

# 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



Johor Port Authority former GM  
Datuk Yahya Abdul Ghani



Johor Port Authority former  
chairperson Datuk Suleiman Mohd  
Noor



Johor Port head of offshore  
inspection maintenance and repair  
centre Maarof Abas

BY SHAHEERA AZNAM SHAH

THE establishment of a port in Pasir Gudang, on the southern tip of the Peninsular Malaysia, 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 shore line 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.

## EARLY DAYS

Since the early 20th century, 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.

In the mid-1800s, the Straits of Johor developed further with the farming of pepper, tea and cloves along the waterways. As a result, more ships and 'perahu' were seen along the Johor River. During this time, the Causeway connecting Johor and Singapore had yet to be built.

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 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,



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

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 much 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) former GM Datuk Yahya Abdul Ghani in an interview for JPA's coffee-table book entitled 'Johor Port Authority: A Cruise Through Time'.

Naturally, the idea of building a port in Johor became a pressing need. For a start, a port in the southern Peninsular of Malaysia will resolve the cargo-laden traffic congestion on the Causeway. It would also make Malaysia less dependent on

the trade route and services offered by Singapore. As a potential solution closer to home, it would provide them with services at more competitive prices, the natural outcome of competition.

## 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 places for a port. Their survey and research zoomed into two locations seen as technically and economically viable: Pasir

Gudang and Tanjung Pelepas. However, Tanjung Pelepas lacked infrastructure support, nudging them towards Pasir Gudang as the obvious choice for the maiden commercial port in Johor. If the basic infrastructure were 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 soil for reclamation.

In October 1971, the Federal Government approved the project. It was slotted under the Second Malaysia Plan with an initial allocation of RM30 million for the port structure and installations of the initial development programme. This 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 housing quarters and the purchase of tug-boats and lighters, according to information captured in the same coffee-table book. The port officially began operating on July 16, 1977.

With the port coming up, 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 staffs of Johor Port, tells *The Malaysian Reserve*. "Due to the development, the village was relocated to another area called Pasir Gudang Baru."

Maarof saw the string of changes at Pasir Gudang in the 40 years that he had served the port. Today, he is still with Johor Port Bhd, as the head of offshore inspection maintenance and repair centre.

## PORT AUTHORITY

As the port construction gathered momentum, the Federal Government found it 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 oper-



ations. 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 comprised of Singaporean waters.

Economically, the board was financially handicapped. The funds were derived from the Federal Government and the port was not generating revenue. In 1973, figures shared in the coffee-table book showed that its revenue stood at RM2,661, a bulk of which came from bank interest and a small amount from shipping operations.

"In 1974, there was a time when the Board was not even able to pay staff their salaries. The monetary crisis faced by the Board urged them to generate income for itself. This was met by first declaring of the port water limits and subsequently gazetting its Interim By-Laws and Interim Tariff, Dues and Charges to enable JPMB to gain earnings from all vessels using the waterways to discharge and load cargoes.

"Established in 1974, it enabled JPMB to gain income from activities that were carried out by a number of private jetties located within the port water limits. As a result, revenue in 1974 soared and amounted to a total of RM116,479. With the commissioning of an oil jetty in 1975, the revenue was increased further to RM969,784, 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.

## PIONEER MAAROF

Maarof, who joined the port management team as a clerk in 1975, had witnessed first-hand the various changes at the port.

"When I joined, there were only four jetties to handle palm oil. The rest were still under development. At that time, Johor was known as a palm oil producing state and a lot of Federal Land Development Authority's (Felda) palm oil cargoes were docking at our jetties. Thus, our initial business came from Felda-Johore Bulkers Sdn Bhd," he said.

In the beginning, response from shipping liners was lukewarm. Slowly, its reputation grew, attracting more and more of them.

"After the successful opening of the port in 1977, we started developing the infrastructure and the warehouses. Then, we slowly increased the berth for conventional cargo.

"The first conventional cargo that came to our port was the Padiberas Nasional Bhd's (Bernas) vessel in early 1976. She came before the port was officially opened, thus the berth was just a simple berth, yet to be fully equipped," he said.

Back then, the port was known for being one of the gateways to Sabah and Sarawak for goods from around the world.

"During the first few years after the port began operating, we handled a lot of cargo from Sabah and Sarawak. Apart from Port Klang, we were one of the major gateways for them to receive goods from the Peninsular.

"We started with only jetties in a small fishing village. Now, the port has turned into one of Johor's treasures," he beamed with pride.

Hailing from Negeri Sembilan, Maarof had only served Johor Port throughout his working life. As the port grew, he grew along, getting opportunities to climb the management ladder.

"I have been with the port for almost 42 years now. I have experienced many departments within the port and many designations. Throughout my service, I have managed to earn



The construction of a wharf



First ship docked at Johor Port on February 10, 1975



Johor Port in construction



A view from a small jetty in Pasir Gudang



Malaysia's third Prime Minister Tun Hussein Onn (formerly known as Datuk Hussein Onn) visited JPA at Pasir Gudang on December 1979

a Master's Degree and took up logistics related courses from notable institution," he said.

Looking back from when he first started, Maarof said there were various infrastructure improvements at Pasir Gudang that can be linked to the port.

"The accessibility to work was a bit of a hassle. I still remember, in order to come to Pasir Gudang, you had to wait for the bus provided by the port. If you miss the bus, it is a 'non-working' day for you," he said.

## CONTAINERISATION

Containerisation took the shipping line by storm in 1970s. Hence, Johor Port did not want to be left behind the curve. Its containerised berth received the first container cargo in 1987.

"The containerisation of our berth was one of the turning points in our history. When we first

started in 1987, it was not easy to bring a container vessel here, because you need to consider many things.

"In order for international shippers to dock at a port, they need to recognise the port as a container loading port. So, it took us around two years to get the container terminal status," said Maarof.

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.

And success did follow. Today, Johor Port is

certainly one of the treasures of the state and was privatised in 1993.

"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 Johor Port CEO Shahrull Allam Shah. "With more expansion plans under its belt, Johor Port is poised to be the Asean Gateway in the southern region."

Today, Johor Port Bhd is a subsidiary of MMC Port Holdings Sdn Bhd, Malaysia's largest port operator.



The construction of oil jetty

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