

## **FOR IMMEDIATE RELEASE**

# **PENANG PORT ADDS ANOTHER HISTORIC MILESTONE**

**PENANG, 8 February 2020** – The 1<sup>st</sup> of February 2021 will forever be etched in the history books as North Butterworth Container Terminal (NBCT) was gazetted as a free commercial zone (FCZ). Another historic milestone, Penang Port Sdn Bhd (Penang Port) is set to be a focal point for shipping and transshipment activities.

Penang Port is one of the oldest and established port in Malaysia and serves as the primary gateway to the Northern region of Malaysia and Southern Thailand, serving the basins of the Straits of Malacca and the Gulf of Bengal.

One of the main terminals of Penang Port is the North Butterworth Container Terminal (NBCT). The container operation is the core service for Penang Port. Penang Port's connection with containers dated back to 1974, with the first container discharged at Butterworth Wharves.

2010 was a significant year for Penang Port as it achieved one million Twenty-foot Equivalent Unit (TEUs). This achievement was an astounding leap from 1973, where it started from 516 TEUs. As of 2021, Penang Port has grown steadily to achieve a throughput of more than 1.5 million TEUs.

Before the NBCT T1 project, the total berth capacity was at 2.1 million TEUs. Upon completion of the T1 project, the overall capacity increased to 2.3 million TEUs. The increase of 200,000 TEUs will oversee the surge of berth utilisation and reduce the vessel waiting time to berth.

The process of obtaining the FCZ status was an uphill task for Penang Port. Since 2007, Penang Port has started the initiative to gazette NBCT as FCZ. It was only in 2018 when Penang Port Commission (PPC) and Penang Port finally revisited the plan to gazette the entire NBCT by requesting approval and support from Penang State

Economic Planning Unit. The gazettelement of NBCT involves ten (10) lots of land covering the total area of 83.57 hectares.

One of the most impactful activity after the gazettelement of NBCT as FCZ will be transshipment. Transshipment is the shipment of goods or containers to an intermediate destination before being taken to another destination.

Penang Port will capitalise on the newly found status to tap into the Bay of Bengal market by undertaking transshipment activities for containers moving between the Bay of Bengal and the Far-East. In the near future, Penang Port's plan is to link-up feeder operators in Bay of Bengal with mainline operators.

The FCZ will attract more traffic to NBCT and this will increase job opportunities which are very much needed during the COVID-19 pandemic.

Apart from job opportunities, the port could leverage on the FCZ status to entice investors around the world to conduct value-added activities such as break-bulking, grading, repackaging, relabeling, transit and re-export.

With the establishment of FCZ in NBCT, foreign companies will be able to use the facilities before exporting their product 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 are implemented and introduced to cater to the foreign investors.

The FCZ operations will commence on March 2021 and this will put Penang on the world map as NBCT will be able to cater activities such as high-tech warehousing and logistics facilities thus spearheading the positive economic growth in the Northern region of Malaysia.



*Photo Caption: The North Butterworth Container Terminal of Penang Port is gazetted as a Free Commercial Zone on 1 February 2021. Penang Port is one of the oldest and established port in Malaysia and serves as the primary gateway to the Northern region of Malaysia and Southern Thailand, serving the basins of the Straits of Malacca and the Gulf of Bengal.*

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### **About Penang Port Sdn Bhd**

*Penang Port Sdn Bhd is a port operator company (a member of the MMC Group) located in the Penang State, in the north-west of Peninsular Malaysia. Penang Port is the oldest and longest established port in Malaysia. The port serves as the main gateway for shippers in the Northern States of Malaysia as well as the Southern Provinces of Thailand.*

*The port is fully equipped to handle all types of cargo, such as containerised and non – containerised cargo such as liquid, dry bulk, and break-bulk.*

*Apart from cargo, Penang Port receives passengers at the Swettenham Pier Cruise Terminal (SPCT), “A Leading Cruise Destination in South East Asia.” located on Penang Island. The terminal can handle up to one million passengers a year.*

*Additional information can be found on [www.penangport.com.my](http://www.penangport.com.my)*

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### **About MMC Corporation Berhad**

*MMC Corporation Berhad (“MMC”) is a leading utilities and infrastructure group with diversified businesses under four divisions, namely Ports and Logistics, Energy and Utilities, Engineering, and Industrial Development.*

*Its key businesses under the Ports and Logistics division includes the port operations of Pelabuhan Tanjung Pelepas Sdn Bhd, Johor Port Berhad, Northport (Malaysia) Bhd, Penang Port Sdn Bhd, Tanjung Bruas Port Sdn Bhd and Kontena Nasional Berhad, a logistics provider. Internationally, MMC has presence in Saudi Arabia via Red Sea Gateway Terminal Company Limited, a container port terminal within the Jeddah Islamic Port.*

*Under the Energy and Utilities division, Malakoff Corporation Berhad is the largest Independent Power Producer in Malaysia and its subsidiary, Alam Flora Sdn Bhd, is one of the leading environmental management companies in the country. Under Gas Malaysia Berhad, MMC is the supplier of reticulated natural gas in Peninsular Malaysia operating and maintaining 2,468 kilometres of gas pipeline. Through Aliran Ihsan Resources Berhad, MMC provides full-fledge water services using high technology treatment in Malaysia.*

*MMC's Engineering Division has played a leading role as the Project Delivery Partner and underground works package contractor in completing 51 kilometres Klang Valley Mass Rapid Transit ("KVMRT") Kajang Line (previously known as Sungai Buloh-Kajang Line) including 9.5 kilometres underground works. Currently, MMC is the main turnkey contractor for 52.2 kilometres KVMRT Putrajaya Line (previously known as Sungai Buloh-Serdang-Putrajaya Line). MMC has also successfully completed the 329-kilometre Ipoh-Padang Besar Electrified Double Tracking Project as well as the innovative Stormwater Management and Road Tunnel ("SMART") motorway, the first of its kind, dual-purpose tunnel in the world. MMC is currently in the final stage of completing the Langat Centralised Sewerage Treatment Plant (which will serve 920,000 Population Equivalent) and Langat 2 Water Treatment Plant (which will supply 1,130 Million Litres of treated water Per Day).*

*MMC's Industrial Development Division develops and manages approximately 5,000 acres of industrial developments namely Senai Airport City ("SAC") and Tanjung Bin Industrial Park ("TBIP") in Iskandar Malaysia, Johor and Northern Technocity ("NTC") in Kulim Kedah. The SAC, TBIP and NTC developments come under the ambit of MMC's Industrial Development division, operating under three companies namely Senai Airport City Sdn Bhd, Seaport Worldwide Sdn Bhd and Northern Technocity Sdn Bhd.*

*In other business, through Senai Airport Terminal Services Sdn Bhd, MMC is the operator of Senai International Airport in Johor Bahru – the southern aviation hub and an important gateway to Iskandar Malaysia.*

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