

**SPEECH BY YABHG TUN DR MAHATHIR BIN MOHAMAD
AT THE DINNER FOR THE INAUGURATION AS
HONORARY FELLOW OF IKMAL AT JW MARRIOT HOTEL IN PUTRAJAYA
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I am indeed honoured to have the opportunity to be present in this very special function organised for the award of Honorary Fellow of IKMAL. I wish to express my heartfelt thanks to IKMAL for making me its Honorary Fellow.

2. IKMAL is today a prestigious Maritime Professional Body in Malaysia. It has over 380 members including 65 corporate members comprising almost all the leading maritime professionals, companies and organisations in Malaysia.

3. I cannot claim to be a seafarer. Neither am I a landlubber. But one thing that I do know is that maritime activities are today so important that it can make or even break a nation.

4. Malaysia, with more than 50 ports, is steadily moving towards becoming a maritime nation. Most of our trade, now worth 200 billion dollars, is carried by ships. Historically we have had great mariners such as Panglima Awang, or Henry the Black, who is reputedly the first man in the world to circumnavigate the globe.

5. Our modern day Panglima Awang, Datuk Azhar Mansor circumnavigated the world solo in a sailing boat.

6. In the maritime industry, we should be proud to know that Port Klang with the North Port and West Port, together with the newcomer, Port of Tanjung Pelepas, are on their way to join the ranks of the top 10 container ports in the world.

7. While we reflect on our successes in maritime activities and industries, the challenges and threats to our maritime expansion are not to be taken lightly. Piracy, which threatens the security and safety of vessels using our straits is still a problem.

8. While foreign countries consider the Straits of Malacca as an international waterway, they are unwilling to bear the cost of keeping the waters clear of pollution, in particular oil, which affects the shores of our country. The Straits of Malacca may not be man-made but keeping it safe and clear for the ever-increasing traffic cost the riparian States a goodly sum of money.

9. All these only serve to compound the magnitude and importance of maritime activities to our nation. Hence the importance of the existence of bodies like IKMAL which has played an important role in promoting the industry as well as playing the advisory role to all parties involved, including relevant government agencies.

10. Last year IKMAL celebrated its 20th anniversary and I was told that the year was its busiest year yet. It was busy establishing collaborations with maritime organisations in Malaysia. It was also involved in advising government agencies in reviving the proposed ferry service between East and West Malaysia. Unfortunately attempts to make Langkawi a registration centre for yachts have not yet succeeded after almost three years.

11. IKMAL, I was also informed was co-operating with the Small and Medium Industries Development Corporation in the training and development of maritime and logistics services sector. It was also cooperating with the Regional Arbitration Centre in promoting Malaysia as the preferred Maritime Arbitration Centre in this region.

12. We are now living in the era of intense competition due to the growing globalisation of trade and shipping. The maritime industry will continue to witness both horizontal and vertical

integration as part of value adding process in response to economic growths. We need to respond efficiently and quickly if we are not to lose our position.

13. I believe that a Maritime professional body like IKMAL, would be able to play significant roles in contributing to the industries their professional views on critical issues and working in close collaboration with other maritime organisations in Malaysia and overseas.

14. I have been asked to say a few words about growth and challenges ahead for the maritime industry in Malaysia. In keeping with Malaysia's goal to become a developed country by 2020, the maritime industry must also ensure that it reaches the same stage of development.

15. Presently, the demand for global Maritime transportation presents exciting growth opportunities. The shipping, freight and charter markets have been expanding beyond expectations.

16. The new developments that are sweeping across the maritime industry create a sense of urgency for us to review and analyse our own preparedness to be more competitive in this demanding industry and to recognize the opportunities presented.

17. As said earlier, we have more than 50 ports, big and small, and each would be competing with the others to emerge as the most attractive. Competition is good in order to improve efficiency but at times the ports should also consider co-operation, so as not to duplicate the services and to make them more comprehensive. A division of labour must be considered so that investments in costly facilities are not wasted.

18. Our ports have the capacity to improve and compete with ports in neighbouring countries. We have the advantage of our own hinterland, adequate land for port supporting industries, manufacturing and processing, and generally our costs are lower. But we must develop port management to the highest degree of efficiency using the latest technologies.

19. I would not advise every State to have a port as a prestige project. But where necessary and feasible port facilities should be built to service and implement the major ports of the country. Inland posts can also do this very well. Major ports must also remember that ports are not about handling cargo and containers only. Port must provide services like bunkering, victualling, stevedoring, insurance, financing and industries involved in breaking bulk, packaging and repackaging.

20. I was also told that although we are a member of the International Maritime Organisation (IMO), we have no representatives on that body. Neither do we have a national policy on maritime insurance. And in cases of arbitration, we still have to go to London.

21. Having updated all the technical and physical needs of the industry, Malaysia must also update its maritime legal framework to ensure that efforts are not scuttled by lack of, or by outdated laws, rules and regulations. The industry should be consulted if we are going to get the best results for our country.

22. I have been made to understand that we are still using the Merchant Shipping Ordinance 1952 as a basis for legal maritime matters. The new Malaysia Shipping Act drafted years ago should have already been implemented as it is as essential as having charted the path for our maritime industry's future growth.

23. The maritime industry, shipping in particular being international in nature, calls for a legal framework that is compatible with the latest legal requirements of the international community. There should be a review undertaken by learned and competent authority on this aspect in order to stay relevant and to ensure the smooth operation of our maritime trade. Such a review should include the views of the industry.

24. Being a party to the IMO, we should endeavour to use it as a platform to further our interest or at the very least to ensure the progress of Malaysia as a maritime nation.

25. All these are essential if we want to be a serious maritime player. We still hear complaints that the local financial institutions are very selective and stringent in giving out funds to shipping industry and this has somewhat slowed down the process of promoting local players to venture into shipping business.

26. What seems to be a sound and prudent business plan can be perceived as uninteresting and risky for the institutions which are unable to visualise how the ships operate. Perhaps it would help if financial institutions have shipping experts on their staff. Shipping financing is really quite specialised.

27. On that note, I would like to thank you all for being present here today. And I would also like to thank IKMAL and the organising committee for the conferment of IKMAL Honorary Fellow.
