

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

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**NAZERY KHALID**

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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!”**

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**THANK YOU**

[nazery@mima.gov.my](mailto:nazery@mima.gov.my)

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