

Muara Port Company to Enhance Efficiency of Port Operations

Over 90 percent of global trade is sea-borne, and therefore ports are vital as an enabler of trade. Vital supplies such as building materials, food products and fuel can only be provided through ports. They also support local industries enabling the economy to grow through import and export activities. In an increasingly competitive maritime industry, an efficient port operation is determined by its well-developed facilities for handling all types of cargo, a competitive tariff, a comprehensive use of information technology and a dedicated workforce. These will ensure that customers are always provided with good quality and efficient service.

The recent establishment of Muara Port Company Sdn Bhd (MPC), as the new operator for the Muara Container Terminal (MCT) is in line with the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam's objective to improve the efficiency of the container terminal and the overall logistics value-chain in the country.



The unveiling of MPC new office in Muara

The set-up will facilitate the growth in the logistics and manufacturing industries and unlock the potential of Muara Port to become a world-class international hub.

Through its initial focus on upgrading the equipment, MPC plans to improve port operation and enhance the level of port services. These include increasing the average gross crane rate from less than 20 moves/hour to 24 moves/hour; increasing the average terminal rate from 20 moves/hour to 40 moves/hour; decreasing the average berthing time from more than 16 and a half hours to 11 hours; and reducing the average time for container transfer by outside trailer from more than an hour now to just 30 minutes. In addition, the company will also focus on opening and enlarging the available route networks, increasing the transit volume, and gradually improving the influence of Muara Port. MPC plans to transform Muara Port into a regional hub by attracting international shipping companies and opening direct routes to Chinese and other Southeast Asian ports.

All these improvements along with the introduction of online permit application process, auto approval and online payment of duties under the Brunei Darussalam National Single Window and more recently the Royal Customs and Excise department's 24/7 service will enhance Brunei Darussalam's Ease of Doing Business standing in the Trading Across Borders Index.



Aerial view of the Muara Container Terminal

MPC is a joint venture between the Government through Darussalam Assets Sdn Bhd, a wholly owned company of the Minister for Finance Corporation and Guangxi Beibu Gulf International Port Group Co Ltd ('Beibu') from China, a state owned corporation of Guangxi Zhuang Autonomous Region. Apart from managing and operating ports, the Group is also involved in logistics, industry & trade, investment and real estate. Beibu visited Brunei Darussalam as part of the Guangxi Business Delegation in July 2016 and consequently signed a Memorandum of Understanding ('MOU') with Brunei Economic Development Board (BEDB) in August 2016 to

facilitate Beibu's Investment interest. In September 2016, Darussalam Assets' and Beibu signed a Key Term Sheet at the China-ASEAN Expo in Nanning, China.



The signing ceremony between Darussalam Assets and Beibu Gulf

MPC which officially took over Muara Container Terminal on 21 February 2017 will manage, operate, maintain and develop the Terminal. With Beibu's vast experience in port operations and maritime logistics, the collaboration will further enhance Muara not only as an international port but a competitive sub-regional port within the BIMP-EAGA region. The company is also expected to grow the export cargo volumes and cargo throughput at Muara which in the long-term, will benefit the small and medium enterprises in the country, through a reduction of the logistics costs. MPC will also be expanding its portfolio to include managing and operating the adjacent Muara Conventional Terminal before the end of this year bringing the entire operations under MPC. The expansion is anticipated to spur the country's economic growth in sectors outside oil and gas and create more job opportunities for Bruneians. MPC currently employs 86 people, of which 12 employees are senior management personnel from Guangxi Beibu Gulf International Port Group and 74 employees are from the previous operator, New Muara Container Terminal Services. 62 of the employees are Bruneians. As the company grows, it will seek to add more local employees in all positions.

MPC's short to mid-term plan is to upgrade existing container terminal equipment, introduce new port operational and administrative IT system, including the construction of automatic gate and implementation of CCTV system and to build a new 50,000-ton container terminal to increase the throughput capacity of the port.

With Brunei Darussalam intensifying its efforts to diversify the economy and attract foreign direct investments (FDIs), the Beibu Group is also looking at other investment opportunities to create more industrial activities as part of the ports ecosystem. The Group plans to invest in the development of industrial parks in Brunei Darussalam.



The Ministry of Finance and Beibu Gulf officials after the signing ceremony

Sea-borne trade will continue to dominate global trade flows and the ASEAN region will continue to grow providing opportunities for investment and trade. The rejuvenation of Muara port is a timely development because the port plays a vital role as a centre for the distribution of goods and products to the market. Muara port also plays an integral part of the logistics and supply chain. Hence, a fully developed and highly efficient port will not only benefit local businesses but also help to reduce transit time and logistic costs as well as improve its competitiveness.

Ministry of Finance