

UNIVERSITI TEKNOLOGI MARA

**OPTIMAL BERTH ALLOCATION
FOR TANKER VESSELS:
EVALUATING COST-EFFICIENT
QUEUE PRIORITIES
VIA SIMULATION**

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Thesis submitted in fulfilment
of the requirements for the degree of
Master of Science
(Transport and Logistics)

**Malaysia Institute of Transport
(MITRANS)**

March 2022

ABSTRACT

All parties involved in maritime supply chain are striving for supply chain efficiency. Vessels arrive at the port over time and aim for departure within a specific time frame. Problems with berth allocation were investigated, and a methodology was devised to reduce departure delays and total service time, endeavour to reduce demurrage as penalty cost. This study is being carried out in response to recent massive congestions from an Oil and Gas refinery terminal in one of Malaysian safe ports which have been caused by a boom in oil trading and fuel bunkering. This issue isn't just been highlighted due to the penalized cost which incurred but also to show the hindsight of congestion towards vessels' safety. This study presented a multi-objective continuous berth allocation improvement model with priority to address this issue. On the basis of an examination of berth waiting time, the suggested model investigated the relationship between arrival and queue priority of calling vessels, and generated weight vectors for demurrage penalty cost. Simulations on models were used to compare and verify different parameter techniques on their upshot to the overall terminal performance. Further analyses were done to determine the influence of the demurrage cost ratio between priority based on vessel arrival, cargo size, and demurrage rate on waiting time in line. Aside from this research, various supply chain inefficiencies and reasons of demurrage costs have been examined for future improvement, along with potential solutions. However, because these solutions have been noted to be of long term planning, the vessel queue priority models can be used as an immediate solution to reduce waiting times and save money, hence improving supply chain efficiency and profitability.

Keywords:

Simulation model, berth allocation, waiting time, queue priorities, demurrage, tanker vessels

ACKNOWLEDGEMENT

In the name of Allah, the most gracious and most merciful. My expression of gratitude to Almighty Allah for His endless blessings throughout this wonderful Masters' Degree journey.

First and foremost, I would like to express my sincere gratitude to my main supervisor, Associate Professor Ts Dr S. Sarifah Radiah Shariff who provided me an opportunity to conduct this challenging research, for her continuous support, for her patience, motivation and immense knowledge. Her guidance helped me in all the time of research and writing of this thesis. Also, I would like to thank my co-supervisor, Dr Abdul Khabir Rahmat for his insightful comments and encouragements. I wish to extend my gratitude to my former supervisor, Dr Shahrin Nasir for his support and engagement throughout the learning process of this master thesis.

A very special thanks to my family. No words can express how thankful I am to my beloved late father; Allahyarham Zolkefley Md Jadi, and my one special beautiful mother; Pn Norliza Abu Bakar for all the love, support and sacrifices that they've made on my behalf. I am indebted to them who has stood by me through all my travails, my absences, my fits of pique and impatience. Their prayers for me was what sustained me thus far. My sincere thanks to my beloved husband, Faiz Othman for his encouragement, ideas and prevented several wrong turns. Special and profound thanks to my brothers; Mohd Khairul Ikhwan Zolkefley, Mohd Khairul Izhar Zolkefley and Dr Mohd Khairul Izamil Zolkefley whose personal support in my academic and career endeavours that inspires me.

I wish to thank my colleagues be from the refinery, terminal and from the headquarters of this Oil and Gas industry whose assistance was a milestone in the completion of this thesis. May Allah shower the above cited personalities with an endless success and honour in their life.

Thank you.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter starts with the global scenario of growing maritime transportation in vessel chartering in Malaysian Oil and Gas Industry, then it is narrowed down to the efficacy of vessel berthing allocation for more productive berthing arrangements. This writing will be followed by the significance of the few elements that contribute to the cost saving of chartering period. Next, problem statement, objectives of research and questions of research are presented. Scope and significance of the study are also presented in this chapter.

1.2 Background of the Study

With over billions of tonnes of products transported by sea each year, maritime transportation is one of the most essential modes of freight transportation. Maritime transport, which accounts for more than four fifths of global merchandise trade by volume, remains the backbone of globalised trade and the manufacturing supply chain, reflecting changes in the global economy and commercial activity. As far as the world is concerned on the more globalised and interlinked, international logistics and maritime industries are experiencing challenges as well as enjoying greater business opportunities.

In this regard, transportation is becoming a more strategic business function because transport costs are accounting for a larger percentage of the cost of goods sold. In addition, delays in transit time can undermine enterprise performance, affecting the organization's competitiveness. Consequently, ports are now seriously exploring the potential of the supply chain management concept. Effective supply chain management is an essential strategy for enterprise success in global and e-markets to get products to market faster and at a minimal total cost.