

Westports: No impact on cargo volumes from P3 alliance



Westports CEO Ruben Emir Gnanalingam says there would be some re-routing of services out of Westports once the P3 alliance, involving CMA CGM Group, Maersk Line and Mediterranean Shipping Co, come into effect mid-2014, but the reduced capacity would be mitigated by the growth of cargo handling underpinned by robust global trading environment.

KUALA LUMPUR: Port operator Westports Holdings Bhd does not foresee any material impact on cargo volumes with the commencement of the P3 alliance.

P3 alliance, comprising CMA CGM Group, Maersk Line and Mediterranean Shipping Co, is supposed to have commenced operation in mid-2014 but remained overhang pending approval from the European Union, China and South Korea.

Westports chief executive officer Ruben Emir Gnanalingam said there would be some re-routing of services out of Westports once the alliance come into service but the reduced capacity would be mitigated by the growth of cargo handling underpinned by robust global trading environment.

"The reduced capacity after the P3 alliance come into service is less than 5% while we are expecting cargo handling to grow by 5% to 10% or between 350,000 and 700,000 TEUs (twenty-foot equivalent units) this year," he told reporters after the company's inaugural annual general meeting since its listing on Wednesday.

The company was listed on the Main Market of Bursa Malaysia on Oct 18 last year.

Ruben Emir said the company was positive that the robust growth momentum underpinned by increasing volume from intra-Asia, Asia-Africa and Asia-Australasia trade routes would mitigate the loss from the P3 alliance re-routing of services.

It is estimated that 200,000 TEUs would be transferred out of Westports to Tanjung Pelepas Port in Johor or PSA ports in Singapore once the P3 alliance commences operation.

Aiming to improve and optimise operations and service offerings, P3 alliance will operate a capacity of 2.6 million TEUs on three trade lanes namely Asia-Europe, Trans-Pacific and Trans-Atlantic. - Bernama