

**THE NAMING AND DELIVERY CEREMONY OF BUNGA PELANGI**  
ULSAN, KOREA, 28 DECEMBER 1991

Mr. S.I. Choi, President of Hyundai Heavy Industries; Y.M. Raja Tan Sri Muhammad Alias Raja Muhammad Ali, Chairman of MISC; Honourable guests; Ladies and Gentlemen.

I would like to thank the Chairman and members of the Board of MISC for inviting my wife and I to officiate at the Naming and Delivery Ceremony for Bunga Pelangi, the latest and largest addition to the Corporation's fleet of containerships. I had the pleasure of officiating at a similar ceremony to welcome the maiden call of Bunga Siantan to Port Kelang in March this year.

2. The Board of MISC should be congratulated on their brave decision to embark on a policy of fleet expansion and enhancement in response to the call by the Government to increase the tonnage of Malaysia-owned and operated ships in order to support Malaysia's rapidly growing industrial development and the diversification of Malaysia's trading partners and products.

3. Many new industrial ventures are currently being set up in Malaysia having been attracted by our rich primary resources, the favourable economic climate, political stability and the ready availability of trained manpower as well as good infrastructure facilities. We expect that more value-added manufactured goods will be generated by these industries for export overseas to meet the growing demand.

4. We realise that it is essential that industrial development should be matched by corresponding growth in the transport sector, particularly in shipping services which are essential for the efficient transportation and delivery of our exports at economical rates so that our exports can remain competitive.

5. In Malaysia it is becoming more apparent that our shipping services have not been growing at as rapid a pace as that shown by industrial development and widening trade relations. Since we lack the necessary facilities, we continue to depend on foreign shipping lines to carry the bulk of our manufactured products and other commodities for exports.

6. 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 will negate much of the gain from industrialisation and exportation.

7. The extensive utilisation of foreign shipping to carry our own domestic products for export is undesirable as this would exacerbate our growing freight deficit and insurance bill, the so-called invisibles.

8. In this context, I would like to see more Malaysians venturing into the field of international shipping. They should not be content with operating always in the relatively sheltered domestic sector where they are protected from competition

from foreign shipping lines by our cabotage policy. 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 arena of international shipping.

9. For this purpose the small and low capitalised domestic shipping companies should consider merging, or form consortia with other shipping companies, local or foreign for greater efficiency and in order to operate viably.

10. 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 International Maritime Organisation. These facilities can be expanded to cater to the increasing demand for trained seamen not only in Malaysia but also in the region.

11. We also have shipyards to build and repair ships. It is true that currently our shipyards do not have the capacity or expertise to build very large or sophisticated ships. Many of our shipyards limit themselves to the construction of small riverine or coastal ships of relatively simple design.

12. However, I believe that we can upgrade our ship-building skills and capacity. In this respect, the recent acquisition of Malaysia Shipyard and Engineering (MSE), the largest shipyard in the country, by a consortium led by MISC is a very significant development. 13. MISC' s involvement in shipbuilding and repair is a logical development in its desire to diversify its operations.

14. I am confident that under the new management the fully privatised MSE, which is said to possess one of the finest repair facilities in the region, can grow and develop into a major ship-builder. It is clear that shipyards are presently facing a shortage of capacity and are finding it difficult to cope with increasing orders for the construction of new ships. MSE can play an important role in helping to meet the growing demand for ship-building capacity in the region.

15. In this respect we can learn much from established shipyards such as Hyundai which is recognised as one of the largest in the world.

16. I realise that the task of up-grading and improving the shipbuilding and repair facilities at MSE, in order to be able to play a more active role in meeting the growing demand worldwide for bigger and more sophisticated ocean-going vessels, is not an easy one. This is especially so as Malaysian shipyards presently play a very small role in shipbuilding. During the second quarter of this year Malaysian shipyards took up only 0.06% of the total world order book for new ships. However, with determination, I am confident that this can be done. This could well develop into another field of activity for young Malaysians to develop skills which are in great demand world-wide.

17. Today' s ceremony may be seen as another concrete step in promoting closer commercial ties between Malaysia and Korea. I am aware that a variety of sound business ventures have blossomed to the benefit of our two countries over the

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

18. Just as the Korean Government has implemented a series of vision-oriented development plans to enable it to become the progressive and prosperous State that it is today, we in Malaysia also have a vision. We are determined to become a fully industrialised nation, as Korea is today, by the year 2020. In this direction, the strategies mentioned in our Second Outline Perspective Plan call for broad development plans to be implemented over the next decade. These plans can succeed because they are founded upon past achievements and present capacities with the principal thrust on promoting a more balanced, broad-based, resilient and internationally competitive economy.

19. Our Sixth Malaysia Plan, which outlines strategies for development and growth over the next five years, is designed to promote the greatest amount of private investment possible. The public sector will support the infrastructure needs of the expanding economy as well as meet the all-important distributional objectives of the Second Outline Perspective Plan.

20. The Sixth Malaysia Plan has a target Gross Domestic Product (GDP) growth adjusted for inflation of 7.5 percent from 1991 to 1994. Real private investment is expected to grow by 8.6 percent compared to public investment of 3 percent. By 1992 private investment is expected to make up 23.1 percent. The Sixth Malaysia Plan assures foreign investors, and that includes our friends from Korea, that the Government will continue the existing liberal policy on equity requirements for foreigners in the manufacturing and tourism sectors.

Ladies and Gentlemen,

21. The successful completion of this impressive 59,697 tons containership, Bunga Pelangi, is a fine testimony to the skills and expertise of Hyundai Heavy Industries. I therefore extend my heartiest compliments to the shipyard on their skill and capabilities.

22. I would like to congratulate MISC on the addition of this modern containership to the Corporation' s fleet. With the delivery of Bunga Pelangi the number of ships in MISC' s fleet has, I understand, increased to 51. I hope that the Corporation will continue its policy of judiciously expanding its fleet to help meet the growing demand of our rapidly developing export and import business.

23. I am confident that MISC will continue to play its role as the national shipping line in striving to be more innovative and therefore help meet the aims and aspirations of Malaysia.

24. I thank the Board of MISC for according my wife the honour of naming Bunga Pelangi.

25. I wish Bunga Pelangi and all who sail in her a safe voyage