

CHANGE, THE ONLY CONSTANT : EMERGING TRENDS IN PORT DEVELOPMENT AND THEIR IMPLICATIONS ON MALAYSIAN PORTS

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OBJECTIVES

- ➡ To provide an overview of global trends affecting ports.
- ➡ To highlight the challenges faced by Malaysian ports in facing the impacts of the trends .
- ➡ To stress the need for Malaysian ports to keep abreast of those trends and enhance competitiveness amid their changing business environment.

PORTS AS CRITICAL TRADE FACILITATORS

- Majority of world trade is transported via maritime means.
- Ports act as gateway to flow of goods and as a vital link in trade supply chain. .
- Competitiveness of trade-dependent nations depends on the efficiency of their ports.

SHIPPING TRENDS IMPACTING PORTS

- Trends in shipping and port sector are intertwined and influence one another.
- Among major trends in shipping are :
 - 1) Industry consolidation
 - 2) Growing shipping size
 - 3) Shipping lines being involved in logistics and port operations
 - 4) Containerization of cargo

GROWTH IN CONTAINERSHIPS

Year	Avg capacity (TEU)	Capacity of worlds largest ship (TEU)
1980	975	3,057
1990	1,355	4,409
2000	1,741	7,200
2004	1,999	8,063
2006	2,318	11,000

Source : Drewry, Lloyds Register - Fairplay

ADJUSTING TO BIG VESSELS

To host big vessels, ships need to provide :

- ➡ Deep drafts
- ➡ Ample berths with considerable length
- ➡ Adequate cranes with wide reach and manned by skilful operators
- ➡ Spacious container yard
- ➡ Adequate logistics / ancillary services
- ➡ Linkages with other transport modes

GLOBAL TRENDS AFFECTING PORTS

- ➡ Consolidation of port operations and continued investments of port operators in other ports worldwide .
- ➡ Joint investment by port operators and private companies in various maritime activities.
- ➡ Enhanced focus on security and safety.
- ➡ Increasing involvement of shipping companies in container port development.

GLOBAL TRENDS AFFECTING PORTS

- Increased use of technology and IT applications.
- The introduction of Free Zones at ports to attract industries.
- Increased focus on enhancing intermodal linkages.
- Change in the pattern of economic growth, flow of trade and production of goods.

CHALLENGES FOR MALAYSIAN PORTS

- Provide necessary features and adequate facilities, capacity and manpower to attract MLOs.
- Provide logistics services to port users.
- Integrate with other transport modes.
- Adjust to 'hub and spokes' system.
- Enhance connectivity.
- Enlarge market share by operating / investing in other ports abroad.

SWIMMING IN A SEA OF CHANGE

- ➡ Port sector will be even more competitive.
- ➡ Malaysian port owners must plan development well to justify capital outlay.
- ➡ Raising financing will be challenging.
- ➡ Ports must be developed sustainably.
- ➡ Ports must take advantage of their good location and growing intra-regional trade.
- ➡ Be competitive or be irrelevant!

**“MANAGE CHANGE OR
CHANGE MANAGEMENT!”**

THANK YOU

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