

KLCI	1,775.39 ▲ 8.83	Hang Seng	25,108.22 ▲ 92.80	Nikkei	19,961.55 ▲ 61.46	KOSPI	2,296.37 ▲ 26.25
STI	3,271.11 ▲ 21.14	SCI	3,061.50 ▲ 8.72	TSEC	10,001.48 ▲ 33.16	S&P/ASX200	5,878.30 ▲ 2.90

# MMC Corp not stifled by cabotage policy changes

> Northport the only one of its five ports which will see some impact from the move, says MD

BY EVA YEONG  
[sunbiz@thesundaily.com](mailto:sunbiz@thesundaily.com)

**KUALA LUMPUR:** MMC Corp Bhd, which operates five ports, expects the changes in cabotage policy to have marginal impact on its business, said its group managing director Datuk Seri Che Khalib Mohamad Noh.

“For us, it is good in a way. What we are trying to do is look at how we can work together with the Sabah port. There are so many ways we can work together, which we are exploring now,” he told reporters after its AGM and EGM yesterday.

Last Sunday, Prime Minister Datuk Seri Najib Abdul Razak announced the exemption of the cabotage policy for Sabah, Sarawak and Labuan, effective June 1. Previously under the cabotage policy, only Malaysian-flagged ships were allowed to ship goods from the peninsula to Sabah and Sarawak.

“Most of our ports, like Port of Tanjung

Pelepas (PTP), is not going to be affected at all; it is a transshipment port. Johor Port basically serves Pasir Gudang area and not many boxes from Johor goes to (those states). The only one perhaps that would have some impact is Northport. The other ports are not affected. Penang doesn’t go through Sabah. There could be some impact but our assessment is marginal impact,” said Che Khalib.

MMC Corp’s stable of ports include PTP, Johor Port, Northport at Port Klang, Penang Port and Tanjung Bruas Port in Malacca. Yesterday, shareholders approved the purchase of the remaining 51% stake in Penang Port operator, Penang Port Sdn Bhd (PPSB), from Seaport Terminal (Johore) Sdn Bhd for RM220 million.

“That will complete our acquisition for the entire western coast of Peninsular Malaysia. We have Penang now, we have Northport, we have Malacca Port and we have PTP ... and that allows us that consolidation. Whether to spin off (listing of ports), later we will look at it. Let us create value first,” said Che Khalib.

He said it will consolidate its ports business to create better efficiency in terms of procurement and create value organically and inorganically, before it looks at any listing plans.

MMC Corp is in the midst of transferring its ferry service business to Prasarana Malaysia Bhd, which is a condition for its acquisition of Penang Port. The transfer includes 32 acres of land (20 acres on the island and 12 acres on mainland) and is expected to be completed within the next two months.

Meanwhile, Kontena Nasional Bhd has seen profits so far this year, after posting almost RM60 million losses per year in 2014 and 2015. Last year, the losses were reduced to RM6 million and Che Khalib is confident the business will be profitable this year.

“We can see growth and we can see the market has confidence in Kontena Nasional. In the past due to problems they faced, the market was shying away. But I can see all the market that we have lost (in the past), we have managed to regain them and as I speak today, the market continues to grow,” he said.

On the joint venture between PPSB and Royal Caribbean Cruises Ltd, Che Khalib said it is in the planning stage while the maritime city project in Carey Island is at the design stage. He said it is starting the various impact studies for the Carey Island project and physical work is only expected to start in 2020 at the earliest.