

MARITIME WEEK

Not all gloom for industry: Tharman

Prospects upbeat, especially in Asia, but DPM cites short-term challenges

By ALVIN FOO

THE medium- to long-term prospects for the global maritime industry, especially in Asia, remain upbeat, said Deputy Prime Minister Tharman Shanmugaratnam yesterday as he unveiled several initiatives to boost the local sector.

But he warned that short-term challenges such as tight margins will persist, implying continued uncertainty this year.

Mr Tharman, who is also Finance Minister, told the Sea Asia conference at the Marina Bay Sands convention centre that economic uncertainties around the world continue to weigh on the global maritime industry.

But he added: "It is not all gloom. The medium- to long-term outlook for the industry, particu-

larly in Asia, remains positive."

Mr Tharman said many shipping companies have had to grapple with "depressed freight rates due to overcapacity and tight margins caused by high fuel and manpower costs" in the past year.

"The industry has also faced the challenge of meeting increased environmental standards and a global shortage of skilled maritime manpower," he added.

But Mr Tharman, who was giving the opening address at the three-day conference, also noted reasons for "cautious optimism" for regional shipping prospects.

He cited an International Monetary Fund forecast that Asian trade volumes will grow in excess of 9 per cent yearly until 2016, significantly higher than the global average of more than 5 per cent.

Container volumes in the East

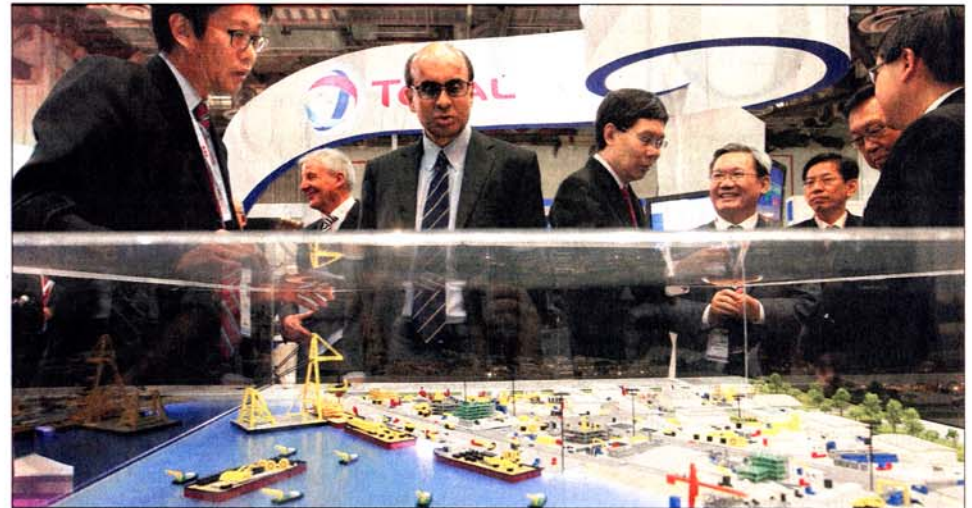
Asia-Europe trade routes are expected to grow by more than 4 per cent annually from now to 2016, while the intra-Asia container trade is tipped to expand even faster at over 6 per cent in the same period, he added.

Mr Tharman also noted that over 90 per cent of the world's shipbuilding is taking place in Asia, adding that the region's market share is likely to increase further in the coming years.

Although the global industry faces great challenges, Mr Tharman said the Government remains committed to developing the maritime sector, which accounts for about 7 per cent of Singapore's gross domestic product.

More resources will be channelled to maritime research and development (R&D), with the Maritime and Port Authority of Singapore (MPA) extending its innovation and technology fund by five years with a \$50 million top-up.

The fund was set up in 2003 with \$100 million to support R&D



Jurong Port's senior vice-president of special terminals, Mr Royston Lek (far left), showing Mr Tharman a model of an offshore marine centre at Tuas during a tour of the Sea Asia 2013 exhibition yesterday. With them are Transport Minister Lui Tuck Yew (third from left) and MPA board member Wong Weng Sun. ST PHOTO: MARK CHEONG

in maritime technology by universities, research institutes and companies over 10 years.

MPA will also introduce a \$25 million programme to offer co-funding support for productivity initiatives by maritime companies, including ship owners and operators and ship managers and agents. This will start on June 1.

Steps will also be taken to boost manpower development. They include an internship award offering high-achieving local undergraduates a fully sponsored maritime-focused internship with

local and overseas attachments.

MPA plans to put aside \$2 million for this award for about 100 interns over the next five years, and 15 international maritime firms are already keen to be host companies.

Another measure is the launch of a maritime economics concentration at the Singapore Management University's School of Economics from August.

A maritime technology professorship will also be jointly set up by MPA and the American Bureau of Shipping (ABS) at the Singa-

pore University of Technology and Design to build up its maritime education and R&D capabilities. ABS will put in US\$2 million (\$2.5 million) over two years to support this professorship, while MPA will commit up to \$2.5 million over the next five years.

MPA chief executive Lam Yi Young said: "We are pleased to work with the industry and institutes of higher learning on the new initiatives and investments in maritime R&D, productivity and manpower development."

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