



4th Maritime Leaders Speaker Series

**Singapore and the Sea: Strategic Significance and
Opportunities for Young Singaporeans**

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DBS Auditorium, Shenton Way**



1 Mr S S Teo, President of the Singapore Shipping Association; Mr David Chin, Executive Director of the Singapore Maritime Foundation; Mr Lee Yuen Hee, Deputy Secretary of the Ministry of Transport; Mr Roland Tan, Director of the Singapore Maritime Academy; Ladies and Gentlemen.

2 I would like to thank my good friend, Mr Teo, for his kind and generous introduction. I would also like to thank the Singapore Shipping Association, the Association of Singapore Marine Industries, the Singapore Maritime Foundation, and the Maritime and Port Authority of Singapore, for inviting me to deliver this lecture. I thank all of you for being here this afternoon.

3 In my lecture this afternoon, I will attempt to answer the following three questions:

- (i) What is the importance of the world's oceans to humanity?
- (ii) What is the significance of the sea to Singapore?
- (iii) What are the opportunities for young Singaporeans in the maritime sector?

Oceans and Humanity

4 When we look at our beautiful planet from space, we are struck by the fact that 70% of the surface of the earth is covered by ocean. However, we tend to take the oceans for granted, just as we take for granted the air we breathe. Even though we live on an island, surrounded by the ocean, very few Singaporeans have paused to ask about the importance of the oceans to humanity.

5 I want to use this lecture to share with you the fact that the oceans provide humanity with the following major benefits:

- (i) The oceans are the highways for ships and shipping is very important to the world because 90% of trade is carried by ships. International trade would grind to a halt if the ships were to suddenly stop sailing and the world economy would collapse as a result of that.
- (ii) The oceans are a source of food for humanity. I know that there are some people who prefer meat to fish. However, according to the Food and Agriculture Organization (FAO), the main source of protein for humanity is not meat but fish. I use the term "fish" to include the crustaceans and shellfish, both of which are loved by Singaporeans. We cannot imagine a Singapore without fish head curry and chilli crab.

- (iii) The oceans are also a source of energy for humanity. Two of the fossil fuels, oil and gas, are found in the submerged part of our land mass, which is called the continental shelf. With the advance of technology, oil companies can now drill for oil and gas at great depth. Drilling at great depth is not without its attendant risks, as we have seen recently in the Gulf of Mexico. In spite of this incident, I am confident that the regulations governing offshore drilling will be tightened and offshore drilling will continue. I am pleased to inform you that, following the accident in the Gulf of Mexico, two oil rigs built in Singapore were rushed to the Gulf to help. These are the first two oil rigs which were given permission by the US Federal Government to drill in the Gulf of Mexico since the accident.

- (iv) The oceans provide a home for submarine fibre optic cables. Most people mistakenly think that when we make a long distance call or send data over a telephone line, the voice and data are carried to the destination by a satellite. In fact, only 5% of telecommunications is carried by satellites, whereas 95% of telecommunications is carried by optic cables which are laid on top of the seabed and ocean floor. In December 2006, an earthquake in Taiwan damaged 9 submarine cables which link Asia with the west coast of the United States. The damage took 11 cable ships a total of 49 days to repair and caused chaos for several days as telecommunications companies, including Singtel, had to scramble to try to redirect their traffic by other cable systems. The oceans are important homes for submarine fibre optic cables and without these enablers, there will be no telecommunications.

- (v) The oceans are a blue lung of the planet, absorbing carbon dioxide from the atmosphere. In this respect, the oceans perform the same function as our rain forests. Removing carbon dioxide from the atmosphere is very important because CO₂ is one of the greenhouse gases. The accumulation of the greenhouse gases in the atmosphere is leading to global warming and climate change.

- (vi) The oceans also act as a stabiliser of the world's climate system. Some scientists have recently warned that because of global warming, the temperatures of the world's oceans are on the rise. They have argued that the rising temperatures of the oceans could be a contributory cause to some unusual weather patterns, such as, more frequent and more devastating storms.

- (vii) The oceans provide us with facilities for sports and recreation. Swimming, sailing

and just frolicking on a beach brings happiness to many Singaporeans. A visit to the East Coast Park, on any weekend, will confirm this. For many people, throughout the world, being by the sea brings peace, joy and inspiration.

- (viii) The oceans benefit the tourism industry of the world. Tourism is one of the biggest industries in the world and when you think about it, many families like to vacation at beach resorts, while other people like to go fishing or for holidays on board cruise ships. In one way or another, the beach and the ocean make a major contribution to the world's tourist industry.

Singapore and the Sea

6 Let me now move on to answer the second question. What is the significance of the sea to Singapore?

7 I want to begin my answer by referring to history. I want to argue that Sir Stamford Raffles would not have founded modern Singapore in 1819 if not for the sea. In the late 19th century and early 20th century, there was a struggle between the British and the Dutch for control of the maritime trade of Southeast Asia. The Dutch was in a dominant position, having colonised the present day Indonesia. The British had founded Penang in 1786, but young Raffles was not satisfied. He was looking for a port closer to the Straits of Malacca and Singapore. Raffles was an unusual colonial official as he had very little formal education. However, he was very well-read and thoughtful. When he was in Penang, he had a Malay tutor, Abdullah, who taught him to speak and read Malay. As such, Raffles was proficient in Malay and he had read about Temasek in the Sejarah Melayu or Malay Annals. This knowledge led him to Singapore, which is strategically located at the southern entrance to the Strait of Malacca and has a natural harbour. And, the rest, as they say, is history.

8 I want to argue that the sea is of significance to Singapore in the following ways:

- (i) Trade is the lifeline of Singapore. Our trade is three times the size of our economy (GDP). Since 90 per cent of trade is seaborne, therefore maritime trade is vital to our existence and prosperity.
- (ii) Singapore has one of the biggest and most efficient ports in the world. In 2009,

Singapore was ranked as the world's no. 1 container port, followed by Shanghai at no. 2 and Hong Kong at no. 3. I should add that Singapore's port serves the whole region of Southeast Asia and even parts of South Asia. One of the services provided by the port of Singapore is fuel or bunker for ships. In 2009, Singapore was the world's no. 1 bunkering port. Our two closest rivals were Fujairah and Rotterdam.

- (iii) As Mr Teo mentioned earlier, the maritime cluster, comprising the port, shipping, maritime services and onshore and offshore marine engineering, contributes 7% to Singapore's GDP.
- (iv) This sector offers employment to 150,000 people and this is important as Singapore's social security policy is based upon full employment. Jobs are, therefore, high on Singapore's list of priorities.
- (v) Every ship has to be registered with a national registry of ships. A ship owner need not register his ship with the registry of his own country. He has a choice as to where he wishes to register his ship. Once registered, the ship will carry the flag of the country of registration. Some countries offer themselves to ship owners as flags of convenience. Singapore is not a flag of convenience. It takes its rights and obligations as a flag State very seriously. Under international law, a ship is accountable to the flag State. In 2009, according to Lloyd's Register of World Fleet Statistics, the Singapore Registry of Ships was ranked no. 6 in the world. Attracting ship owners to register with us is part of our effort of promoting Singapore as an international maritime centre. Having a substantial fleet flying the Singapore flag also gives us a significant voice in the global shipping community and in the International Maritime Organization.
- (vi) Singapore has been working hard to enhance its status as an international maritime centre (IMC). I think that most people will agree that the the world's most important IMC is London. Others include Oslo, Hong Kong and Shanghai. To work towards being an important IMC, Singapore continues to upgrade its wide array of services. The Singapore maritime cluster is home to more than 5,000 companies in the following sectors:
 - (a) shipping and port-related services;
 - (b) maritime services, including ship inspection, ship finance, marine insurance, ship brokering; maritime legal and arbitration services; and
 - (c) offshore, ship building and repair services.

The number of major shipping companies with their operational bases in Singapore has exceeded over 100 reputable international shipping companies and groups. The offshore and marine engineering sector has also made important progress. Today, Singapore accounts for 70% of the global market share of floating production storage offloading (FPSO) vessel conversion, 70% of the world market share for jack-up oil rigs, and I am very proud to add that 20% of the world market share for ship repair.

Opportunities for Young Singaporeans

9 There are many exciting career opportunities for young Singaporeans in the maritime sector. Let me suggest a few of them.

10 First, I want to highlight to the young people in the audience, especially to the women, that you can aspire to be the captain of a ship. Yes, it is true. The old superstition against women on ships is a thing of the past. If you don't believe me, I wish to introduce you to an attractive young woman among the audience, Capt Jolyn Tay. Capt Tay is the head of the Licensing and Prosecution Department, of the Maritime and Port Authority of Singapore. She mentioned to me that a seafarer's pay is good and as a seafarer, you will have a chance to see the world in the course of your work. As captain, you have immense authority and responsibility. The fate of your ship and the welfare of your crew are in your hands. Your ship may be worth between \$200 to \$300 million. How do you prepare yourself to be the captain of a ship? I think you can begin by studying at the Singapore Maritime Academy, which is at the Singapore Polytechnic. You can upgrade yourself subsequently by studying for a degree in Norway, which has one of the most leading maritime universities in the world. There is life after a career at sea, as you can see in the case of Capt Tay. Many of the land-based jobs in the maritime services sector require the operational experience of a sea captain and pay well.

11 Second, you can play a role in the design, construction and repair of ships, rigs and other vessels and floating platforms. It is truly remarkable that Singapore has such a dominant position in the building of jack-up oil rigs and FPSO vessel conversion. After all, not so many years, Houston was the world's centre for the construction of jack-up oil rigs. I remembered meeting representatives from companies at Houston one day and the federal government mentioned that if they do not nurture this industry, one day they will lose it to Singapore. To maintain our position, we need a constant infusion of talented naval architects and engineers. We need creative people to ensure that we will be at the forefront of R&D and innovation. To prepare yourself, you can consider studying for a bachelor's degree in marine technology, which is offered by the British

University, Newcastle, and our own Singapore Institute of Technology, or a degree in naval architecture or in mechanical engineering. For the benefit of the young women in the audience, I want to assure you that this is not a man's world. I was very pleased to read about Adeline Seah, an engineer working with Keppel FELS. She is their first woman to be in charge of a project, building a wind turbine vessel.

12 Third, there are rewarding careers for you to consider as a ship inspector, ship banker, ship broker, ship charterer, ship insurer, ship lawyer and even ship arbitrator. For further education, NTU and the Norwegian School of Management offer an executive MBA in shipping, offshore and finance. NUS offers a graduate diploma in maritime law and arbitration. I would like to introduce an inspiring young man, Jarrod Ho. Jarrod was in the normal stream in his secondary school. However, through hard work and determination, he managed to earn a degree in maritime business with logistics at Plymouth University. He subsequently received a scholarship from SMF and the Centre for Maritime Economics and Logistics to study for a master's degree at Erasmus University in Rotterdam. He graduated with distinction and is now working as a ship broker with Amsbach Marine.

Conclusion

13 Let me conclude. A friend from China recently asked me, what is Singapore's oceans policy? He said that he had failed to find such a statement. I will, therefore, attempt to state what I think is our oceans policy. Singapore appreciates the many benefits which the oceans provide humanity. As a responsible stakeholder, we will play a proactive role in the UN, IMO and other relevant international and regional organisations, to keep the oceans clean, healthy and safe. We want to work for peace at sea. This means that we will uphold the international law governing the oceans, especially, the UN Convention on the Law of the Sea, and ensure that all States comply faithfully with the law and their obligations. We will work with like-minded States to protect the integrity of the law and call attention to attempts by any State to deviate from and undermine the law. We want to keep shipping safe and as such, we will also work with our neighbours and the international community to protect ships from piracy, armed robbery and other unlawful acts committed to ships. Singapore's vision is a world in which the sea lines of communication will be safe, open and secure. Our vision is a prosperous world in which shipping and international trade will flourish.

14 Thank you very much.

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