

# Merge, Dr M tells local shipping firms

*Pray...*

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ULSAN: Datuk Seri Dr Mahathir Mohamad has called on more Malaysians to venture into international shipping and advised small shipping companies to merge for greater efficiency and viability.

The Prime Minister would also like to see ship-building skills and capacity upgraded as shipyards are finding it difficult to cope with increasing orders for new ships.

Dr Mahathir said this at the naming and delivery ceremony of *Bunga Pelangi* in South Korea yesterday. The 59,697-ton container has brought the number of ships in the Malaysian International Shipping Corporation's fleet to 51.

The Prime Minister said Malaysia's industrial development should be matched by corresponding growth in the transport sector, particularly in shipping services.

Such services were essential

for the efficient transportation and delivery of Malaysian exports at economic rates so that they could remain competitive.

He said Malaysians should not be content with operating always in the relatively sheltered domestic sector.

"They should treat participation in domestic shipping as a valuable learning experience from which they should aspire to graduate into the more challenging and competitive area of international shipping," said the Prime Minister.

"For this purpose, the small shipping companies should consider merging, or form consortia with other shipping companies, local or foreign, for greater efficiency.

"There is no reason why Malaysians should not succeed in shipping. We have a maritime tradition and our training facilities are capable of producing competent and properly trained seamen who meet the standards set by the Interna-

tional Maritime Organisation."

He said Malaysia had shipyards but lacked the capacity or expertise to build very large or sophisticated ships.

"However, I believe we can upgrade our ship-building skills and capacity. In this respect, the recent acquisition of Malaysia Shipyard and Engineering (MSE) by a consortium led by MISC is a very significant development," he said.

"MISC's involvement in shipbuilding and repair is a logical development in its desire to diversify its operations."

Dr Mahathir is confident that under new management the fully privatised MSE could grow and develop into a major ship-builder.

The Prime Minister said it was clear that shipyards were facing a shortage of capacity and were finding it difficult to cope with increasing orders for the construction of new ships.

He said MSE could play an important role in helping to meet the growing demand for ship-building capacity in the region.

He described yesterday's ceremony as another concrete step in promoting closer commercial ties between Malaysia and South Korea.

He was aware a variety of sound business ventures had blossomed to the benefit of the two countries over the years.

"It is encouraging to note Malaysia has been listed as the most popular investment centre in the region by the South Korean Association of Marketing Industry," he added.

Dr Mahathir said the Sixth Malaysia Plan was designed to promote the greatest amount of private investment possible.

He said the plan was an assurance to foreign investors that the government would continue the existing liberal policy on equity requirements for foreigners.