

# Coming of a port to Pasir Gudang



With holistic facilities to cater for the nation's trades within its vicinity, Johor Port provides 32 services regionally to more than 24 shipping lines globally

**Johor Port timeline:**  
**1967 - Johor state government begins construction plans**  
**1970s - Federal Government formally gets involved**  
**1977 - Port officially begins operations**



JPA former GM Datuk Yahya Abdul Ghani



JPA former chairperson Datuk Suleiman Mohd Noor



Johor Port CEO Shahrull Allam Shah

BY SHAHEERA AZNAM SHAH

IN the mid-1800s, the Straits of Johor witnessed a thriving farming of pepper, tea and cloves along the waterways. The flurry of activities brought more ships and 'perahu' along the Johor River. During this time, the Causeway connecting Johor and Singapore had yet to be built.

Eventually, this would lead to the establishment of a port in Pasir Gudang, on the southern tip of the Peninsular Malaysia. It was the culmination of various forces at play. For one, the state of Johor played an instrumental role in the passage of commodities. Then there was the increasing trade taking place from its surrounding areas.

In the beginning, one may say that Johor was never meant to have a port that would rival neighbouring Singapore. But things took a turn, making Pasir Gudang a hive of activity.

It was no small feat for a port whose roots began in the early 1970s on the virgin shoreline of the East Johor straits. In time, Johor Port became the largest palm oil terminal in the world and the Southern Gateway multi-purpose port in Malaysia.

"Ports are a catalyst for development, a role which Johor Port has demonstrated from the onset," said Johor Port CEO Shahrull Allam Shah.

From a mere liquid terminal in 1977, the port has spurred the economic growth of its surrounding area. The port has literally transformed the sprawling 8,000 acres Pasir Gudang industrial.

## EARLY DAYS

Before 1960s, two harbours supported the trade activities in the Straits of Johor. The Segget River harbour was specifically assigned for vessels carrying opium while the Tambatan



Johor Port's tank farm for edible and non-edible liquid has the capacity of storing 1 million metric tonnes

harbour catered to Government vessels. The harbours earned substantial revenues from their import and export activities.

With the booming trade in and out of Johor, local traders had to rely on Singapore. They simply did not have a choice.

"The spirit at that time was different. In 1969 and the early 1970s, we were too dependent on Singapore. Local traders at that time had no choice even though unnecessary costs were imposed on them. It was a 'take it or leave it' situation," recalled Johor Port Authority (JPA)

vicines at more competitive prices, the natural outcome of competition.

Johor has been known as Malaysia's top rubber and palm oil producer. Situated on the east of the Straits of Johor, Pasir Gudang served as a hub for collecting and storing commodities produced by the state.

## THE PLAN

Thus, in the mid-1960s, plans for a port in Johor began in earnest. The Johor state government began construction plans in 1967, with the Federal Government formally getting involved in the development in the early 1970s.

Consultants from the UK were tasked to pinpoint suitable sites for a port. They zoomed into two locations seen as technically and economically viable: Pasir Gudang and Tanjung Pelepas. However, Tanjung Pelepas lacked the infrastructure support, making Pasir Gudang the obvious choice for the maiden commercial port in Johor. If the basic infrastructure was to be built, the state government would have to fork out an additional estimated RM155 million.

Pasir Gudang had other factors working in its favour. Take its geography, for example. It was blessed with deeper waters and an abundance of soil for reclamation.

In October 1971, the Federal Government approved the project. It was included under the Second Malaysia Plan with an initial allocation of RM30 million for the port structure and installations of the initial development programme. These included the construction of an oil jetty, a coastal berth, two ocean berths and their back-up facilities. An additional RM7.7 million was added to the initial allocation for land acquisition, road construction, electricity supplies and the purchase of mobile and floating equipment.

In June 1972, construction work began, with the aim of wrapping it up by end-1975. However, that deadline could not be met due to various factors, including inflation. The total cost of the project increased to RM46.6 million when taking into account the construction of houses and the purchase of tug-boats and lighters, according to information captured in the same coffee-table book.

With the port developing, the Johor State Economic Development Corporation launched a major development project to establish a new township and an industrial area in Pasir Gudang.

"Pasir Gudang was a small fishing village. It was just a swamp when I joined," Maarof Abas, one of the pioneer staff of Johor Port, tells *The Malaysian Reserve*. "Due to the development, the village was relocated to another area called Pasir Gudang Baru. We started with only jetties

in a small fishing village." Maarof, who joined the port management team as a clerk in 1975, is now Johor Port's head of Offshore Inspection Maintenance and Repair centre.

## PORT AUTHORITY

As the port construction gathered momentum, the Federal Government found it was essential to set up an authority to manage the port. On May 1, 1973, an interim body called the Johore Port Management Board (JPMB) was established to undertake the function.

Headed by a chairman with four members comprising senior Government officials, the JPMB was established to manage the port and provide quick decisions regarding the port operations. The board had a tall order in managing the port. To begin with, it lacked commercial, shipping and financial expertise.

JPMB was entrusted with a heavy task to organise the administrative aspects to ensure the port functions well. Two committees were immediately established to resolve internal issues: The Services Committee and Pilotage Committee. One of the challenges faced at that time was the pilotage agreement that had to be established with Singapore, as Johor Straits also encompassed the Singaporean waters.

JPMB began to gain income from activities that were carried out by a number of private jetties located within the port water limits.

"With the commissioning of an oil jetty in 1975, the revenue was increased further to RM969,784.00, a 17-fold increase compared to 1974. Cargo throughput also significantly increased during this time. Some 595,544 tonnes were handled through the new jetty," according to the book.

Starting with 31 staff in 1973, the number grew to 64 the next year. In 1975, it jumped to 300. At this point, the authority began looking into their training needs. A good number of them were sent for some form of training or another at Port Klang, Penang Port Commission or the National Planning Commission. It is reported that two senior officers were also sent to various ports in Europe for a survey and a study tour for one month.

Looking back, the history of JPA is so deeply connected to Pasir Gudang. It played a crucial role in turning Pasir Gudang into a thriving commercial port. In the process, it propelled the state as an international trading hub.

## CONTAINERISATION

The business of containerisation started growing in 1970s. Naturally, Johor Port did not want to be left behind.

In an interview with *New Straits Times* in 1985, former JPA chairperson Datuk Suleiman Mohd Noor noted that they had forged ahead with the development of the container terminal not merely to join the bandwagon, but after a careful study which showed that it was viable. At that time, they realised they were small. They also realised that they were a relatively new kid on the block. But they gave their 'total commitment' to ensure success. Its containerised berth received the first container in 1987. To cater for the next stage of its evolution, it was privatised in 1993.

## JOHOR PORT TODAY

And success did follow. Today, Johor Port is certainly one of the treasures of the state.

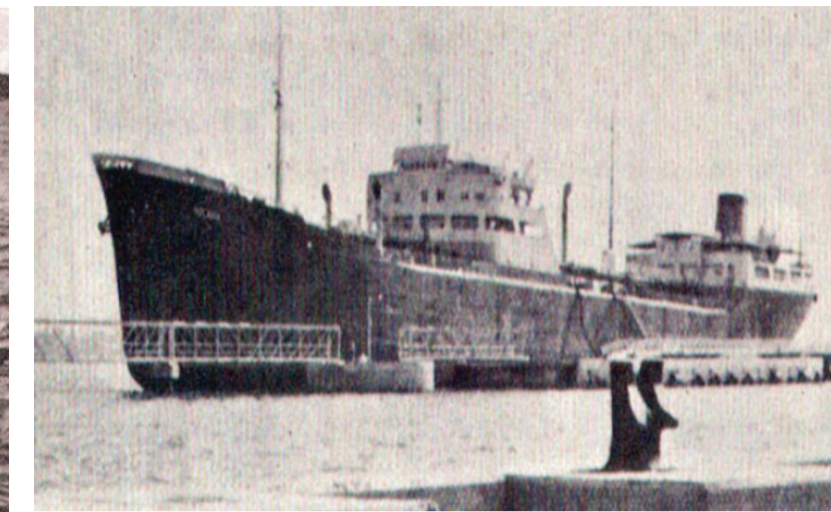
Shahrull said Johor Port continue to be the catalyst for development of the Pasir Gudang industrial area as well as spearheading the development of the 5,000 acres Tanjung Langsat Industrial Estate.

"We will continue to play a pivotal role to strengthen the economy of the maritime industry in the Southern region," he said.

In one recent development, for example, a



The construction of a wharf



First ship docked at Johor Port on February 10, 1975



Johor Port under construction

Photo courtesy of 'Johor Port Authority: A Cruise Through Time' (2006)



The making of Johor Port's oil jetty



The late Sultan of Johor Sultan Iskandar Sultan Ismail (second from left) in a visit to the Johor Port, marking the importance of the port as catalyst to the development of the state.

unit of Petrolim Nasional Bhd (Petronas) had signed on Johor Port's unit to operate the Pengerang Integrated Complex (PIC). In essence, the deal is to provide operating equipment and systems and to manage the jetty's operations and maintenance.

Johor Port also operates material off-loading facilities (MOLF) in Teluk Ramunia and Tanjung Setapa.

As part of the port expansion plan, Johor Port

is developing a 82-acre inland port in Pasir Gudang which has been gazetted as a free zone area to accommodate logistic players and industries to conduct business through the Southern Gateway.

"With holistic facilities to cater for the nation's trades within its vicinity, Johor Port provides 32 services regionally to more than 24 shipping lines globally," noted Shahrull. "With more expansion plans under its belt, Johor Port



Malaysia's third Prime Minister Tun Hussein Onn visited JPA at Pasir Gudang in December 1979



Former Prime Minister Tun Abdul Razak Hussein at the ground breaking ceremony.