Amann Shipping, the National Shipping Line for Better Connectivity and Regular Sailing Schedule

Padian 1 vessel owned by Amann Shipping

The ASEAN region with a population of more than 600 million people is a thriving economic and trading hub. Located within one of the most important shipping lanes of the world, the region produces and carries out large amount of cargoes each year from bulk commodities, vessels and machinery to liquid cargoes like crude oil and chemicals.

This has led to a rapid development of sea ports in the region. Today, the region's

well-developed port infrastructure are among the top, most efficient and busiest in the world and they have provided an effective supply chain network to ensure the movements of goods and supplies around the region and beyond are not interrupted along these shipping lanes.

For Brunei Darussalam, the potentials of the maritime transport and logistics sector are yet to be fully unlocked. As a consumer nation, Brunei Darussalam is a market for foreign goods where majority of consumer products is imported. The country's dependence on foreign vessels to bring in goods into and also to export our goods from the country has resulted in our local businesses paying higher freight charges as compared to other economies in this region. The other challenge faced by local businesses is when goods are imported into the country, the private shipping lines would normally have to make other port calls in the region to maximize available freight spaces before discharging their cargoes at Muara port. This arrangement not only prolongs the sea journey but also adds extra cost to the final price of the goods which the local consumers have to bear eventually.

The national shipping line, Amann Shipping was established in May 2014

In order to address the high logistic costs and improve connectivity, the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam has decided to set up a national shipping line. Marzuq Holdings Limited (Marzuq), is a joint venture company between the Ministry of Finance's Strategic Development Capital and Go-Wide Shipping Holding Limited from Hong Kong which was incorporated in May 2014. The joint venture is another significant effort to speed up the country's economic diversification programme and to create new employment opportunities to the local people. Marzuq's operating company, Amann Shipping Group Sdn Bhd (Amann Shipping) was set-up in July 2014 to assist in developing the shipping industry in Brunei Darussalam and also to act as a platform to improve the import and export sectors. Subsequently its container liner subsidiary, Amann Shipping Container Line Sdn Bhd was established in December 2014.

With the setting up of the national shipping line, the freight and logistic costs in the country could be further reduced to create a more competitive logistics industry that will promote the development of local businesses and attract more foreign direct investments. It is also hoped that the local freight forwarding companies will respond positively by lowering the costs on their part, to satisfy their customers and build long term relationship with them. This could be achieved by coming up with different logistic solutions, offering value added services and improving their internal efficiency.

Amann Shipping is also expected to offer better connectivity and a more regular sailing schedule between Muara and other ports in this region. The establishment of Amann Shipping along with other measures taken by the Government under the Ease of Doing Business initiatives are expected to benefit local businesses including FDIs and the SMEs and help to increase trade activities among ASEAN member countries. The planned extension of the berthing area of the Muara Container Terminal and reduction of port charges recently are also expected to make Brunei business environment more conducive to foreign investors to set up base in the country. With improved connectivity, service efficiency and competitive logistic and transport costs, could significantly reduce the cost of doing business in this country.

The new shipping line is expected to boost industrial and commercial activities by increasing the import and export activities at Muara port. The local service and logistics industry which include pick-up, storage, handling, delivery and transportation services also stand to gain from this initiative. This will further contribute to the development of Muara Port as a regional hub for maritime transportation in the future.

Amann Shipping Container Line Sdn Bhd (ASCL) currently employs eight (8) locals comprising two (2) executives and four (4) management personnel. With the expansion plan in the pipeline, the company is expected to provide more local jobs as it continues to grow in the coming years and take centrestage in the regional maritime industry.

For more information about the company and its services, you may visit their website at www.amannshipping.com or contact: Mr Lorne Lei, General Manager lorne.lei@amannshipping.com or Haji Khairul Jalil, Deputy General Manager khairuljalil@amannshipping.com.

Ministry of Finance