



## **Toward a New World Maritime Community: Cooperative Framework for the Future of the Malacca, Singapore Straits**

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RECENTLY, an Oscar-winning documentary called “An Inconvenient Truth” has been widely talked about. The subject of the film is the climate change caused by global warming. Former US vice president, Al Gore, plays the lead role. The film shows a series of terrible scenes caused by climate change, such as the rising temperature of the sea, submerged coasts and retreating glaciers. It provides many concrete examples of the various harmful effects on the world’s oceans, which cover about three quarters of our earth. As the documentary shows, the impact on the sea now threatens economic development. It threatens our very lives.

### **Responding to the Inconvenient Truth**

To counter this crisis, we ourselves must examine our way of living and implement the changes necessary. In particular, work in the maritime field, which is a major human activity, must be reexamined. In this field, activities which exploit the sea must be changed to efforts to protect the sea and to respond appropriately to changes. This is also true for the Malacca and Singapore Straits.

Connecting the Indian Ocean, the South China Sea and the Pacific Ocean, the Malacca and Singapore Straits have been vital for shipping since ancient times. In recent years, they have become even more important because of the economic development of East Asia, particularly China. The straits underpin the lives of many local people as well, both as a fisheries resource and as a valuable source of earnings from tourism. Maintaining navigational safety and conserving the environment in the straits not only benefit people living near the straits but the world community as a whole.

However, these long, narrow straits used by so many countries, have many chokepoints, and maintaining them is expensive. A large oil spill would rapidly and extensively damage the environment, harming local economies by destroying the fishing and tourism industries there. A spill at a critical point could even close the straits to shipping.

The traffic volume in the Malacca and Singapore Straits is four times that of the Suez Canal and more than ten times that of the Panama Canal. By 2020, we can expect a 60 percent increase in traffic. The number of vessels will rise by 50 percent, from the current number of 94,000 to 141,000. Various safety measures need to be implemented to cope with the greater safety risk due to this rise in traffic, increase in the size of vessels and diversification of the goods transported. It is estimated that introduction of these measures will cost about US\$ 300 million over the next decade. This is much greater than can be borne by the littoral states alone.

Under these circumstances, it is most significant that the governments of the littoral and user

states have been meeting to discuss the issues of the Malacca and Singapore Straits. Undoubtedly, the efforts made by the littoral states over the years are bearing fruit internationally. The meeting between government representatives in Kuala Lumpur last September was such a success. A great step forward was made toward establishing a spirit of international collaboration, both in the area of navigational safety and in the costs involved.

### **Time for the private sector to step in**

However, is it right for governments alone to solve these problems? The direct beneficiaries of the straits are private industries. The potential polluters of the straits are also these private industries. It is doubtful whether the international maritime industry can fulfill its responsibility simply by complying with treaties concerning navigational safety and prevention of marine pollution, or by using the usual methods in conducting business.

For many years, the Nippon Foundation has been cooperating with the littoral states to maintain navigational safety and environmental protection of the Malacca and Singapore Straits. The foundation would be satisfied if its efforts led to improvements in safety. On the other hand, it would be a grave disappointment if its efforts have led users to believe that they do not need to take the lead in bearing the costs. Such an attitude works against the sustainable development of maritime operations.

Maritime companies must shoulder the responsibility, based on existing concepts and laws. They have an international social responsibility for the safety and environmental protection of the oceans, as well as the countries and local communities affected by their business. This concept of corporate social responsibility is not new. For instance, in Japan, some automobile transport companies use vehicles powered by natural gas. These are expensive but emit even less exhaust than the levels set by the stringent Japanese exhaust gas regulations. Similarly, in the field of international aviation, the costs required for facilities to assist flights over Greenland are borne by the airlines using the route.

Let us consider the navigational safety and environmental conservation of the Malacca and Singapore Straits from this angle of corporate social responsibility. It is clearly the responsibility of private shipping companies to bear some of the cost of safe passage through critical stretches of the sea, rather than making littoral states shoulder the whole burden. In the case of the Malacca and Singapore Straits, companies which use the straits, and which are the principal beneficiaries should be required to fulfill their corporate social responsibility by tackling problems of safety and conservation, on the understanding that such problems are their own problems. They must do this together with the littoral states, and agree to help pay the cost.

Horsburgh Lighthouse, which stands at the eastern end of the Malacca and Singapore Straits, was constructed in 1851. It was requested, and paid for, by seafarers using the straits. This concept is important for the straits. In other words, users should collaborate with the littoral states, and help to fund and establish the necessary safety systems. History is showing us the way with this ray of light from the past.

### **Burden-sharing for the Next Generation**

I would like to offer a proposal on the allocation of costs. I have named my idea “burden-sharing for the next generation”. This concept involves collaboration and will enable us to hand down a safe and healthy ocean to future generations. A burden-sharing system would respect the littoral states’ sovereignty, realize cooperation for mutual benefit and specify the social responsibility of users of the straits. The burden would be shared equitably among the

relevant parties. Therefore, the burden-sharing system should be based on the initiative of the littoral states, with the cooperation of the user states and the contributions of the user companies.

Over 4 billion deadweight tons of shipping pass through the Malacca and Singapore Straits each year. If users paid just one cent per ton, this would raise US\$ 40 million a year. This is such a small amount that it would not even impact freight rates. Such revenue would eliminate the excessive burden borne by the littoral states, and users would be contributing to the navigational safety and environmental protection of the straits.

These are the requirements of a system that I believe is the fairest and most equitable for all parties. They cover the maintenance, management and replacement of present and future navigational aids, investments for the installation of new navigational aids and dredging operations, and capacity-building to devise policies and perform traffic control and management.

Users should pay for the maintenance, management and replacement of navigational aids because they use them. Users should also bear the costs of installing new navigational aids and dredging operations directly required for navigational safety, but user states should cover the costs beyond the level that the user companies can shoulder.

The littoral states should bear the cost of capacity building in most cases because capacity building is required to exercise their sovereignty through maritime policing. However, navigational safety and environmental protection in the area requires special equipment and the nurturing of capable staff and administrators. Therefore, user states which have relevant experience and private-sector organizations such as the Nippon Foundation should extend special support and cooperation for such capacity building.

### **Special Fund**

If this proposal is internationally accepted, then a fund for the navigational safety and environmental protection of the Malacca and Singapore Straits can be established. It should be set up by the littoral states, the users, and NGOs like us -- for the first time in history. The Nippon Foundation is willing to set up such a fund with the hope that this will be the first step of reform for the future. The Nippon Foundation will aim to establish international frameworks to distribute the costs and set up an appropriate environment. It will be based on an understanding that these straits are the forerunner of reform toward the development of a new maritime community in the 21st century. The Nippon Foundation will support the littoral states, which must play the core role in solving the problems of the straits.

Grotius, a legal scholar in the Netherlands in the 17th century, is known as the “father of international law”. He published “Mare Liberum” following an incident involving a Portuguese ship in the Malacca and Singapore Straits, basing his argument for freedom of the seas on the grounds of the non-exhaustibility and reproductive capacity of the sea. That was in the age of sail. Now, in the 21st century, free and unlimited exploitation of the sea is unacceptable.

To make marine activities sustainable, it is vital for users of the sea to cooperate with littoral states and local communities and agree to pay the costs. Four hundred years on from “Mare Liberum”, I hope a modern version of Freedom of the Seas will emerge from the Malacca and Singapore Straits based on the premise that users agree to shoulder the costs required to freely and safely navigate and to protect the environment. This symposium should be the first step towards this new community.

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*\* Yohei Sasakawa is the Chair of the Nippon Foundation. This commentary is based on his opening address at the Symposium on the Enhancement of Safety of Navigation and the Environmental Protection of the Malacca and Singapore Straits held at Hotel Nikko Kuala Lumpur, Malaysia, from the 13 – 14 March 2007.*