

**THE LUNCHEON HELD IN CONJUNCTION WITH THE NAMING CEREMONY OF
PETRONAS TANKERS**

ST. NAZAIRE, FRANCE, 9 JULY 1994

I am pleased to be here at the invitation of Chantiers de L'Atlantique and PETRONAS Tankers for this morning's naming ceremony for the PETRONAS tankers.

2. Our visit to the shipyard earlier today gave us a first hand insight into French capability and technology in the ship- building business, particularly in the field of LNG tankers. I must say that we are impressed with the facilities and the capability of the yard.

3. Still, this does not come as a surprise, as we are already familiar with French technology and capability. More than a decade ago when Malaysia was planning its first Liquefied Natural Gas or LNG project, we turned to France to build five LNG tankers. These tankers are now on charter from our national shipping line, Malaysian International Shipping Corporation.

4. It has been just a little more than ten years since Malaysia made its first shipment of LNG to Japan. In this period, the French tankers have withstood the test of time. This has helped in no small measure in upholding Malaysia's reputation as a reliable supplier of LNG to our customers. We are proud of our record of more than 1,000 cargoes of unfailing delivery.

5. Built on this record, Malaysia has once again turned to French shipyards for the construction of another five LNG tankers. This speaks volumes of our confidence and respect for French capability and reliability in this specialised and high- technology LNG tankers construction industry.

6. In the area of shipbuilding, Malaysian shipyards can learn from the more experienced countries such as France. Malaysian shipyards are now coming into their own. They are gradually moving towards the construction of bigger vessels, incorporating the higher technology contents required for such vessels. Nevertheless, they still have some way to go before they are capable of building such sophisticated LNG carriers such as the ones we have seen today. No doubt our shipyards in Malaysia would value the experience and expertise of French ship-builders, especially in the highly specialised area of LNG tanker construction.

7. I understand that PETRONAS had its own project team on site through all phases of the construction right up to commissioning. Working alongside their French counterparts

provided an ideal avenue for technology transfer in the areas of tanker construction and operation. It is my hope that our people have learned their lesson well, so that the knowledge and experience can be passed on to others back home.

8. Malaysia already has a policy to reduce our dependence on oil as a main source of energy, turning to natural gas as an alternative. This policy which has been enforced since 1980, is already showing results. The power generation sector has been our initial target, and already a number of our power stations have made the switch to natural gas. We are also addressing the transportation, industrial and residential sectors.

9. The development of the LNG trade in the early sixties has made it possible for natural gas to be transported across national boundaries over great distances. Given the new emphasis on sustainable development and cleaner fuels, the future of the LNG trade is bright.

10. In 1993, global shipments of LNG increased by 2.8 per cent to 33.7 million tonnes. This figure accounted for about 24 per cent of the total traded gas volumes. With the economies of the Asia Pacific region soaring to unprecedented growth rates, there is a corresponding increase in demand for energy to fuel the burgeoning economies. It comes as no surprise therefore that the Asia Pacific region is the largest consumer of imported LNG, with trade figures totalling 23.5 million tonnes. This constitutes nearly 70 per cent of the total LNG trade.

11. This, of course, will have an impact on the tanker industry. I can anticipate a need for more efficient and reliable tankers to transport LNG to fuel the energy-hungry economies.

12. Malaysia currently ranks as the world's third largest producer of LNG. We are presently also the second largest supplier of LNG in the region. PETRONAS has also embarked on the construction of the country's second LNG project at Bintulu in Sarawak. When completed, this will see a doubling of Malaysia's LNG production to some 15.8 million tonnes per annum. This will rank Bintulu as the world's largest producer of LNG from a single complex.

13. Malaysia is a gas-rich country. We have reserves of about 80 trillion cubic feet. The recent discovery of rich gas deposits has opened the possibility of Malaysia setting up its third LNG plant. This would invariably mean the need for even more LNG tankers in the not too distant future.

14. The construction of the tankers in France, has contributed further towards strengthening the firm foundation of trade and cooperation which exist between France and Malaysia. Today's naming ceremony has put in place another stone in the foundation of economic and social ties that has been established between France and Malaysia. What we have witnessed today serves to underscore my conviction that there is tremendous potential and opportunities for further cooperation between our two countries.

15. As you may be aware, the two tankers at today's naming ceremony were named after precious stones. This is most appropriate. The tankers incorporate the most modern and sophisticated technology available in the LNG tanker industry today. When delivered, they will undoubtedly be the jewels in Malaysia's fleet of LNG tankers.

16. I would like to take this opportunity to wish PETRONAS Tankers every success in its new undertaking as owner and operator of LNG tankers. To Chantiers de L'Atlantique, I have no doubt they will continue with their good work, and that the remaining three LNG tankers will be delivered on schedule.

17. Lastly, I would like to thank all the French and Malaysian parties involved for inviting me and my wife for the naming ceremony and for this afternoon's lunch.