

# Govt backs full opening up of shipping routes

**Hayati Dzul kifli**

**KOTA KINABALU:** The State Government fully supports a move by the Federation of Sabah Manufacturers (FSM) for full liberalisation that will make freight charges more competitive and affordable for shippers in Sabah.

Chief Minister Datuk Seri Musa Aman said the Government remains responsive to the needs and issues raised by FSM, as the manufacturing sector is one of three engines of growth identified to drive Sabah's socio-economic development and advancement.

He said the sector has seen its share of obstacles and the key among them is the high cost of doing business, including freight charges, which also negatively impact other sectors.

"Sabah's socio-economic performance is faced with challenges that confront all industries, slowing its capacity to achieve full potential. Hence, FSM and other trade chambers and associations have been regularly highlighting key issues to the State and Federal governments through various channels, including through meetings and dialogues.

"The determination of FSM and others is paying off. One example is the selected liberalisation of shipping routes between East and West Malaysia which took effect in 2009.

"So, for the next step is to go for full liberalisation. FSM has the full support of the State Government on this issue," he said.

Musa, who is also Sabah Finance Minister, said this in his keynote address when opening the FSM's 27th Anniversary Celebration or FSM NITE 2010 at a hotel here.

He said new benchmarks need to be set amid changes that are happenings in the global and regional market place due to trade liberalisation and also the national aspiration of becoming a high-income economy.

"Sabah is capitalising on her strategic location within the 60-million strong BIMPEAGA market and proximity to economic powerhouses of China, Japan, Hong Kong, Taiwan, Korea and Australia, sustainable

use of natural resources and political stability to become the region's trading hub.

"Industry innovations and efficiency in the delivery of services must be comparable to global standards. On its part, the Government will continue to formulate policies and regulations that support a business friendly environment.

"We are also committed to carrying out studies as a way to support industrialists. A recent independent study commissioned by the Industrial Development Ministry on the National Cabotage Policy is testimony of this," Musa said.

To make the National Economic Model (NEM) work, he said, a highly educated and trained workforce, sophisticated machinery in selected industries, efficiency and productivity is needed, to collectively reflect a progressive state and nation.

"To emerge as a winner in becoming a high income nation, we need to focus on key competitive human resource strategies. This will include enhancing the level of professionalism, productivity and competence among local workers in comparable to world standards.

"In this respect, there is a need for all stakeholders to identify the rights courses and training programmes to equip our workforce with necessary knowledge and skills to operate advanced infrastructure and provide manpower to industries, especially those that focus on value adding services," he said.

Musa said industrial training needs are best addressed by industrialists who understand and can identify accurately the gaps that need to be filled. With 27 years of experience, he is positive that FSM can complement the State's manpower needs for the manufacturing sector.

"I would like to see FSM's participation in providing the right industrial training which can be done in collaboration with government training institutions.

"I was made to understand that FSM has acquired a licence to operate a training institute which will be located at the Wisma FSM at the Kota Kinabalu Industrial Park," he said.