

PTP PLANS TO ISSUE RM1.9B SUKUK

MMC unit seeks to refinance upcoming maturity of Islamic medium-term notes taken to fund port expansion

KUALA LUMPUR

PELABUHAN Tanjung Pelepas Sdn Bhd (PTP), a unit of MMC Corp Bhd, is planning to raise RM1.9 billion from a sukuk issuance this year.

It is understood that the RM1.9 billion was to help PTP refinance the upcoming maturity of its RM1.5 billion Islamic medium-term notes programme, which was taken to fund the port's capacity expansion project.

PTP is a 70:30 joint venture between MMC and APM Terminals, a leading global ports group with a port network in 69 countries.

The Tanjung Pelepas Port in Gelang Patah was developed on a green-field site that was previously a small fishing village. It has since grown into one of the jewels on MMC group's crown.

PTP was now among the 20 busiest ports in the world, said Malaysian Rating Corp Bhd recently.

It has been giving neighbouring Singapore a run for its money as a leading regional port since its opening about 20 years ago.

Analysts said MMC-owned ports handled a combined 14.3 million twenty-foot equivalent units (TEUs) last year and about 55 per cent of Malaysia's total container volume in the first half of last year with 7.1 million TEUs.

Container throughput at PTP particularly grew 1.3 per cent last year.

This had contributed more than 70 per cent to the absolute net growth in the group's container throughput last year, MIDF Research wrote recently.

Industry observers said PTP was strategically important as a pivotal trade gateway in southern Malaysia.

The port's track record in pro-



The Port of Tanjung Pelepas in Gelang Patah, which was developed from a green-field site that was previously a small fishing village, is now one of the 20 busiest ports in the world.



Mediterranean Shipping Company's largest container vessel, the 'MSC Gulsun', leaving the Port of Tanjung Pelepas with a record load of 19,574 twenty-foot equivalent units on July 28 last year.

viding container and conventional cargo handling services had enabled it to generate a steady cash flow.

They said MMC's strategic partnership with Maersk, one of the world's biggest container carriers, had effectively given PTP the first right of refusal to handle cargoes for Maersk and the 2M Alliance, a shipping alliance comprising Maersk and Mediterranean Shipping Company (MSC).

MMC told an analysts' briefing recently that Maersk, its customer-cum-shareholder via unit APM Terminals, had been satisfied with PTP's operational ca-

pabilities, which could translate to a further increase in volume in the future.

PTP has become a Maersk global hub, connecting the shipping giant to more than 300 ports worldwide, as well as container services and transshipment hubs for many other shipping lines.

Hence, the port has become very important not just to Malaysia but also the global chain.

PTP also boasts a free zone that offers lower costs and, ultimately, could attract more companies to shift there, particularly from Singapore.

The free zone is currently home

to more than 40 international and local companies, including warehouse owners such as DHL, Panalpina, Damco, Century and Pan Asia Logistics.

It also houses the regional distribution centres for Volkswagen, Decathlon, Coles, Target, Nike, Adidas and Steinhoff, among others.

PTP also provides marine facilities for all vessel traffic going through its waterfront limit, including tug boat services, pilotage services and ship-to-ship services.

To date, PTP has handled 122,000 vessel calls since 2000 and operates marine services with nine tug boats and three pilot boats with a team of 45 internationally qualified pilots.

Industry observers said strategic partnerships established with 2M Alliance and Ocean Alliance had boosted PTP's business growth and existing relationships.

Overall, PTP saw volume growth for transshipment and local cargo with 9.1 million TEUs handled last year.

The PTP free zone, which is part of the terminal ecosystem, recorded a significant 15 per cent increase in volume compared with the preceding year with nearly all sites taken up.

A significant milestone was achieved when PTP became the first and only port in Southeast Asia to welcome MSC's latest and largest container vessel in the world as part of its maiden voyage in the region.

The historic calling of *MSC Gulsun* led to another world breaking record, when the vessel left PTP on July 28 last year with a record load of 19,574 TEUs, surpassing the previous record load of 19,284 TEUs set by *Monaco Maersk* the month before.

Industry observers also said that PTP had yet to be affected by the Covid-19 pandemic and the imminent global recession.

Nevertheless, they said the port was ready for the challenging landscape by leveraging its inherent strengths, such as its strategic location and proven track record.

It will also continue to embrace digitalisation and innovation to enhance the value proposition offered to customers.

PTP, in a bid to remain competitive and in search of higher efficiency and productivity, has been undertaking some progressive automation and digitisation work.

This covers operations facilities, support facilities and infrastructure, and systems upgrade.