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## **BEBC SABAH TO PROMOTE SAPANGAR BAY CONTAINER PORT AS BIMP - EAGA HUB PORT**

The BIMP-EAGA Business Council (BEBC) Sabah chapter will work with Sabah Ports Sdn Bhd (SPSB) to establish Sapangar Bay Container Port (SBCP) as the hub port for the EAGA region. BEBC Sabah Chairman, Mr. Carl Moosom further stated that it will recommend SPSB to helm the Sea Linkages working group under the BIMP EAGA Transport Cluster; the think tank dedicated to strengthen EAGA's connectivity goals. The proposed appointment is in line with the cluster's strategy to create an integrated and attractive sea network within the EAGA region.

According to Moosom, building greater connectivity and sea linkages is key towards increasing cargo movement, expanding export base and tapping into unrealized cargo potential. SBCP being in the heart of BIMP-EAGA has great potential to be the hub port however it needs to be re-developed with the adequate infrastructure and incentives to attract liners. As the SBCP expansion plan is underway, SBCP's future capacity and productivity will increase thus strengthening SBCP's position as the hub port for BIMP-EAGA.

In relation to China's announcement at the BIMP-EAGA Ministerial Meeting held at Kuching, Sarawak in November last year, where it would make available a working capital loan of USD 5 billion for EAGA government supported program, Moosom said "BEBC Sabah is desirous to tap into China's loan facilities and put our focus in making the Sapangar BIMP-EAGA Hub a reality.

Both Darwin Port, Northern Territory, Australia and Muara Port, Brunei are operated by China. Sabah is directly along its maritime route and this is where BEBC and SPSB can collaborate in promoting access and connectivity to the Australian and New Zealand markets. This can be done through a collaborative approach where smaller EAGA ports can use SBCP as the hub to enter these markets."

China together with Northern Territory of Australia are EAGA's strategic development partners and are given seats in BIMP EAGA assemblies.



BEBC will further push for a proposed “subsidized port tariff” accorded to all vessels trading within designated BIMP- EAGA gateway ports. A similar arrangement was rendered by Bitung Port, Sulawesi, Indonesia to a Philippines liner where it offered a 50% subsidy when the liner sailed its maiden voyage to Bitung Port carrying cargo from Vietnam. The Philippines government further reduced port fees by 30% when the liner reached Davao Port, Philippines.

Apart from SBCP, ports of Tawau, Lahad Datu and Sandakan are all ports of connectivity in the EAGA chain and have long - established ties in regional trade. Non-conventional sized ships used by barter traders such as kumpits or smaller sized ships regularly operate at the east coast of Sabah and in order to facilitate this growing trade, proper jetty infrastructure as well as a harmonized regulatory requirement must be in place to ease compliance considering these businesses are continuing to grow and are dominant in the east coast.

Currently BEBC has enlisted 6 priority project that it will champion for Sabah which it hopes to gain the support of the EAGA government as well as counter parts, namely the Sabah – Palawan Roll on/Roll off (RORO) Ferry connectivity, Sandakan - Zamboanga RORO Ferry connectivity, Tawau - Tarakan Barter Trade Route, Menumbok - Labuan- Muara Ferry Services, Kota Kinabalu Port as a dedicated BIMP EAGA Cruise & Fly Terminal Hub and SBCP as a BIMP EAGA Transshipment Hub.

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