

## **‘EXEMPTION WILL BOOST TRANSPORT INDUSTRY, PEOPLE’S LIVES’**

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PUTRAJAYA: The cabotage policy exemption for Sabah, Sarawak and Labuan will ensure the growth of Sabah's and Sarawak's transport industries.

Transport Minister Datuk Seri Liow Tiong Lai, in lauding Prime Minister Datuk Seri Najib Razak's announcement of the exemption yesterday, said the ministry had been engaging the Sabah government, its industries and relevant parties in doing the best for the people in Sabah and Sarawak.

"As a caring and responsible government, the cabinet had recently reached this decision which is in line with the government's effort to improve the liability of the people in Sabah, Sarawak and Labuan," he said in a statement yesterday.

The exemption, he pointed out, would cover four areas of shipments from any ports in the peninsula to any ports in Sabah, Sarawak and Labuan, and vice versa for cargo transport services, between ports in Sabah, between ports in Sarawak, and that the exemption does not affect services other than freight transport services.

Liow said the ministry was committed to continuously conduct engagements and discussions with relevant stakeholders, saying that the welfare of the people of Sabah, Sarawak and Labuan was of paramount importance to the Federal Government, as were other parts of Malaysia.

"It is my wish to see Sabah, Sarawak, Labuan and their people continuing to prosper, as I strongly believe in their huge potential." Najib, in announcing the exemption yesterday, said it would take effect on June 1. The decision on the policy exemption was made based on recommendations by the state government and Barisan Nasional leaders.

Sabah Special Tasks Minister Datuk Teo Chee Kang said the decision would mean that foreign vessels would from June 1, be allowed to pick up cargo from Sabah and ship them to another port within Malaysia. "When they are permitted to do so, there will be competition with local shiplines in the domestic routes and with such competition, we can expect lower freight charges in the long run. "However, whether we can attract more foreign and local ships to call at our ports will depend very much on the volume of cargos they can pick up from our ports because if the ships leave our port with half-empty containers, I cannot see how freight charges could be reduced," he said, adding that the implementation of the cabotage policy 30 years ago had only served to divert shipping from the then trade routes.

Teo said the long-term solution to the discrepancy of the prices of goods between the peninsula and Sabah and Sarawak would be to upgrade and promote the Sapangar Bay Container Port into a regional transshipment hub, where goods were shipped in and redistributed to other parts of the region.

"This is what our state and federal governments had planned to do, with the Federal Government having approved RM1.027 billion for upgrading of the port." Sabah Bumiputera Chamber of Commerce president Datuk Mohd Hasnol Ayub said the announcement was one that many industry players had been waiting for the last 20 years. "It shows that the Federal Government listens to the people." Sabah United

Chinese Chambers of Commerce deputy president Lo Su Fui shared this sentiment.

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