

Westports on Course to Chart Strong Growth



Westports director Tan Sri Nik Ibrahim Kamil and Gnanalingam (right) looking at Westports' share price movement on Bursa Malaysia on Friday BERNAMA PIX

KUALA LUMPUR (Oct 21, 2013): Westports Holdings Bhd is expecting revenue to increase in tandem with growth in container volume of between 5% and 10% this year and in 2014, its top executive said.

Its CEO Ruben Emir Gnanalingam said the volume growth is a factor to revenue growth, and at a ratio of almost one to one.

"This year looks pretty strong, and the second half of the year will continue to show strong volume growth. This is a sign that next year is looking good as well. Our business is very much dependent on the world market itself (and) we have seen some strengths being driven by the (recovery in the) US and the UK," he told reporters after the listing ceremony of the port operator here on Friday.

Westports, partly owned by Asia's richest man, Hong Kong billionaire Li Ka-shing, is now the leading terminal operator in Port Klang with a market share of 69% of total container throughput and 79% of transshipment traffic in 2012.

The transshipment demand from various parts of the world is not confined to just between Asia and Europe, but also between Asia and the Middle East, Africa as well as Australia, said Ruben.

On competition with tycoon Tan Sri Syed Mokhtar Al-Bukhary's Port of Tanjung Pelepas in Johor, Ruben said there is enough volume of growth in the region for all port operators.

"When Westports started the container business, there were some 15 million TEUs (20-foot equivalent units) in this region, but now it has grown to 50 million TEUs. Thus, there's a lot of room to grow for everybody.

"Although we do compete with each other, the pie is getting larger," said Ruben.

Earlier, in his speech, Ruben said the port operator's growth has been "remarkable" over the past 19 years, as the group has helped revitalised Port Klang and bring it into the league of top container terminals in the world.

He gave a special mention to his father, Tan Sri G. Gnanalingam, the founder and executive chairman of Westports, who in the early 1990s foresaw Port Klang as a transshipment hub.

"When he first mentioned it to me in 1995, despite not knowing what the word 'transshipment' even meant, I thought he was crazy. He proved me and all doubters wrong as Westports is now one of the largest transshipment hubs in the world, propelling Port Klang to be the 12th busiest port in the world," said Ruben.

On another note, Ruben said Westports, whose IPO raised RM2.03 billion, would be a combination of both a growth and dividend play stock.

Shares in Westports debuted on Bursa Malaysia at RM2.70 on Friday, a 20 sen premium to its RM2.50 issue price. The stock ended the day up 15 sen or 6% at RM2.65, with 202.6 million shares changing hands. It was the day's most active gaining stock.

Bursa Malaysia Bhd CEO Datuk Tajuddin Atan said he hopes Westports' listing will elevate the group's profile further and qualify for the FBM KLCI, as the inclusion in the market's benchmark index will enhance the group's visibility in the eyes of international investors.

"Westports joined our marketplace as the biggest listing for 2013 (so far) and largest in terms of market capitalisation at RM8.53 billion. They have come to the right place to build their business and raise their profile regionally and, subsequently, globally," said Tajuddin.