

Wake-Up Call for Asia

Malaysia takes the lead once again and speaks up for Asia on the European Union's unilateral move to ban single-hull tankers from its waters, which would have severe ramifications on shipping in Asia.

DESPITE the major contributions by Asia in the development of the global maritime transportation industry, it has had little say in the development of policies and measures that would have far-reaching implications on the industry. The fault lies with Asia itself – most of the maritime countries in the region like Japan, Korea, Singapore and Taiwan seem contented to watch from the sidelines as several rules and regulations were introduced rather than speak up individually or collectively on the impact of the new rules on shipping in Asia.

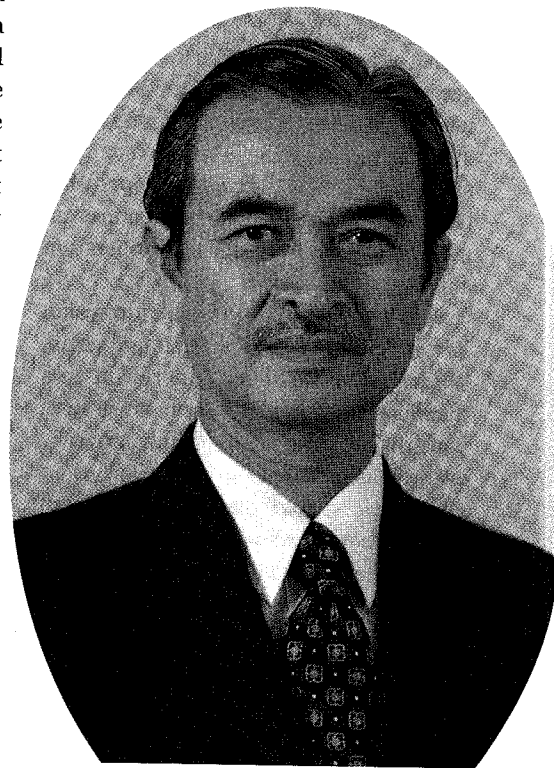
Thus, when Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi raised Asia's concerns on the unilateral measures being taken by the European Union (EU) and the United States recently, the world maritime community listened. In a hard-hitting speech at the '2nd Asia Maritime & Logistics Conference' in Kuala Lumpur, the Deputy Prime Minister lambasted the EU for acting unilaterally to ban from its waters single-hull tankers, an act, he pointed out, that would drive the tankers to Asia.

The manner in which the EU rushed to protect its own shores has created a specter of sending the single hull rejected tonnage (vessels) as ecological time bombs to Asia, the Deputy Prime Minister noted. 'I am sure the danger it poses to the EU is just as important as it does to Asia. The threat that the elderly tonnage can bring harm to the EU is just as great as it would be to Asia or to the waters in the EU, Africa or the US,' he complained to the world maritime community.

Abdullah, in his speech that was quickly welcomed by the 400 delegates from 33 countries, said the global maritime community would agree that Asia should not become a dumping pool for the elderly or poor tonnage which other parts of the world find unfit to trade in their own waters.

'I am sure that was not the intention of the EU's initiative but unfortunately that could be an unintended result. We must recognise that such a move, if not carried out with the consensus of the rest of the world, would have major implications on the entire global maritime industry,' he said.

The call by the Malaysian Government



Abdullah: His hard-hitting speech at the recent '2nd Asia Maritime & Logistics Conference' made the global maritime transportation industry sit up and take notice

to countries to desist unilateral actions to regulate the maritime industry elicited strong response from the global maritime industry.

Responding to the criticism by Abdullah, the Managing Director of the International Association of Tanker Operators Dr Peter Swift said it was a justified fear from Asia. Agreeing to the call by the Deputy Premier, Swift said the unintended results of the unilateral move by the EU would have severe ramifications on the shipping industry. 'The premature phasing out of the tankers would not only create problems of capacity but would also force owners to deploy the tonnages in Asia,' he said at the sidelines of the conference.

The fear is that with the EU acting

industry in China will ensure that the fleet will adjust to the EU's accelerated phase-out legislation by 2010'.

Abdullah's concern was strongly reflected by MASA, which felt that the importance and the role of global maritime transportation in Asia cannot be understated, as shipping lines from Asia have been recording the fastest growth in fleet in recent years.

The spate of expansion orders for new vessels being placed or taken delivery of by shipping lines such as China Container Shipping Line, Yang Ming Marine Transport Ltd & Evergreen Marine Corp of Taiwan as well as shipping companies from South Korea and Japan and, of course, Malaysia, recently are testimony to the growing aspiration of Asia to play

part of the world. The first five of the world's top container ports are in Asia. The recent ascension of ports in China, South Korea, Taiwan and Malaysia is further proof of the rapid expansion of the trade in the region and the dominant role Asia plays in the global maritime transportation sector. It is estimated that Asia handles about 47% of global trade in containers.

Asia also leads as a shipbuilding powerhouse. Asian countries like South Korea, Japan and now China have built more ships for the rest of the world than any other region in the world.

This is what irked Abdullah and the chairman of MASA; that despite the status and contributions by Asia to the global maritime industry, its opinion and

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unilaterally on the phase-out of the single-hulled tankers, these ships will instead be traded in Asia.

The chairman of the Malaysian Shipowners Association (MASA) Datuk Mohd Ali Yasin said the banned single-skin tankers are expected to find their way to Asia and potentially create problems in the region. He said it was not wise for the EU to develop its own set of rules for an industry that is international in nature.

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According to shipbroker Poten & Partners, the majority of single-hulled ships fixed on the spot market are already fixed to Asian ports as a result of the fallout from the Prestige disaster.

The broker sees a temporary shortage in double-hull panamax, but says that 'the expansion of the shipbuilding

a larger role in the global maritime transportation sector.

Closer to home, the growth of Malaysia's national fleet - Malaysia International Shipping Corporation Bhd - which boasts the world's largest LNG fleet and the second largest panamax tanker fleet in the world is strong reflection of our desire to play a bigger role in the global maritime transportation sector.

Asia now accounts for 40% of the global merchant fleet (that stands at more than 800 million dwt). Asian container shipping lines like Evergreen, China Ocean Shipping Company and Orient Overseas Container Lines have all made rapid inroads into the league of world shipping lines.

Asia supplies more than 60% of seafarers to meet global demand. Countries like the Philippines, Indonesia, India and Myanmar are among the major suppliers of seafarers to the world market.

There are more globally ranked container ports in Asia than in any other

position on a number of matters of importance to the global maritime industry have not been well heard or consulted.

Making it clear he was not against initiatives directed at greater security, safety and standard, Abdullah said: 'We welcome the intentions and initiatives to introduce such measures. We are all committed to supporting any measures that will make the world safer, more secure and one that advocates higher standards, but we must not succumb to the temptation of unilateralism that will only serve to undermine the very fabric of a global democratic system that we all cherish and protect.'

That Abdullah made his point loud and clear and spoke for Asia was not in doubt, judging not merely from the reaction of the delegates but also from a request by the London-based International Maritime Organisation for a full copy of his speech. **mb**

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