

Merge, Dr M advises small shipping firms

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From
Lim Thow Boon

ULSAN, Sat. — Prime Minister Datuk Seri Dr Mahathir said today called on the small and low capitalised Malaysian shipping companies to consider merging or forming consortiums with other shipping firms, local or foreign, for greater efficiency and better viability.

"There is no reason why Malaysians should not succeed in shipping," he said during a ceremony marking the naming and delivery of *Bunga Pelangi*, a Malaysian International Shipping Corporation container ship, by him and Datin Seri Dr Siti Hasmah.

He said Malaysia had a maritime tradition and its training facilities are capable of producing competent and properly trained seamen to meet the standards

set by the International Maritime Organisation.

"These facilities can be expanded to meet the increasing demand for trained seamen not only in Malaysia but also in the region," he said.

The *Bunga Pelangi* is the largest container ship ever built, having a capacity of 4,469 TEU and will be put into the Far East-Europe service.

Built by Hyundai Heavy Industries, it is designed and constructed with the most advanced technology.

The US\$80 million (about \$216 million) ship took 18 months to build from the signing of the contract till completion.

Actual construction work took nine months using 700,000 man hours.

The ceremony, held on a cold winter morning at the HHI shipyard here, saw the ship decked in streamers and colourful banners.

Among those present were MISC chairman Raja Muhammad Ali and Hyundai founder Mr J.Y. Chung.

Dr Mahathir said it is becoming more apparent that Malaysia's shipping services have not been growing at as a rapid a pace as that shown by industrial development and widening trade relations.

Since it lacks the necessary facilities, it continues to depend on foreign shipping lines to carry the bulk of the country's manufactured products and other commodities for export, he said.

Dr Mahathir said: "Although this is understandable, especially for a developing country like Malaysia, in which international shipping is highly competitive and highly capital intensive, it is nevertheless vital that some measures be introduced to

check the situation.

"Otherwise it may negate much of the gain from industrialisation and exportation".

Dr Mahathir believed that Malaysia could upgrade its shipbuilding skills and capacity.

In this respect, he said, the recent acquisition of Malaysia Shipyard and Engineering (MSE), the largest shipyard in the country, by a consortium led by MISC was a very significant development.

He expressed confidence that under the new management the fully privatised MSE, which is said to have one of the finest repair facilities in the region, can grow and develop into a major shipbuilder.

Dr Mahathir said today's ceremony may be seen as another concrete step in promoting closer commercial ties between Malaysia and South Korea.