSINESS
3. INCREASE COST OF DOING BUSINESS
 - RM10.63 billion may be saved annually (estimate)
4. REDUCES PORT (& NATIONAL) COMPETITIVENESS
5. DROP IN RANKING:
World Bank's Logistic Performance Index
(Competitiveness Ranking)

25th (2014)

32nd (2016)

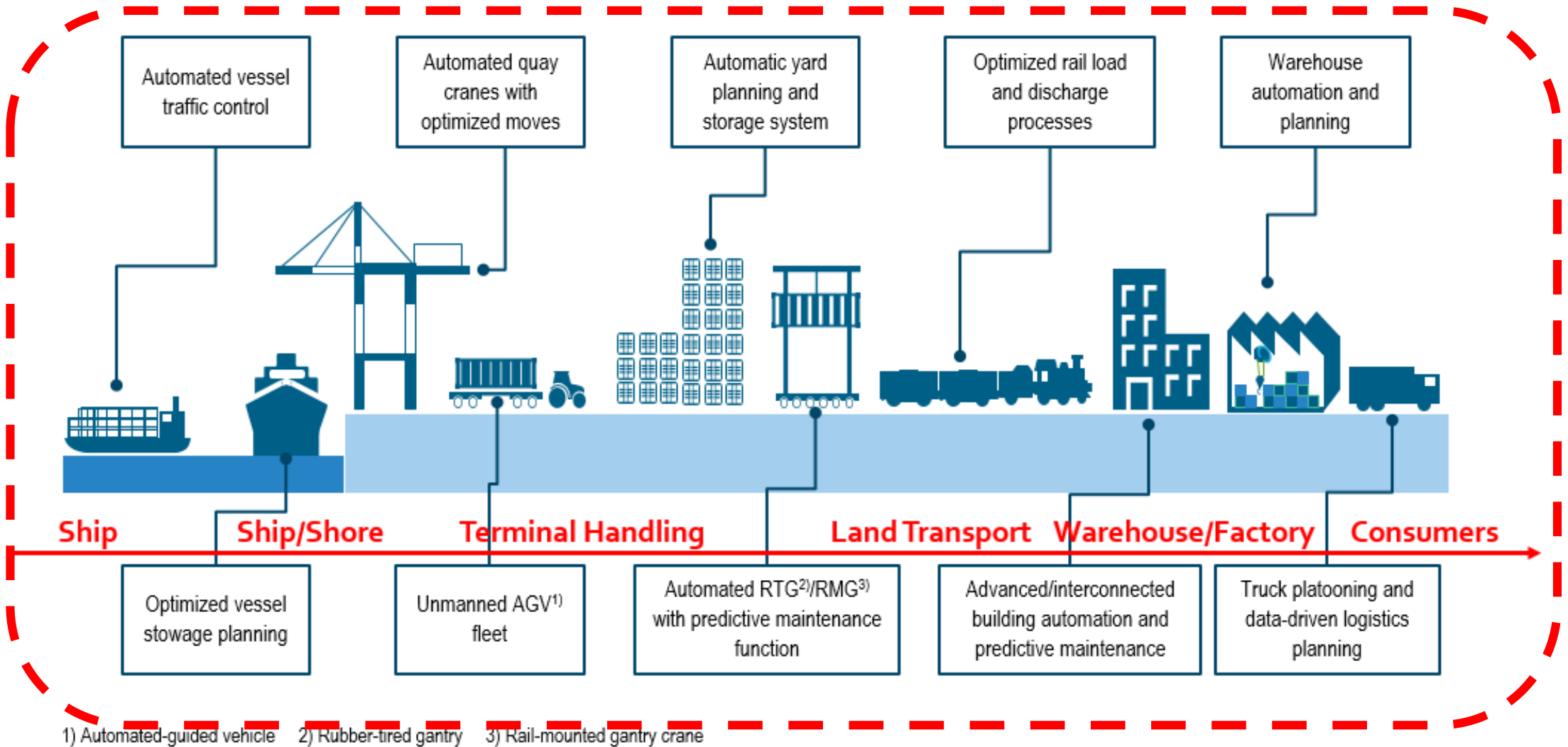
41st (2018)

2020?

TYPICAL MARITIME LOGISTICS CHAIN: Port as a Trade Meeting Point

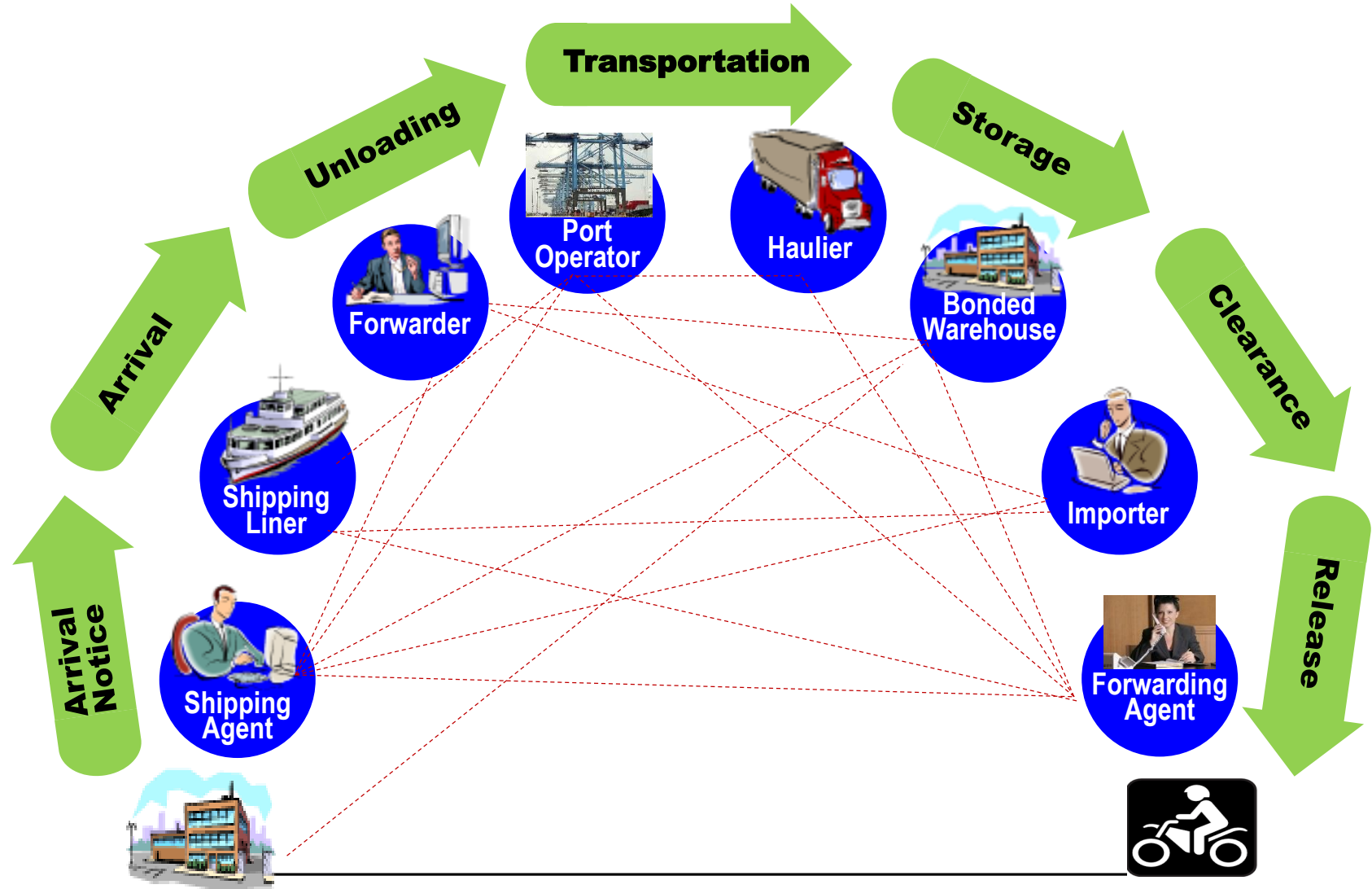
Where international trade takes place... congregation of multiple logistics players

In 2017 RM761.39 billion worth of trade passed through Malaysian ports



IMPACT OF CURRENT DISPARATE SYSTEM IN THE SUPPLY CHAIN

1. OPERATIONAL INEFFICIENCIES
2. BOTTLENECKS
3. LABOUR INTENSIVE DIALOGUES
4. DROP IN RATINGS & CUSTOMER CONFIDENCE
5. REDUCE COMPETITIVENESS

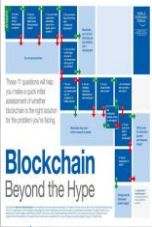




Redefine the way of doing business



Better understand consumers' demands



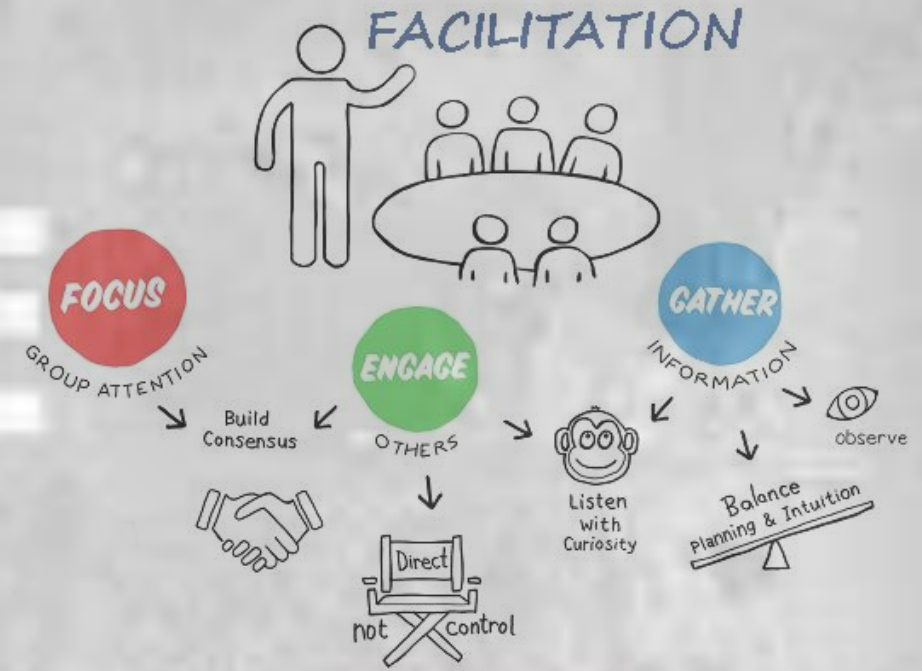
Keep pace with the advancement of digital technology

Need to reduce the number of Government agencies:

- ✓ Empower others
- ✓ collaborate

We need to **CHANGE** the way we conduct our business. Especially in the supply chain business!
CHANGE MINDSET: Everyone including Government Agencies must see themselves as part of the supply chain.

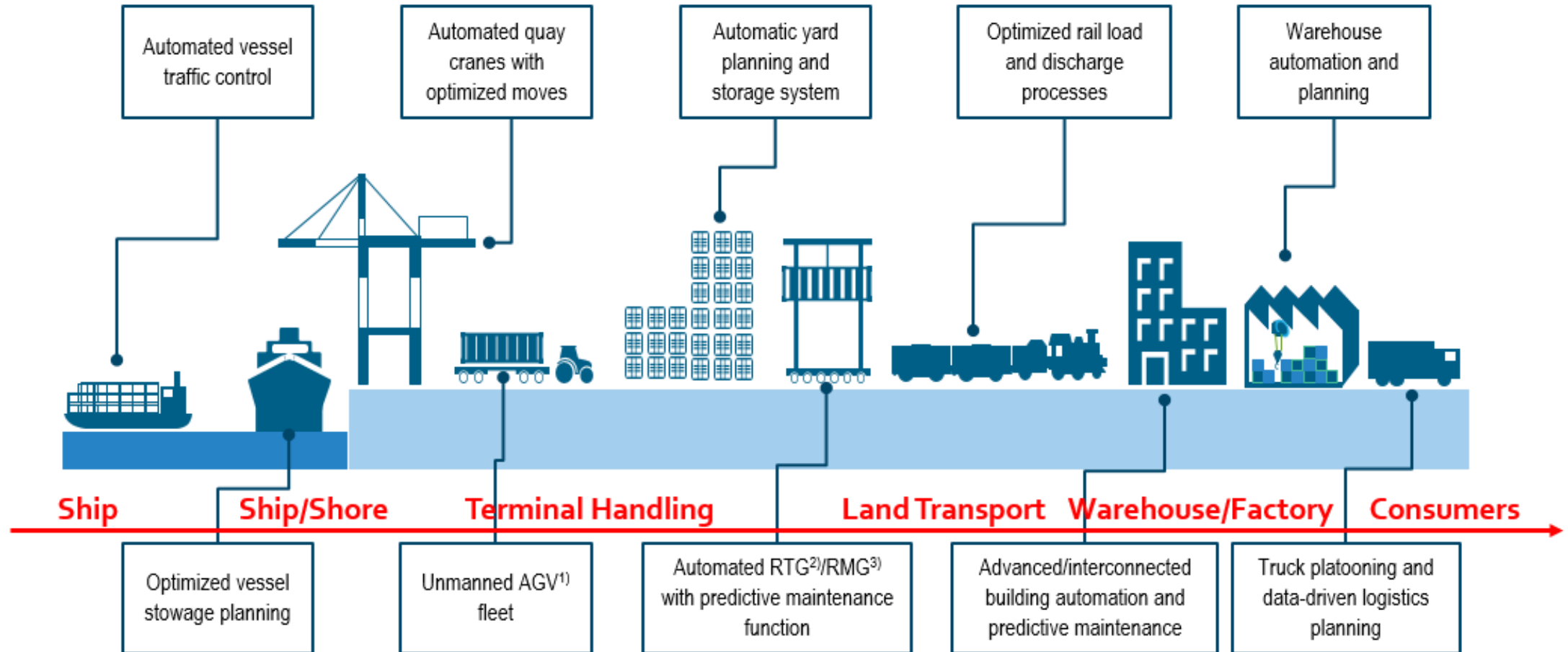
TIME FOR CHANGE



- ✓ Reduce Red Tapes
- ✓ Improve Efficiency
- ✓ Greater Productivity
- ✓ More Cost Effective
- ✓ Remain Competitive

TYPICAL MARITIME LOGISTICS CHAIN:

PORT AUTHORITY AS THE CONDUCTOR ... the orchestration of the total supply chain...



1) Automated-guided vehicle 2) Rubber-tired gantry 3) Rail-mounted gantry crane

JOHOR SMART PORT INITIATIVES

Investing RM5m in the next 3 years on digitalization & automation

A blue hexagonal icon representing Learning and Data Analytics.

LEARNING
Data Analytics

Capture data for analytics and predictive modelling

PORT AUTOMATION
AGV, CRANES, UAV (Coastal Monitoring)



SAFE & SECURE
VTMS, Coastal Monitoring
OPTIMIZE VESSEL CALL

DIGITALIZATION
MMS, PTMS, Port Operation Optimization
INTEGRATED
Collaborative Decision Making



GREEN PORT POLICY
APSN AWARD, Ship Emission Management Study, Ballast Water Baseline Study, TP Eco Park, Green Building, Green Procurement Policy

DIGITALIZATION OF THE MARITIME TRANSPORT CHAIN

Everyone is connected



Connected ports
Digitally-enabled port synchronization, import planning, resource and work flow optimization

Connected ships
Real-time monitoring, operations and availability optimization integrated with key stakeholders

Connected container trucks
Monitor in real-time & analyze to support better vehicle, driver, operations & regulations management

Connected workers
Mobile, safety, tracking analytics and technology to increase worker efficiency

E-Commerce Platforms
Real-time bookings, visibility, price transparency, customs and supplier integration with predictive analytics

Digital supply chains
End-to-end monitoring, analytics, automation and integration across channels and supply chain stakeholders

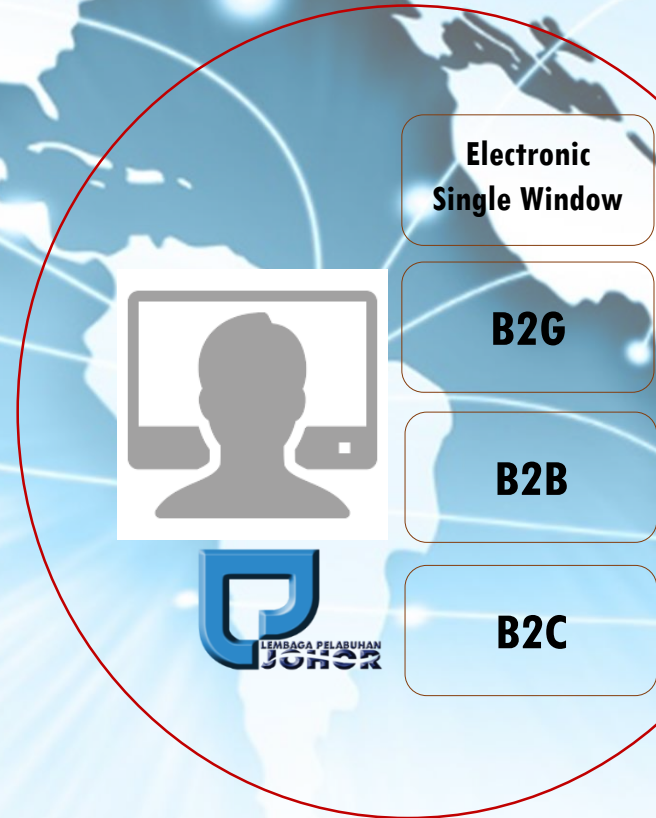
eGateway – Smart Digital Enterprise

It is a **COMMUNITY BASED ELECTRONIC MARITIME SINGLE WINDOW SYSTEM**

to **FACILITATE PORT BUSINESS TRANSACTIONS**

In order to **PROMOTE GREATER EFFICIENCY** in the logistics system

and to **IMPROVE EASE OF DOING BUSINESS** at the port.



Electronic Single Window

B2G

B2B

B2C

- Compliance to IMO FAL Convention
- Port Authority System

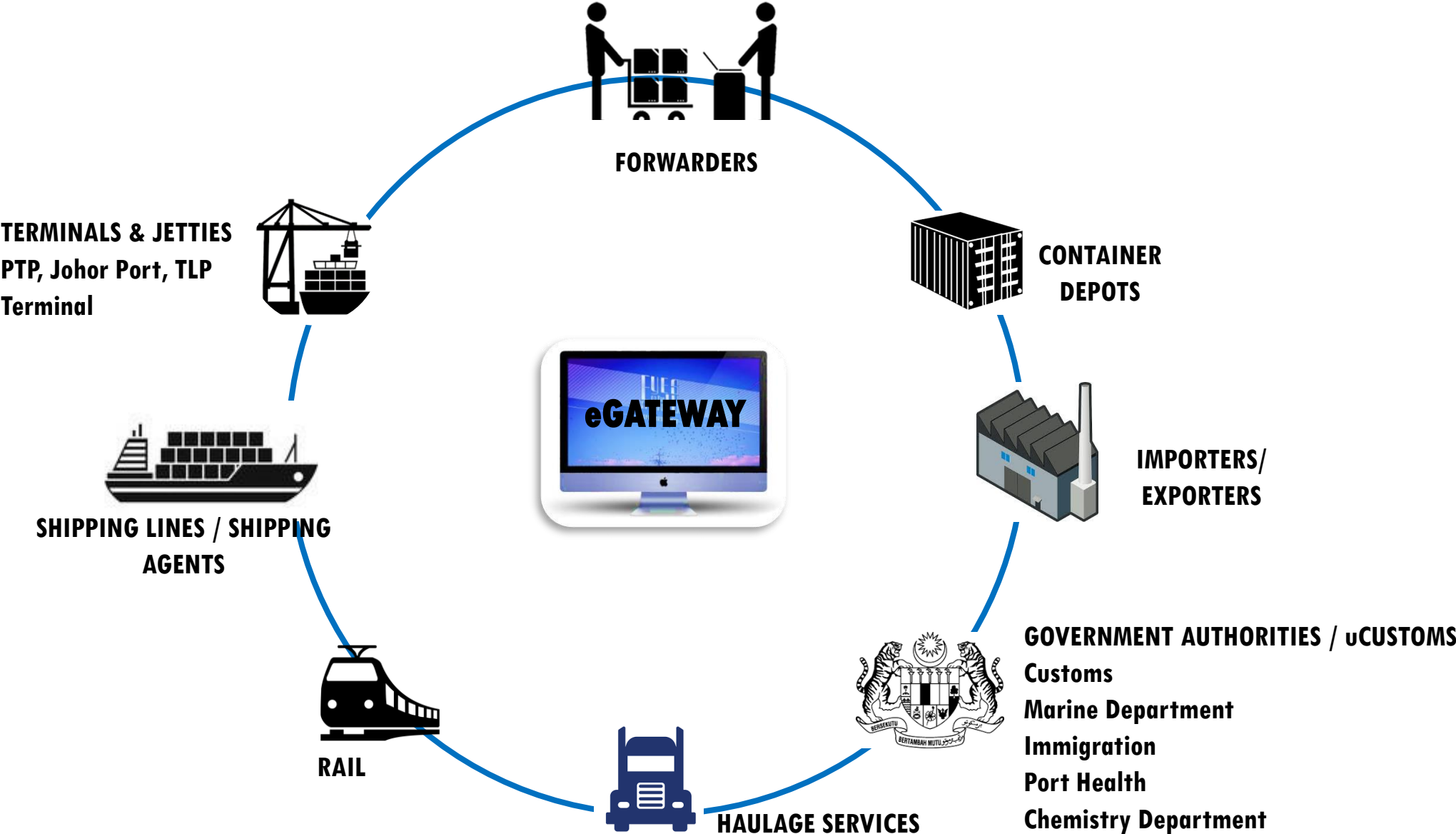
- Electronic Documentation to Streamline Work Process

- Information Sharing
- Business & Trade Facilitation
- Reduce unproductive man hours

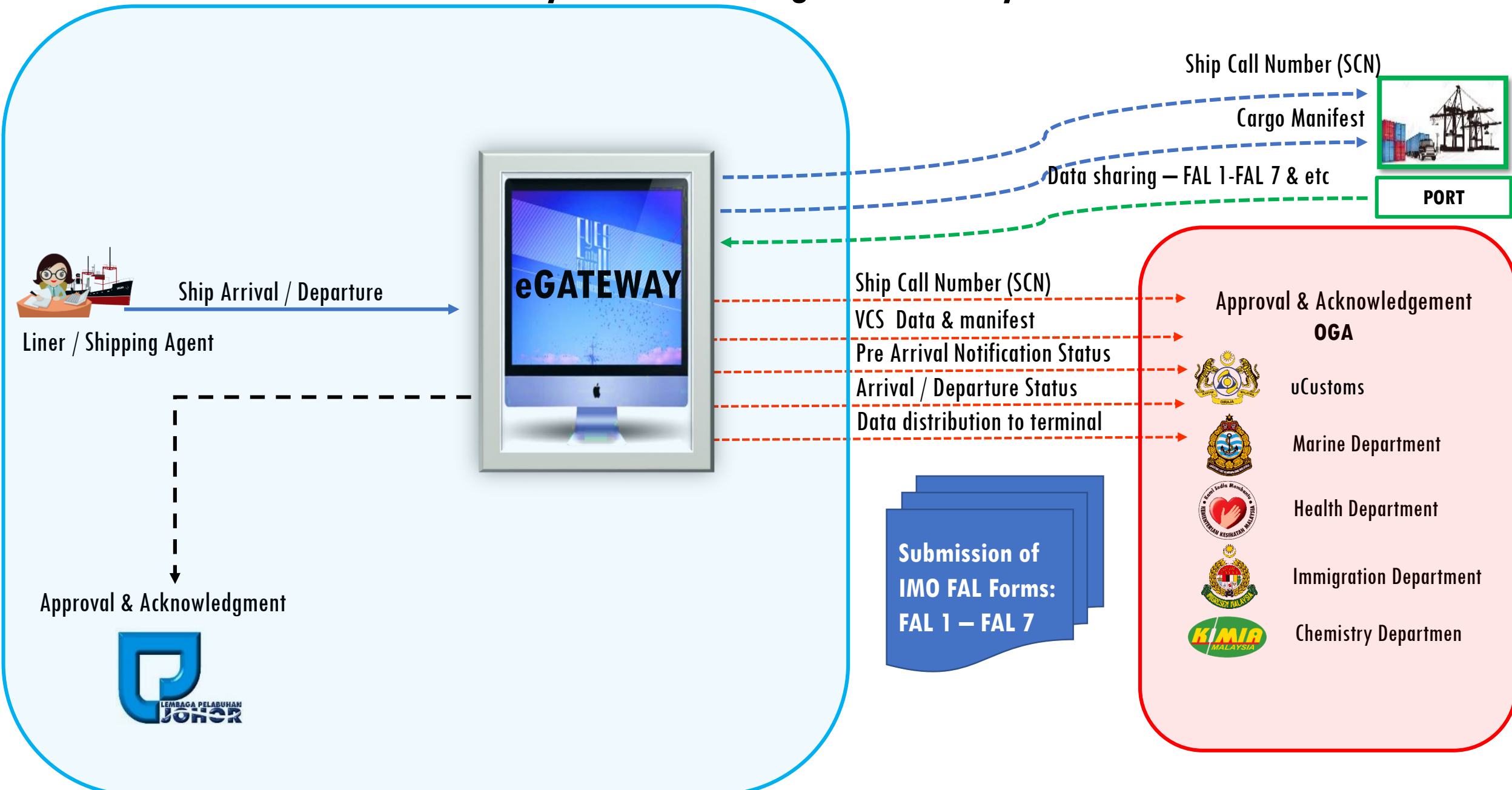
- Information Sharing between B2C

eGATEWAY - THE PEOPLE WE CONNECT

More than 2,500 companies in Johor



eGateway: Front End Single Window System



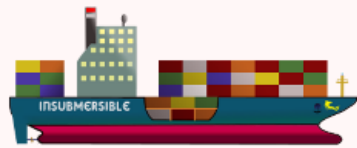
PORT DIGITALIZATION

eGATEWAY .. Port Community System

PHASE 1 : B2G - VESSEL CLEARANCE SYSTEM (VCS)

PHASE 2: B2B + LOGISTICS OPTIMIZATION

OCEAN TRANSPORTATION



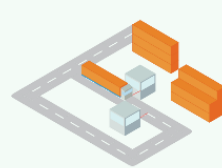
- Vessel Tracking
- Port VTMS/AIS Reporting
- Users Registration
- Ships Registration
- Ship Call Number (SCN)
- Electronic FAL Form
- ATA Confirmation
- Relevant Authorities Approval
- Port Clearance

Unloading



HANDLING IN PORT

Yard



Haulier



Gate



- Cargo information
- Cargo Clearance (Authorities Release Status)
- Transport Booking System
- Transport Optimization
- Port Traffic Management System
- Cargo Track & Trace

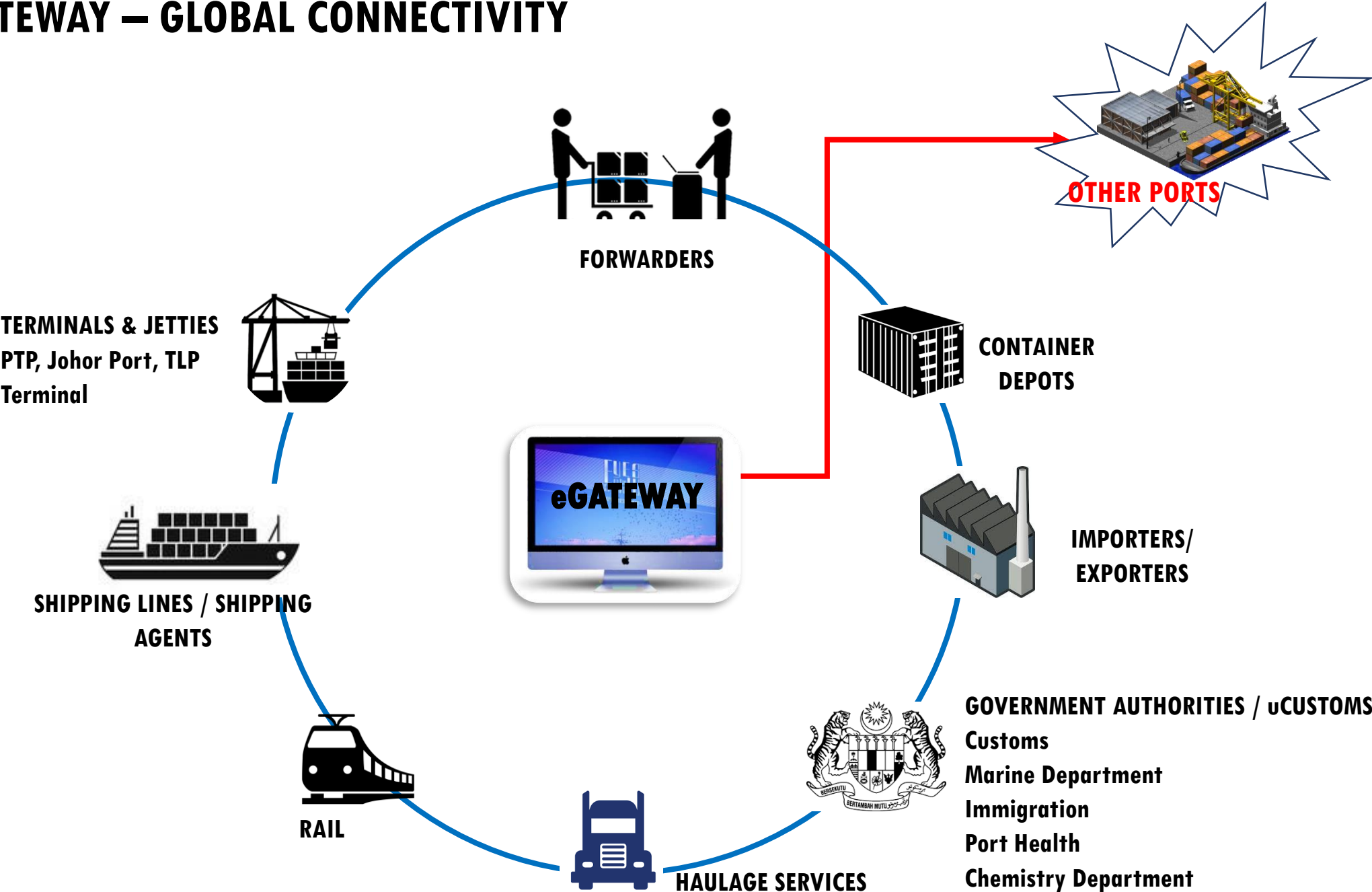
HINTERLAND TRANSPORT



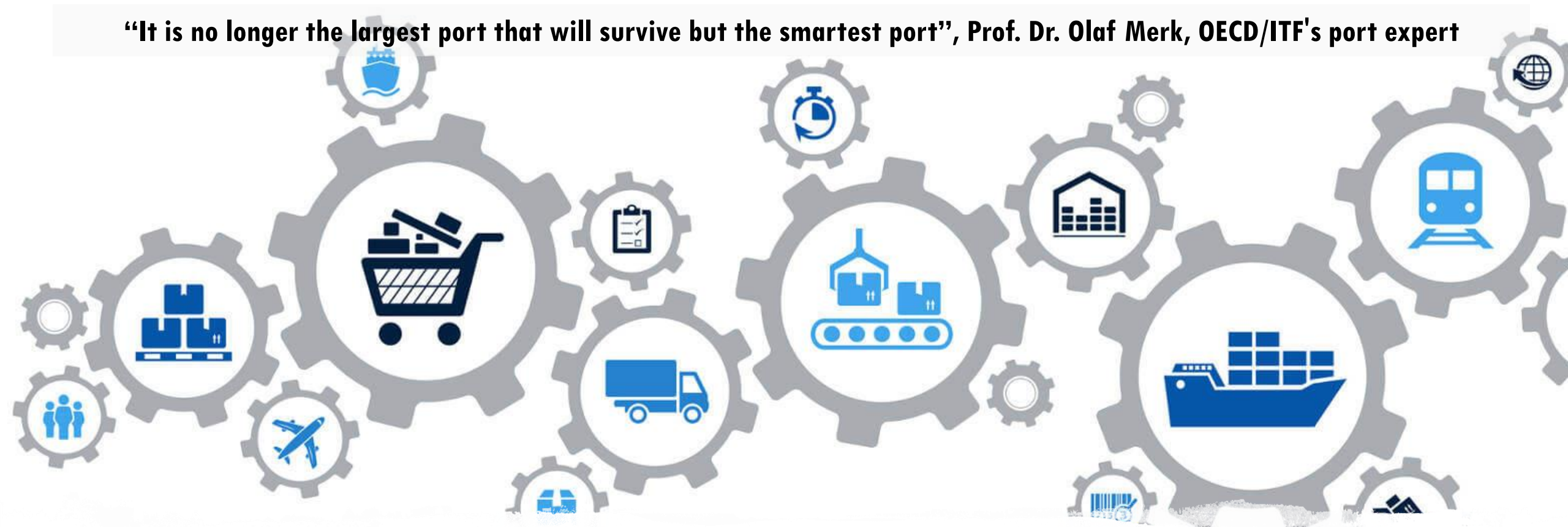
- Traffic Management System
- Cargo Track & Trace
- Smart City

IMPROVE EASE OF DOING BUSINESS & LOGISTICS PERFORMANCE INDEX (TOP 20 IN 2020)

eGATEWAY – GLOBAL CONNECTIVITY



“It is no longer the largest port that will survive but the smartest port”, Prof. Dr. Olaf Merk, OECD/ITF's port expert



IMPROVE OPERATIONAL EFFICIENCY



ENHANCE DATA GATHERING & DATA ANALYTICS



SUSTAINABLE DEVELOPMENT



ENHANCE CUSTOMER EXPERIENCE



SAVES COSTS



IMPROVE LPI RATING



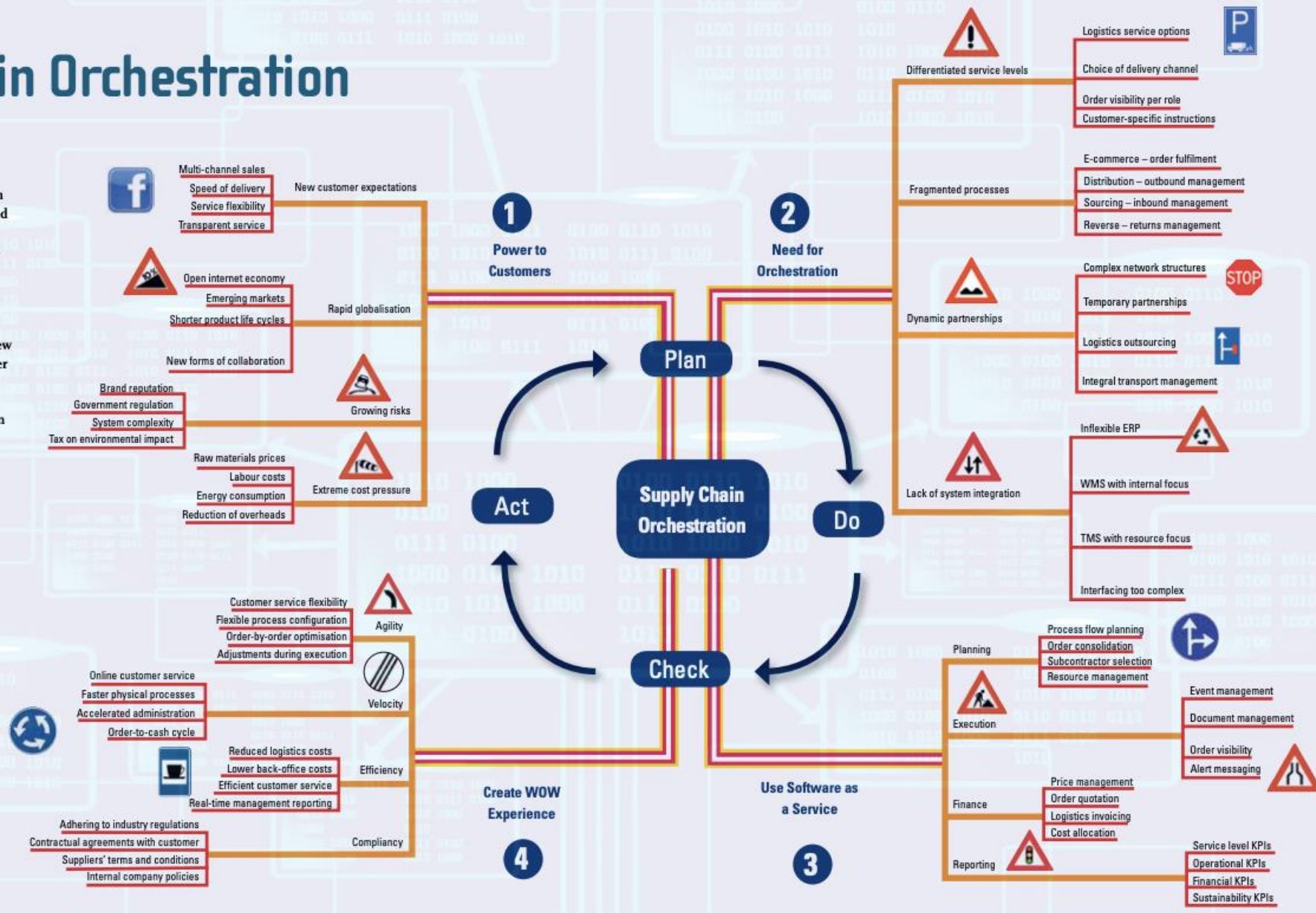
RETAIN COMPETITIVENESS

SUPPLY CHAIN MINDMAP

Supply Chain Orchestration

As global markets are rapidly opening up, customers increasingly dictate new requirements with respect to supply chain services. This new Customer Chain Control forces retailers-wholesalers, brand owners and logistics service providers to perfectly orchestrate the processes across parties and systems in the supply chain. Software as a Service for supply chain orchestration provides real-time control over planning and execution resulting in true orchestration. This creates a great new customer experience in terms of customer intimacy and operational excellence. MP Objects and Supply Chain Movement have created a mindmap on Supply Chain Orchestration.

Creators mind map:



MINDMAP MANUAL



**THANK YOU
FOR LISTENING TO THE
MALAYSIA LOGISTICS ORCHESTRA**