

SPEECH BY: DATO' SERI DR MAHATHIR BIN MOHAMAD  
( PRIME MINISTER )

EVENT: THE OPENING CEREMONY OF THE 21ST WORLD PORTS CONFERENCE (IAPH)  
AND TRADE EXHIBITION

VENUE: THE PALACE OF THE GOLDEN HORSES HOTEL, MINES RESORT CITY,  
SELANGOR

DATE: 17 MAY 1999

TIME:

I am honoured to be given the opportunity to address such a distinguished gathering of experts from ports and harbours around the world here to attend the 21st World Ports Conference of the International Association of Ports and Harbours (IAPH). I understand that this is the second time that such a Conference by IAPH is held in this part of the world over the last 30 years, the first being held in neighbouring Singapore in 1975. May I take this opportunity to thank the International Association of Ports and Harbours for giving us this rare privilege.

2. Malaysia and in particular Malaysian ports are indeed proud to host this prestigious event. The theme of the IAPH 21st World Ports Conference, 'Global Trade through Port Cooperation' is appropriate and timely as we approach the new millennium -- an era where new challenges in the political and economic environment are being unfolded in addition to intense business competition and seamless interaction and networking in trade and international relationships. It is imperative that we initiate pro-active strategies and close cooperation between the rich and the poor, the developed and the developing to ensure our survival and hopefully our prosperity. It is expected that International trade will take on new dimensions where trade transactions will be between trading blocs rather than nations and in this respect, I must congratulate the IAPH 2000 special Task Force in charting a visionary Strategic Work Plan that will foster closer cooperation among ports and harbours world-wide to meet the challenges in the next millennium.

3. The port sector has always played a major role in the development of a country's economy and this contribution is expected to increase in the future. A well-developed port infrastructure is a vital part of an efficient trading system and network. The most efficient and cheapest method of moving goods is still by sea transport. In Asia, successful and prosperous economies have actually been built simply by providing first class port services. It is worthwhile noting that

a big national hinterland need not be the limiting factor towards the growth and greatness of ports.

4. There was a time when ports were havens for ships to call to load and unload goods and to replenish their supplies of victuals and water. Today ships can circle the globe without running short of fuel or supplies. If they have to call at ports it is because they have to drop or pick up goods. As such they can pick and choose which ports they need to call at.

5. The attractiveness of ports is thus no longer due to strategic locations. They are attractive because they provide efficient and prompt services and their land and sea transportation networks enable them to have the goods delivered to their final destination and of course to receive and store the goods coming from different locations and be ready to load them on ships which call in the shortest possible time.

6. Ports are now no longer solely for the handling of ships and the freight they carry. Ports have become in themselves great commercial centres where all kinds of products are not only being received, unpacked, sorted and repacked, but actual manufacturing for exports are done. In the quest for greater trade and economic expansion more innovative use of ports and the immediate surrounding areas will no doubt be found and developed. With the expansion of Information Technology more transaction and activities will be centred around the ports and the role of sea transportation and road and rail connections. Obviously exciting years are ahead for the ports of the world.

7. Malaysia has always been a trading nation. Prior to the economic downturn Malaysia was the 17th biggest trading nation in the world. Ninety percent of our trade valued at about US\$140 billion a year was handled through seaports. Ports, the operation of ports, their location, e.t.c. are therefore vital to the economic growth of Malaysia. For this reason the Malaysian Government has been developing Port Klang, our principal port, and other ports located at strategic locations, in order to handle our trade and to help us become more competitive.

8. We have adopted numerous measures in order to attract shipping to Port Klang especially, including the relaxation of the cabotage policy, foreign equity requirement in shipping agencies, providing one-stop administrative facilities and various changes to the total port operating environment. These measures I am happy to say are yielding good results.

9. We are now moving into the 21st century and the new millennium. Malaysia welcomes the next millennium with excitement and confidence. The Information Age is upon us and we have already seen and experienced numerous changes in the way we do things. There is no doubt there will be many innovations as Information Technology (IT) is applied to the management and operations of ports and shipping. We expect to keep pace with these developments because we know that our economic well-being depends on our ability to adjust to and apply the new technologies.

10. In Malaysia we have launched a major project called the Multimedia Super Corridor (MSC). In an area measuring 15 kilometres by 50 kilometres, encompassing the Twin Towers of the KL City Centre, the new administrative capital Putrajaya and the KL International Airport, all the latest in communication and information infrastructure have been installed. Additionally, new cyber laws and administrative practices have been introduced in order to facilitate the setting up of IT-based industries, operations and researches. Already almost 300 companies, including 30 world-class companies have received MSC status and many are already operating.

11. There is no doubt that the MSC will stimulate rapid growth of the Malaysian economy. It may not generate much by way of freight but indirectly it will result in much greater trade and manufacturing in Malaysia.

12. Port Klang is just a stone's throw from the MSC and it will certainly benefit from all the new technologies and operations of the MSC. We expect IT practices and innovations in the MSC to contribute to greater efficiency of Port Klang.

13. Malaysia aspires to develop into a regional hub for transportation and Port Klang will be promoted as a load centre and transshipment hub. We aim to be the regional hub on par with other international ports like Singapore and Hong Kong.

14. I am aware that last year has been a relatively difficult year for most countries in the region. The economic downturn brought about by the regional currency crisis and stock market collapse has arrested the rapid growth of the Tiger economies. Growth in 1998 actually contracted by six percent in Malaysia. But we have been able to arrest the decline and we are back on the growth path. We expect to grow by one percent this year and five percent in 2000. Our recovery must mean better times not only for our ports but also the users of these ports.

15. Given the resilience of the Asia-Pacific region, I

am confident there are vast opportunities for growth in the port sector. However, to capitalise on the opportunities, we must also be able to deal with challenges. In an increasingly competitive environment, it is incumbent upon port operators to ensure that the needs of users are met. The Government and the private sector have been working very well together to develop the port sector and I am certain if we continue to assist each other, we can create more opportunities and devise ways for stronger cooperation. Let us therefore, continue to build upon our partnership for greater benefit and prosperity of the sector and for national development.

16. It is said that the trade in currencies is more than 20 times bigger than world trade. World trade in goods and services have created much wealth which is shared by everyone, from the unskilled worker, to the supplier of goods and services, to the manufacturers, the transporters, the port operators, the shippers and everyone. If world trade in goods and services is as big as the trade in currencies, i.e. 20 times bigger than it is now, the whole world would be prosperous. But the trade in currencies, 20 times bigger though it may be, benefits only a few thousand already rich people. In fact it has destroyed the wealth of many nations. It has destroyed much of the world's trade in goods and services. World trade can do without currency trading but without world trade there can be no currency trading. Even as you discuss ports and their operations, it is worthwhile to remember this.

17. During the course of the next few days, I note that you will be addressing and deliberating these issues which I believe are crucial to the continued survival of ports and harbours in the next millennium. The Malaysian Government looks forward with keen interest to these deliberations to ensure policies implemented in Malaysian ports are in tandem with the common aspirations of the International Association of Ports and Harbours in meeting the challenges of the next millennium.

18. On this note, I take pleasure in wishing you all a successful conference and declare the Trade Exhibition open.