

Universiti Teknologi MARA

**“The Strategic Potentials of
Tanjung Langsat Port”**

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EXECUTIVE SUMMARY

The study which is part of the fulfilment for an Executive Masters of Business Administration at Universiti Teknologi MARA, Malaysia, is trying to uncover the strategic potentials of Tanjung Langsat Port Sdn. Bhd. The company is incorporated under Malaysian Company's Act 1965, is the subsidiary of Johor Corporation Berhad, the State Government of Johor, Malaysia.

A SWOT analysis and a Customer Satisfaction Survey are conducted among port users. The survey is designed to understand the expectations, needs, wants, and demands of port users in terms of services and facilities offered by various ports. By using the primary and secondary data obtained, and the interviews with port users and authorities, analysis were made to understand the level of importance and the satisfaction level that port users are currently getting from the services offered by the neighbouring ports. The perceived importance and satisfaction levels from the survey, and the gap that exist between these two, creates an opportunities for the new Tanjung Langsat Port Sdn. Bhd. to maximize its potential.

At the end of this study a proposal and recommendation is forwarded to the company to further develop the business and corporate level strategies which after further fine-tuning can be adopted by the company to develop functional business strategies to ensure the success of another government privatization port in the country.

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

The strategic potentials of Tanjung Langsat Port which is the focus of this study is designed for Tanjung Langsat Port Sdn. Bhd. (TLP) with the objective of assisting the management of TLP to achieve the company's vision as the main specialized port in the ASEAN region.

This ambitious and farsighted marine infrastructure project undertaken by the subsidiary of Johor Corporation Berhad has one primary objective, that is, to ensure the success of this major investment project. The corporation is venturing in the new industry ventured, that is, in the specialized port services. The port which is developed on demand driven basis is scheduled to be fully operated in the year 2005.

The development of this port is in parallel with the national, regional and global economic growth. After the Asian economic turmoil in the late nineties, Asian countries are experiencing a more sustainable growth of between 2.0% to 8.0%. Malaysia, Singapore, Vietnam, Kampuchea, Philippines, and Thailand are the examples of ASEAN member nations forecasted to attain more steady growth due to increase domestic and foreign demand for their goods and services and the continuous flow of FDI (foreign direct investment) and positive balance of payments. This positive economic scenario encourages the development of new international ports for the export and import activities.

The China and India economic growth has a positive impact in the regional economy. Despite the escalating world crude oil price and the threats of global terrorism, the regional and world economy continue to increase and improve due to outsourcing and multinationalism.