



Xu Wei (middle) holding up the signed Strategic Collaboration Agreement in Qingdao, China while in the right photo, Fredian (middle) is holding up the signed document taken in POIC headquarters in Kota Kinabalu.

## POIC on map of China's giant port group

KOTA KINABALU: Sabah's ambition to becoming the region's logistics hub takes a huge step forward with a link-up with China's Shandong Port Overseas Development Group, the biggest port operator in the world.

With the signing of a Strategic Collaboration Agreement here Wednesday, Sabah's State-owned POIC Sabah Sdn Bhd and its industrial park and ports in Lahad Datu are now in the company of a global logistics player that marks a major step towards realising its vision as the hub of logistics, resource amalgamation and manufacturing of the BIMP-EAGA region.

Notable in the context of POIC Lahad Datu's vision for global logistics connectivity is the fact it is now linked to Shandong Port Group's 313 shipping routes, of which 173 are international, 113 Regional Comprehensive Economic Partnership (RCEP) national port routes and 84 Belt and Road member port routes.

The signing was the second for POIC Sabah since last Friday when it signed a similar collaboration agreement in Kuala Lumpur with the China Construction Bank Corporation (Malaysia) Berhad.

Shandong Port Group has under its wings four sizable port groups along China's eastern seaboard. They combine for an annual cargo throughput of 1.9 billion metric tonnes and 30 million

TEUs. (Sabah's annual cargo throughput in 2021 was 31 million tonnes and under four million TEUs).

POIC Sabah Chairman Datuk Seri Yong Teck Lee likened the company's strategic position as being "on the shoulders of a giant" and expected the tie-up to have major contribution to Sabah's development and efforts to draw in foreign investments.

On the latest signing, he said the business-to-business contact will help to enhance diplomatic relations between Malaysia and China, as well as the established people-to-people connections.

Yong, who witnessed the ceremony, added: "The sheer size and business reach of the Shandong Port Overseas Development Group are invaluable assets for us.

"What we believe we can offer is a good industrial park with a comprehensive port infrastructure, located in a region with extremely rich resources, promising markets and served by an increasingly important Lombok-Makassar shipping super highway.

"We are looking to develop our port as a network port of the Shandong Port Group.

"Our POIC Lahad Datu industrial park can grow to serve as a cargo consolidation and break-bulking hub, creating access to markets and territories in our region of about 78 million people."

Meanwhile, POIC Sabah Chief Executive Officer Datuk Fredian Gan said the link-up with a major China port operator augurs well for the company as it moves towards opening up the port to serving customers other than investors at POIC Lahad Datu.

Gan signed the collaboration agreement on behalf of POIC Sabah, while Shandong Port Overseas Development Group was represented by its Deputy General Manager Xu Wei.

Zhang Quan Cheng, Chairman of Shandong Port Overseas Development Group, described the Collaboration Agreement as a "win-win cooperation."

He said the Shandong Port Group's combined throughput from its four ports - Qingdao Port, Rizhao Port, Yantai Port and Bohai Bay Port - is the world's highest, and is growing into a world class international port operator and integrated logistics supply chain service provider.

He said the Group has sizable port and related logistics businesses in countries in, among others, Southeast Asia, South Asia, the Middle East, Europe and West Africa.

Acknowledging POIC Lahad Datu as a major project helping to accelerate growth in East Asean, Zhang said:

"(We) will take this signing as an opportunity to work with POIC to optimise its advantages and promote business cooperation."