

Ministry to review cabotage policy in Sabah, says Liow

KOTA KINABALU: The transport ministry has agreed to open up the cabotage policy in Sabah as a step towards helping the state's economic growth.

Transport Minister Liow Tiong Lai said the federal government would continue to be attentive to Sabah's concerns in providing the best economic environment for it.

"There has been a long-standing debate on the root causes behind the higher cost of many consumer goods in Sabah and Sarawak compared with the peninsular and this has been largely attributed to Malaysia's cabotage policy protections.

"I am pleased to announce that the government is currently reviewing the cabotage policy for further liberalisation mechanisms to ensure affordable cost of goods and services in the state," he added.

Liow said this in his speech at the Sabah Port Forum yesterday. The event was declared open by Sabah Chief Minister Musa Aman.

The Malaysian cabotage policy which affects Sabah and Sarawak emphasises that only vessels registered in Malaysia are allowed to load and unload cargoes in the ports of Malaysia. The whole idea behind this policy is that Port Klang is to be the container hub port in Malaysia.

Liow said the main cause of the high prices of goods in Sabah was not due to the cabotage policy and shipping costs, but weak distribution channels, high handling charges and inefficient inland transportation.

In terms of transport connections, he acknowledged however, that Sabah should tap its strategic position within the Brunei, Indonesia, Malaysia and the Philippines East Asean Growth Area.

"Sea routes as those from South America and Australia to China, particularly favours Sabah's geostrategic location. Sabah needs to unlock its potential to emerge as a substantial player in the maritime and logistics sector," he added.

Realising the importance of Sabah as a maritime hub, Liow said, the federal government approved an allocation of RM1.027 billion for the expansion of the Sapangar Bay Container Port in the first rolling plan of the 11th Malaysia Plan.

"This (expansion) marks a significant recognition of Sabah's port infrastructure development and its role in bringing about balanced economic improvements in the state through enhanced port connectivity and network," he added.