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MARITIME SECTOR IN NEED OF REFORM

By
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The maritime sector of Malaysia contributes about 40 per cent to the gross domestic product. Petronas is the biggest contributor at 14.5 per cent and the fisheries sector at 9.4 per cent. The remaining 15 per cent comes from the services sector, maritime-related industries and tourism.

Ninety-five per cent of our exports goes by sea, most of it through some treacherous sea lines of communication (SLOC) in the world, including the South China Sea, Celebes Sea, Sulu Sea and the volatile Persian Gulf.

The security of these SLOCs and the airspace over them are vital to Malaysia's economic prosperity and we need reliable partners to secure them, especially against sabotage by cyber means. There have been many incidents of cybercriminals jamming the navigational systems of ships and aircraft. Flight MH370 was a case of someone taking over the control of its navigational system.

The maritime sector is almost twice the size of Malaysia's land mass. Although it remains the first line of defence for the nation, the sea also separates the peninsula from Sabah and Sarawak by almost 2,000 nautical miles of ocean and airspace.

To reach Sabah and Sarawak, a vessel or aircraft must navigate through foreign seas and airspace. Despite its size and large contribution to the national economy and security, planners tend to ignore challenges in the maritime sector, which is our lifeline.

The challenges include poor governance of the maritime sector. There is no overarching national policy on how to manage the maritime sector. Unlike in

Indonesia, Japan, Canada and South Korea, Malaysia does not see the maritime sector as one integral part of our national territory – an extension of the landmass. There are more than 21 agencies responsible for the ocean sector, but each sector hardly communicates with the other.

An Integrated Coastal Zone Management (ICZM) policy will go a long way to minimising conflicts between the stakeholders in the coastal zone.

It is said that the next conflict in the region is likely to be at sea. The big powers are quarrelling over the South China Sea and the East China Sea. In our case, we have overlapping claims and unsettled maritime problems with Indonesia, Vietnam, the Philippines, Singapore and China. The unresolved maritime boundary disputes with the immediate neighbours could be the next flashpoint if we make no effort to nip them in the bud.

Our maritime laws are outdated. Look at the Malaysian Shipping Ordinance. We have a separate Ordinance for Sabah and Sarawak. We have not updated the ordinances. In 1984, Malaysia enacted the Exclusive Economic Zone (EEZ) Act, yet we have not produced the EEZ map. In 2006, Malaysia promulgated the Baselines of Maritime Zones Act to streamline our baselines, among others. We have done nothing to give effect to this act.

Similarly, in 2012 the government promulgated the Territorial Sea Act, yet it has not taken any steps to streamline the width of the territorial sea. There are many areas in the Straits of Malacca where the width of our territorial sea exceeds the 12-mile legal limit set in the 1982 United Nations Convention on the Law of the Sea (UNCLOS) Treaty, which Malaysia ratified in 1996. Malaysia still retains the Environmental Quality Act 1974, which contains no specific regulations on managing the environment and marine scientific research. The nation does not have policies and regulations on marine research activities, including bio-piracy by foreigners in our waters.

More than 80 per cent of pollution at sea comes from human activities on land. An ICZM governance mechanism can help coordinate the activities of coastal economic sectors (for instance, shipping, agriculture and fisheries) for long-term optimal socio-economic outcomes.

Enforcement at sea is weak. Although we formed the Malaysian Maritime Enforcement Agency (MMEA) in 2005 by a special act, its operational efficiency has been constrained. The Royal Malaysian Police (Marine Police) is not an integral part of the MMEA. With antiquated vessels from the Royal Malaysian Navy, the MMEA has not functioned efficiently. It can do with more state-of-the-art enforcement vessels. The MMEA also lacks critical air support.

Illegal fishing is rampant in our waters. Last year, the nation lost RM6 billion to foreigner trawlers hauling in our fish.

Malaysia has no proper map or chart for the maritime domain. The current map is outdated. Contrary to misconception, the 1979 map shows mainly the

continental shelf boundaries which Indonesia agreed to in 1969, and in 1970 we agreed to delimit the territorial sea with Indonesia in the Straits of Malacca. The accuracy of this map has been challenged twice in the International Court of Justice.

We should reform the maritime sector in terms of governance, enforcement and functions. An integrated national ocean or maritime policy that addresses, among others, the interface between land and sea uses is a must. To minimise overlapping functions, an inter-agency coordinating department for the maritime sector under the Prime Minister's Office should be quickly formed as a precursor to a full-fledged ministry.

Putting the major activities at sea under one roof makes sense. Canada, Indonesia, Japan, South Korea and Taiwan are among nations that have established a special ministry to oversee the activities at sea.

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