



A view of containers being shipped at the North Butterworth Container Terminal. — Filepic

Port's FCZ operations to start next month

WITH the North Butterworth Container Terminal (NBCT) to be declared a free commercial zone (FCZ) next month, transshipment activities are expected to have a major impact on the port.

Transshipment is the shipment of goods or containers to an intermediate destination before being taken to another destination.

To capitalise on the new status, Penang Port said it would tap into the Bay of Bengal market by drawing containers moving between the Bay of Bengal and the Far East.

"The FCZ will attract more traffic to the terminal and this will increase job opportunities which are very much needed during Covid-19 pandemic," the statement said.

"Apart from this, the port can also leverage on the FTZ status to entice investors around the world to conduct value-added activities such as break-building, grading, repackaging, relabelling, transit and re-exporting."

With the establishment of the FCZ, foreign companies should be able to use the facilities at the terminal before exporting their

products overseas.

"This will also benefit Penang Port in the long run through the exempt customs duty, excise duty, sales tax and service tax except for certain goods.

"The local workforce and port operations will be much more efficient once the facilities are upgraded.

"Cutting-edge technologies will be introduced to cater to foreign investors."

The FCZ operations will start this March and this will put Penang on the world map as the terminal will become a high-tech

warehouse with logistics facilities, thus spearheading economic growth in the northern region.

"As of 2021, Penang Port has grown steadily to achieve a throughput of more than 1.5 million twenty foot equivalents (TEUs)," said the statement.

"Total berth capacity is now 2.1 million TEUs, and upon completion of this project, the overall capacity will increase to 2.3 million TEUs.

"The increase of 200,000 TEUs will result in a surge of berth utilisation and reduce the vessel waiting time to berth."